

# **BYLAWS**

**of the  
FEDERAL RESERVE BANK OF CHICAGO  
As Amended  
January 19, 2012**

**and**

**DETROIT BRANCH  
As Amended  
December 13, 2007**

## ARTICLE I. - ORGANIZATION

Section 1. **Name and Place of Business.** The Federal Reserve Bank of Chicago (“Bank”) is organized under the Federal Reserve Act with its principal place of business in Chicago, Illinois. Pursuant to the Federal Reserve Act, its business shall be conducted under the supervision and control of a board of directors elected by member banks and appointed by the Board of Governors of the Federal Reserve System (“Board of Governors”).

## ARTICLE II. - DIRECTORS

Section 1. **Composition.** The board of directors (“Board”) of the Bank shall consist of nine members divided into classes designated A, B and C, as provided in the Federal Reserve Act. Three Class A directors and three Class B directors shall be elected by member banks in the Seventh Federal Reserve District, and three Class C directors shall be appointed by the Board of Governors. A director’s term of service is three years. In the event of a vacancy in the membership of the Board, the Chair of the Board (“Chair”) shall take such steps as may be necessary to cause the vacancy to be filled in the manner provided by law and the person so appointed or elected shall hold office for the unexpired term of his/her predecessor. A director may not be re-elected or re-appointed if the director has served two full terms or if, by the end of the new term, the director would have served more than seven continuous years on the Board. The Board of Governors may grant an exception when appropriate, but only in limited circumstances. All director candidates must be United States citizens and meet the Federal Reserve System’s director eligibility requirements.

Section 2. **Purpose.** The Board shall have all powers granted by law including such incidental powers necessary to carry on the business of the Bank within the limitations prescribed by the Federal Reserve Act. The Board shall exercise supervision and control over those activities and businesses falling within the Bank’s statutory authority as prescribed in the Federal Reserve Act, and all such other duties as are prescribed by law, subject to the general supervision vested by law in the Board of Governors. Subject to Article IX of these Bylaws, the Board shall appoint the officers of the Bank and approve their compensation. The powers of the Board as set forth in this Section are delegable at the discretion of the Board, subject to the Federal Reserve Act, the Board’s fiduciary responsibilities, and any other provision of these Bylaws prohibiting such delegation. The Board’s powers and duties shall not extend to those activities falling exclusively within the statutory authority of the Board of Governors, including but not limited to activities pertaining to the supervision and regulation of financial institutions. The Board may also not participate in or be consulted regarding bank supervisory matters, including bank examination ratings, potential enforcement actions, or application/approval matters.

Section 3. **Chair and Deputy Chair.** The Board of Governors shall annually appoint the Chair of the Board from the Class C directors for a one-year term commencing the first of January. The Chair shall preside at all meetings of the Board. The Board of Governors shall also annually appoint the Board Deputy Chair from the Class C directors for a one-year term commencing the first of January. The Deputy Chair shall perform the duties of Chair when the Chair is absent from Board meetings or unavailable for consultation. If both the Chair and Deputy Chair are

absent or unavailable, the third Class C director shall perform the duties of Chair. In the absence or unavailability of the Chair, Deputy Chair and the third Class C director from a Board meeting, the directors present at the meeting shall designate an Acting Chair.

Section 4. **Board Action.** A quorum shall consist of five directors. Action shall be upon the vote of a majority of directors present and voting at any meeting at which there is a quorum. If a quorum is not present, then the Executive Committee may meet and act on behalf of the Board. In the event of a tie vote on discount rate matters, the action of the Board at the previous meeting shall continue in effect. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting provided that a majority of the directors consent thereto in writing or by electronic transmission. Any such action shall only be effective upon a vote either in writing or by electronic transmission of a majority of the directors.

Section 5. **Meetings.** The Board shall adopt annually a schedule of in-person (“in-person”) and telephone (“telephone”) meetings. In-person meetings shall ordinarily be held seven times a year on a Thursday. Telephone meetings shall ordinarily be held bi-weekly between in-person meetings to comply with the Federal Reserve Act requirement that the discount rate be established every 14 days. Adoption of the schedule shall be notice of such meetings to all directors. The Chair, the Deputy Chair, any three Board members, the President, or the officer in charge at the Bank in the absence of the President, may call a special meeting at any time. Notice of a special meeting shall be given a reasonable time prior to the meeting and shall describe the business to be transacted.

Section 6. **Minutes.** The Secretary, Assistant Secretary or an Acting Secretary designated by the Board shall prepare the minutes for each meeting. Minutes shall be submitted to the Board for approval.

