

BYLAWS

**Federal
Reserve
Bank of
Dallas**

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FEDERAL RESERVE BANK OF DALLAS

ARTICLE I – BOARD OF DIRECTORS

Section 1 – POWERS AND DUTIES

The business of the Federal Reserve Bank of Dallas (“Bank”) shall be conducted under the supervision and control of its Board of Directors (each, a “Director” and collectively, the “Board of Directors”), subject to such supervision as is or may be vested by law in the Board of Governors of the Federal Reserve System (“Board of Governors”). Subject to applicable law, rules of the Board of Governors and any other restrictions set forth in these Bylaws, the Board of Directors shall appoint and set compensation for certain officers of the Bank as provided for in Article IV herein and may suspend or remove any such officers.

At the discretion of the Board of Directors, the powers as set forth in this Section are delegable subject to (i) the provisions of the Federal Reserve Act, (ii) the Board of Directors’ fiduciary responsibilities, (iii) and any other provision of these Bylaws prohibiting such delegation. Bank procurement activities are generally conducted by management of the Bank within the budget guidance approved by the Board of Directors. The Board of Directors’ powers and duties shall not extend to those activities falling exclusively within the statutory authority of the Board of Governors or any other federal agency, including, but not limited to, activities pertaining to the supervision and regulation of financial institutions.

Class B Directors, except those who are affiliated with a thrift holding company that is supervised by the Board of Governors (“Affiliated Class B Directors”), and Class C Directors have the power to select and appoint the Bank’s President and First Vice President subject to the approval of the Board of Governors, and the Executive or Senior Vice President in charge of the Banking Supervision function. No Class A or Affiliated Class B Director shall receive or provide any information or advice regarding the appointment process except to the same extent as other bankers. Class A, B and C Directors shall review and approve the Bank’s overall budget and expenditures; however, Class A and Affiliated Class B Directors are prohibited from voting on or approving the salaries of senior officers whose primary duties involve Banking Supervision, and that portion of the Bank’s budget allocated to the Banking Supervision function. The Board of Directors is not involved in institution-specific supervision and regulation matters, nor does it have access to confidential supervisory information.

The Board of Directors shall have the power to appoint the Bank’s representative to the Federal Advisory Council, elect the Federal Open Markets Committee representatives, appoint certain branch office directors for the Bank’s branch boards of directors in El Paso, Houston and San Antonio (each a “Branch” and collectively the “Branches”), make recommendations on monetary policy, and provide judgment and advice from a regional perspective on credit conditions of the Eleventh District. The Board of Directors is responsible for oversight of the internal audit program of the Bank. The Board of Directors shall also establish the Bank’s discount rate every fourteen days, or more often if deemed necessary by the Board of Directors, subject to the review and determination of the Board of Governors.

Section 2 – CHAIR

The Chair of the Board of Directors (“Chair”) shall exercise such powers as may be prescribed by law or by the Board of Governors and shall preside at all meetings of the Board of Directors and shall be the chair of the Executive Committee.

Section 3 – DEPUTY CHAIR

In the absence or disability of the Chair or during a vacancy in that office, the Deputy Chair shall preside at all meetings of the Board of Directors and shall exercise such other powers as may be prescribed by law or by the Board of Governors. In the absence or disability of the Chair of the Board or during a vacancy in that office, the Deputy Chair of the Board shall serve as Chair of the Executive Committee.

Section 4 – CHAIR PRO TEM

In the absence or disability of the Chair and Deputy Chair or during vacancies in those offices occurring at the same time, the remaining Class C Director shall preside at meetings of the Board of Directors. In the absence or disability of all Class C Directors or during vacancies in those offices, the Board of Directors shall elect one of its members from its Class B directors to serve as Chair Pro Tem.