### ARTICLE III. – EXECUTIVE COMMITTEE

Section 1. **Composition.** The Executive Committee shall have a minimum of five members, consisting of the Chair and at least four other directors who shall be appointed by the Chair and approved annually by the Board for a one-year term commencing on the first of January. Committee vacancies shall be filled by the Chair as soon as practicable subject to the approval of the Board.

Section 2. **Purpose.** The Executive Committee shall be available to act for the Board between Board meetings or whenever a quorum is not present at a Board meeting.

Section 3. **Chair.** The Chair shall serve as Chair of the Executive Committee and preside at its meetings. In the absence of the Chair, the Deputy Chair shall perform the duties of Chair of the Executive Committee. In the absence of both the Chair and Deputy Chair, the third Class C director shall perform the duties of Chair of the Executive Committee. In the absence of all three, the members present at a meeting shall designate an Acting Chair.

Section 4. **Committee Action.** A quorum shall consist of three members. Action by the Committee shall be upon the vote of the majority of those present and voting at any meeting at which there is a quorum.

Section 5. **Meetings.** Notice of meetings of the Executive Committee shall be given a reasonable time prior to meetings and shall describe the business to be transacted. Unless circumstances require otherwise and notice is waived by the Committee, the business transacted at such meetings shall be limited to that described in the notice of the meeting. In the event there is less than a quorum present at any Board meeting, an Executive Committee meeting may be convened without notice and all directors attending the Board meeting shall become members of the Executive Committee for this meeting only.

Section 6. **Minutes.** The Secretary or Assistant Secretary shall act as Secretary of the Executive Committee unless the members present designate an Acting Secretary. The Secretary, Assistant Secretary or Acting Secretary shall prepare minutes of all meetings. The Executive Committee may request to review the minutes prior to their submission to the Board.

#### ARTICLE IV. – AUDIT COMMITTEE

Section 1. **Composition.** The Audit Committee shall have a minimum of four members consisting of the Chair, who shall serve as an ex-officio voting member, and at least three other directors who shall be appointed annually by the Chair for a one-year term commencing on the first of January. All Audit Committee members shall be independent of the Bank and knowledgeable of financial matters and at least one member shall have banking, accounting or other relevant financial proficiency. Committee vacancies that bring membership below four directors shall be filled by the Chair as soon as practicable. No more than two Class A directors may serve at the same time on the Audit Committee.

Section 2. **Purpose.** The Audit Committee is responsible for assessing the effectiveness and independence of the Bank’s internal audit function and for those matters specified in the Audit Committee charter. The Committee shall report periodically on its activities to the Board.

Section 3. **Chair.** The Chair shall designate a member of the Audit Committee to serve as its Chair and preside at meetings. In the absence of the Chair of the Audit Committee, the members present at a meeting shall designate an Acting Chair.

Section 4. **Committee Action.** Action by the Audit Committee shall be upon the vote of a majority of members present at any meeting at which a quorum is present. A quorum shall consist of three members.

Section 5. **Meetings.** Notice of meetings of the Audit Committee shall be given a reasonable time prior to meetings and shall describe the business to be transacted. Unless circumstances require otherwise and notice is waived by the Committee, the business transacted at such meetings shall be limited to that described in the notice of the meeting.

Section 6. **Minutes.** The General Auditor shall act as Secretary of the Audit Committee and shall prepare minutes of the meetings unless the members present designate an Acting Secretary.

## ARTICLE V. – GOVERNANCE AND HUMAN RESOURCES COMMITTEE

Section 1. **Composition.** The Governance and Human Resources Committee shall have a minimum of four members, consisting of at least one representative from Classes A, B and C. Members of the Governance and Human Resources Committee shall be appointed annually by the Chair for a one-year term commencing on the first of January. No more than two Class A directors may serve at the same time on the Governance and Human Resources Committee, and no Class A director may serve as Chair of the Committee. A director may not serve as a member of the Committee during the year in which he/she is eligible for reelection. The Chair shall serve as ex-officio voting member of the Committee. The President shall serve as an ex-officio nonvoting member of the Committee. The Chair shall fill Committee vacancies as soon as practicable if there is a director eligible to fill such vacancy.

Section 2. **Purpose.** (a) The Governance and Human Resources Committee shall find and encourage qualified individuals to run for elected director positions or agree to have their names submitted to the Board of Governors or the Board for appointed positions. When the Committee is considering any opening on the Board of Directors of the Detroit Branch of the Federal Reserve Bank of Chicago (“Detroit Branch”), it shall consult with the Chair of the Detroit Branch Board of Directors (“Detroit Branch Chair”) and other Detroit Branch directors as appropriate. However, if the Detroit Branch Chair is eligible for re-appointment as a Detroit Branch director that year, the Detroit Branch director with the longest seniority as a director may be consulted with regard to the Chair’s director position. The Detroit Branch Chair will continue to be consulted with regard to all other Detroit Branch Board of Director openings.