Section 5 – MEETINGS

Except as otherwise provided, the Board of Directors shall adopt annually a schedule of regular meetings. Regular meetings will ordinarily be held eight times a year on a Thursday. Adoption of the schedule will be notice of such meetings to all Directors. The Chair may call a special meeting at any time and shall do so upon the written request of any three Directors or of the President of the Bank, or, in the President’s absence, the First Vice President of the Bank. Reasonable notice of regular or special meetings shall be given by the Chair or Secretary, either by transmittal of written material or by telephone, provided, however, that notice of any meeting may be dispensed with if a majority of the Directors, in writing, waive such notice. Provided further that where notice is given as required herein, an Executive Committee meeting may be held in lieu of a Board of Directors meeting, as provided in Article II, Section 1(b), and no notice shall be required. Any regular or special meeting of the Board of Directors, or committee thereof, may be held in-person, by means of a telephone or video conference, electronic communication platform, or similar means in which the participants may communicate with each other and any business may be transacted during such conference which could have been transacted at any other meeting of the Board of Directors or committee thereof.

Section 6 – QUORUM

A majority of the Directors shall constitute a quorum for the transaction of business, but less than a quorum may adjourn from time to time until a quorum is in attendance. Action of the Board of Directors shall be upon vote of a majority of the Directors present at any such meeting where a quorum is present. Action may also be taken through written consent of the Directors pursuant to Section 7 of this Article.

Action by the Board of Directors pertaining to (i) appointment of the Bank’s President or

First Vice President and (ii) matters related to Banking Supervision from which Class A and Affiliated Class B Directors are prohibited from participating, shall be upon a vote of a majority of the Class B Directors (excluding the Affiliated Class B Directors) and Class C Directors, in each case, present at such meeting.

Section 7 – ACTION WITHOUT A MEETING

Except as otherwise provided, any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting provided that all Directors, or members of such committee, as applicable, consent thereto in writing or by electronic transmission. Any such action shall only be effective upon a unanimous vote either in writing or by electronic transmission by all Directors or members of such committee, as applicable; provided, however, that written or electronic transmission of action on the discount rate may be taken without a meeting provided that a majority of Directors or members of the Executive Committee, as applicable, consent thereto in writing and shall be effective upon a majority vote of all Directors or Executive Committee members, as applicable.

Section 8 – MINUTES

The minutes of each meeting of the Board of Directors, or a summary thereof, shall be submitted to the Board of Directors at its next regular meeting.

Section 9 – VACANCIES

As soon as practicable after the occurrence of any vacancy in the Class A and Class B membership of the Board of Directors, steps shall be taken to fill the vacancy in the manner provided by law.

ARTICLE II – BOARD COMMITTEES

Matters or subjects relating to the business of the Bank may be referred from time to time to committees appointed in such manner as the Board of Directors may prescribe. Such committees shall exercise such powers as the Board of Directors may delegate to them.

Section 1 – EXECUTIVE COMMITTEE

Section 1(a) Membership and Quorum. There shall be an Executive Committee consisting of the Chair, Deputy Chair, and the chairs of the Audit, Budget Planning, and Nominating and Governance Committees. The Chair of the Board shall be Chair of the Executive Committee. In the absence or disability of the Chair of the Board or during a vacancy in that office, the Deputy Chair of the Board shall serve as Chair of the Executive Committee. In the absence or disability of both the Chair and the Deputy Chair or during vacancies in those offices the Executive Committee shall elect one of its members to preside at the Executive Committee meeting.

Three members of the Executive Committee shall constitute a quorum for the transaction of business, but less than a quorum may adjourn from time to time until a quorum is obtained. Action of the Executive Committee shall be upon vote of a majority of the Directors present at or participating in any meeting of the Executive Committee.

If the Executive Committee is unable to establish discount rates within the time required by the Federal Reserve Act, the Bank shall endeavor to convene the full Board for that purpose, giving such notice as is practicable, and a failure to send advance notice of a meeting in this circumstance shall not invalidate any action by a quorum of the Board in establishing rates of discount. In the event of a tie vote on discount rate matters, the discount rate most recently established continues in effect.

The Executive Committee shall report its non-routine actions to the Board of Directors at its next regular meeting.

Section 1(b) Powers. Subject to the supervision and control of the Board of Directors, the Executive Committee shall have the power to conduct the business of the Bank in the interim periods between meetings of the Board of Directors, including the power to establish from time to time rates of discount in pursuance of the provisions of Section 14 of the Federal Reserve Act, and whenever a quorum is not present at a Board of Directors meeting.

Section 1(c) Meetings. Regular meetings of the Executive Committee shall be held at such times as the Executive Committee may designate. The Chair of the Executive Committee may call a special meeting at any time and shall do so upon written request of any two members of the Executive Committee or of the President of the Bank, or in the President's absence, the First Vice President. Reasonable notice of regular and special meetings shall be given by the Chair or Secretary to the Executive Committee, either by transmittal of written material or by telephone. Meetings may be held in-person or virtually, provided they are held in accordance with Article I, Section 5 of these Bylaws.

Meetings may be attended by other Directors, the recorder, designated management, and guests approved in advance by the Executive Committee Chair.

Section 1(d) Minutes. The minutes of each meeting of the Executive Committee, or a summary thereof, shall be submitted to the Board of Directors at its next regular meeting.

Section 2 – AUDIT COMMITTEE

Section 2(a) Membership and Quorum. The Board of Directors shall appoint, annually, an Audit Committee consisting of at least three Directors, one of whom shall be designated by the Board of Directors to serve as the Audit Committee Chair. A majority of the members of the Audit Committee shall constitute a quorum.

Section 2(b) Powers. The Audit Committee acts on behalf of the Board of Directors to assess the effectiveness and independence of the internal audit function and reports the results of those assessments to the Board of Directors. The Audit Committee shall have oversight of the audit process focused on internal and external financial reporting, the effectiveness and efficiency of operations, compliance with applicable laws, regulations and procedures, the safeguarding of assets, and the risk management and governance processes and performs other duties assigned to it by the Board of Directors through its charter.

Section 2(c) Meetings. Regular meetings of the Audit Committee shall be held at such times as the Audit Committee may designate. Special meetings may be called from time to time by the Audit Committee Chair, the President, the General Auditor, or the external auditor. Meetings may be

held in-person or virtually, provided they are held in accordance with Article I, Section 5 of these Bylaws.

Section 3 – BUDGET PLANNING COMMITTEE

Section 3(a) Membership and Quorum. The Board of Directors shall appoint, annually, a Budget Planning Committee consisting of at least three Directors, one of whom shall be designated by the Board of Directors to serve as the Budget Planning Committee Chair. A majority of the members of the Budget Planning Committee shall constitute a quorum.

Section 3(b) Powers. The Budget Planning Committee shall review and, if appropriate, endorse the annual financial plan prepared by Bank management and make a recommendation to the Board of Directors whether to endorse the annual financial plan prior to submission to the Board of Governors for approval, and perform other duties assigned to it by the Board of Directors through its charter.

Section 3(c) Meetings. Regular meetings of the Budget Planning Committee shall be held at such times as the Budget Planning Committee may designate. Meetings may be held in-person or virtually, provided they are held in accordance with Article I, Section 5 of these Bylaws.

Section 4 – NOMINATING AND GOVERNANCE COMMITTEE

Section 4(a) Membership and Quorum. The Nominating and Governance Committee will be comprised of five Directors: the three Class C directors, one Class A Director and one Class B Director. The Board of Directors will select one of the Class C Directors to serve as Committee Chair. A majority of members of the Nominating and Governance Committee shall constitute a quorum.

Section 4(b) Powers. The Nominating and Governance Committee considers and makes recommendations concerning the Board of Directors' Class C Directors and the Board of Governors-appointed directorships at the Branches, provides oversight of corporate governance, and performs other duties assigned to it by the Board of Directors through its charter.

Section 4(c) Meetings. Regular meetings of the Nominating and Governance Committee shall be held at such times as the Nominating and Governance Committee shall designate. Meetings may be held in-person or virtually, provided they are held in accordance with Article I, Section 5 of these Bylaws.

ARTICLE III – DISCOUNT COMMITTEE

There shall be a Discount Committee consisting of the President, First Vice President, highest ranking officer other than the President and First Vice President with oversight of the Bank's Discount Window, and such other officers of the Bank as the President may designate.

Subject to supervision and control by the Board of Directors, the Discount Committee shall have the power to authorize, ratify, and approve any and all loans, discounts, and advances applied for under the provisions of the Federal Reserve Act and regulations issued pursuant thereto by the Board of Governors, and to authorize credit therefor, or to disapprove any loans, discounts, and advances applied for. The Chair of the Discount Committee, or Chair's designee, shall submit a

report at each regular meeting of the Board of Directors showing the borrowing activities since the last report. Such report will be supplemented by any additional information requested by the Directors.

The Discount Committee may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may be otherwise required by the Board of Directors.

ARTICLE IV – BANK OFFICERS

Section 1 – APPOINTMENT

The Board of Directors shall appoint a President, a First Vice President, a Secretary, a General Counsel, a General Auditor, and additional officers as it may from time to time determine to be necessary and appropriate for the conduct of the business of the Bank. Except with respect to the offices of President, First Vice President, and General Auditor, one person may hold more than one official position in the Bank, in the discretion of the Board of Directors. The President and First Vice President shall be selected and appointed by Class B and C Directors, excluding Affiliated Class B Directors, with the approval of the Board of Governors, each for a term of five years beginning March 1 of each fifth year. Class A and Affiliated Class B Directors shall not participate in the selection and appointment process of senior officers whose primary duties involve Banking Supervision. Subject to applicable law and rules of the Board of Governors, all appointments are subject to the right of the Board of Directors at its pleasure to dismiss at any time any officer or officers appointed hereunder.

Section 2 – VACANCIES

Whenever a vacancy shall occur in the office held by an officer of the Bank, it shall be filled in the manner provided herein for original appointment of officers; provided, however, that with respect to all officers other than the President and First Vice President, any such vacancy need not be filled if it should be determined that the proper conduct of the Bank's business does not require the vacancy to be filled.

Section 3 – PRESIDENT

Subject to supervision and control by the Board of Directors, the President shall be the chief executive officer of the Bank and shall have general charge and control of the business and affairs of the Bank. All other officers and all employees of the Bank are directly responsible to the President.

Under authority delegated by the Board of Directors, the President, and any officer(s) authorized by the President, has the authority to appoint, hire and promote officers and employees below the level of senior vice president, except the General Auditor, and to fix the compensation of such officers and employees within guidelines issued by the Board of Governors. Subject to applicable law and rules of the Board of Governors, the President, and any officer(s) authorized by the President, has the power to suspend or dismiss at pleasure any employee or officer of the Bank, other than the First Vice President or the General Auditor.

The President has the power to prescribe, or to delegate to any other officer or officers to prescribe, the duties of other officers and of agents and employees of the Bank where such duties are not specifically prescribed by law, rules of the Board of Governors, the Board of Directors, the

Executive Committee or these Bylaws; and shall have power to appoint such committees of officers of the Bank and others as the President may from time to time deem advisable, and to prescribe the powers and duties of such committees where such powers and duties are not specifically prescribed by the Board of Directors or by the Executive Committee.

Section 4 – FIRST VICE PRESIDENT

In the absence or disability of the President or during a vacancy in that office, the First Vice President shall serve as president and chief executive officer of the Bank. The duties of the First Vice President shall be in addition such as may be prescribed by the Board of Directors, the Executive Committee, or the President.

Section 5 – SECRETARY

The Secretary shall keep the minutes of all meetings of the Board of Directors and of all committees thereof, unless some other person is designated to keep any such minutes. The Secretary shall have custody of the seal of the Bank, with authority to affix same to such instruments to which affixation of the seal may from time to time be required. The Secretary shall perform such other duties as may from time to time be prescribed by the Board of Directors, the Executive Committee, or the President or the President's designee.

Section 6 – GENERAL COUNSEL

The General Counsel shall have general supervision of matters of a legal nature in which the Bank is involved or in connection with which the attention of counsel may be required or requested. In addition, the General Counsel shall also act as counsel to the Branches of the Bank and shall represent the Branches in such matters, and shall be responsible for the review of all legal documents and may appoint special counsel to represent the Bank or any of the Branches.

Section 7 – GENERAL AUDITOR

The General Auditor shall have supervision and charge of all auditing work of the Bank and Branches. The General Auditor's duties shall be such as usually belong or appertain to that office or such as may be prescribed from time to time by the Board of Directors. The General Auditor shall submit to the Board of Directors periodic audit reports and such other reports as it may require or direct.

Section 8 – OTHER OFFICERS

The duties of the other officers shall be such as may be prescribed by the Board of Directors, the Executive Committee, the President, or the President's designee.

ARTICLE V – SUCCESSION OF COMMAND IN AN EMERGENCY

In the event of war or the proclamation of a national emergency by the President of the United States, the delegation of authority and succession of command for the Federal Reserve Bank of Dallas and its Branches of Boards of Directors; officers; and Assistant Federal Reserve Agent, Alternate Assistant Federal Reserve Agents, and Federal Reserve Agents' Representatives shall be that established, and as changed from time to time, by the Board of Directors.

ARTICLE VI – DIRECTOR RESIGNATION

Section 1 – VOLUNTARY RESIGNATION

Any Director of the Bank or Branch may resign voluntarily at any time upon notice given in writing to the Secretary. Such notice need not specify any reason for resignation. A voluntary resignation is effective when the resignation is delivered unless the resignation specifies a later effective date.

Section 2 – RESIGNATION UPON MATERIAL CHANGE

Section 2(a) Material Change in Director’s Principal Occupation or Business Association. If the principal occupation or business association of a Director of the Bank or Branch changes materially during the Director’s tenure, the Director must promptly tender resignation to the Secretary, which is effective if accepted by the Executive Committee. If the Director wishes to continue Board of Directors service, the Chair, in consultation with the President, shall review the appropriateness of continued Board of Directors service and recommend to the Executive Committee whether to accept the Director’s resignation. If the material change of principal occupation or business association involves the Chair, and if the Chair wishes to continue Board of Directors service, the deputy chair will review the appropriateness of continued Board service with the president and recommend to the Executive Committee whether to accept the Chair’s resignation. The resigning Director will be recused from any Board of Directors’ or committee’s thereof deliberations until the matter has been resolved.

Section 2(b) Director Conduct. If a Director of the Bank or Branch, or any entity with which a Director has a significant ownership interest or leadership role, fails to adhere to high standards of ethical conduct or otherwise takes any action that could adversely affect the confidence of the public in the Bank or the Federal Reserve System, the Director must promptly tender resignation to the Secretary, which will be effective immediately upon delivery without any further deliberation or action.

Section 2(c) Failure to Tender Resignation. If a Director of the Bank or Branch fails to tender a resignation as required by this Section 2, the affected Director will be afforded the opportunity to be heard by the Executive Committee who may, by a majority vote of the disinterested Executive Committee members, in consultation with the President, deem the affected Director to have automatically tendered resignation, effective immediately.

ARTICLE VII – CERTIFICATES OF STOCK

Evidence of stock held in the Bank shall be in one of the following forms: certificates of stock of the Bank which shall be signed by the President or another officer and attested by the Secretary or an Assistant Secretary, and which shall bear the corporate seal of the Bank; or a certificate giving advice of holdings of stock of this Bank which shall be signed by the President or another officer designated by the President and which shall be issued to evidence an adjustment in stock ownership of a member bank and to evidence the holdings of stock of this Bank by the member bank.

ARTICLE VIII – AMENDMENTS

These Bylaws may be amended at any regular or special meeting of the Board of Directors by a majority vote of the entire Board of Directors; provided, however, that a copy of the proposed amendment or amendments shall have been mailed or transmitted electronically to each Director at least 10 days prior to such meeting; provided, further, that these Bylaws may be amended, without notice, at any regular or special meeting by a unanimous vote, if all of the Directors holding office at the time shall be present at the meeting.