(b) The Committee is also responsible for consideration of matters of corporate governance and human resources and for those matters specified in the Governance and Human Resources Committee charter. The Committee shall report periodically on its activities to the Board.

Section 3. **Chair.** The Chair shall designate one member as Chair of the Governance and Human Resources Committee who shall preside at meetings. In the absence of the Chair of the Committee, the members present at the meeting shall designate an Acting Chair.

Section 4. **Committee Action.** Action by the Governance and Human Resources Committee shall be upon the vote of a majority of members present at any meeting at which a quorum is present. A quorum shall consist of three members.

Section 5. **Meetings.** Notice of meetings of the Governance and Human Resources Committee shall be given a reasonable time prior to meetings and shall describe the business to be transacted. Unless circumstances require otherwise and notice is waived by the Committee, the business transacted at such meetings shall be limited to that described in the notice of the meeting.

Section 6. **Minutes.** The Secretary or Assistant Secretary shall serve as the Secretary for the Governance and Human Resources Committee and shall prepare the minutes of the meetings.

## ARTICLE VI. – LOAN COMMITTEE

Section 1. **Composition.** The Loan Committee shall consist of the President, First Vice President and such other officers as the President may appoint and the Board approve.

Section 2. **Purpose.** The Loan Committee shall establish the lending policy and procedures of the Bank and review the lending activity of the Bank. The Loan Committee shall have the power to authorize, ratify, or approve discounts and advances in the manner and to the extent permitted by law and the regulations of the Board of Governors. The Loan Committee shall submit a report of lending activity to the Board for its review and ratification.

Section 3. **Chair.** The President shall be Chair of the Loan Committee and preside at its meetings. In the absence of the President, the First Vice President shall perform the duties of Chair of the Loan Committee. In the absence of both, a member of the Committee shall be designated Acting Chair by Committee members present.

Section 4. **Committee Action.** Action by the Loan Committee shall be upon the vote of a majority of members present at any meeting at which there is a quorum present. A quorum shall consist of three members.

Section 5. **Meetings.** Notice of meetings of the Loan Committee shall be given a reasonable time prior to meetings and shall describe the business to be transacted. Unless circumstances require otherwise and notice is waived by the Committee, the business transacted at such meetings shall be limited to that described in the notice of the meeting.

Section 6. **Minutes.** The Loan Committee shall designate a Secretary to prepare the minutes of the meetings.

## ARTICLE VII. – SYSTEM ACTIVITIES, BANK OPERATIONS AND RISK COMMITTEE

Section 1. **Composition.** The System Activities, Bank Operations and Risk (SABOR) Committee shall have a minimum of four members consisting of the Chair, who shall serve as an ex-officio voting member, and at least three other directors who shall be appointed annually by the Chair for a one-year term commencing on the first of January. Committee vacancies shall be filled by the Chair as soon as practicable.

Section 2. **Purpose.** The SABOR Committee provides oversight of the Bank's local and national business operations to ensure adherence to strategies and standards set for the Federal Reserve System, the Bank's operations, performance and budget and for those matters specified in the Committee charter. The Committee shall report periodically on its activities to the Board.

Section 3. **Chair.** The Chair shall designate one member as Chair of the SABOR Committee who shall preside at meetings. In the absence of the Chair of the SABOR Committee, the members present at a meeting shall designate an Acting Chair.

Section 4. **Committee Action.** Action by the SABOR Committee shall be upon the vote of a majority of members present at any meeting at which a quorum is present. A quorum shall consist of three members.

Section 5. **Meetings.** Notice of meetings of the SABOR Committee shall be given a reasonable time prior to meetings and shall describe the business to be transacted. Unless circumstances require otherwise and notice is waived by the Committee, the business transacted at such meetings shall be limited to that described in the notice of the meeting.

Section 6. **Minutes.** The Secretary or Assistant Secretary shall serve as Secretary of the SABOR Committee and shall prepare the minutes of the meetings.

## **ARTICLE VIII. – OTHER STANDING OR SPECIAL COMMITTEES**

Section 1. **Other Standing or Special Committees.** The Board has the power to appoint committees in addition to the committees specified in the Bylaws. Such standing or special committees shall be appointed by the Chair and perform such duties and exercise such powers as the Board may delegate to them and shall submit such reports as the Board may prescribe.

## **ARTICLE IX. – OFFICERS OF BANK**

Section 1. **Appointment of Officers.** The Class C directors and the Class B directors that are not affiliated with a thrift holding company supervised by the Federal Reserve shall appoint a President and a First Vice President with the approval of the Board of Governors. Their terms shall be for five years commencing the first of March of each fifth year after 1936. Notwithstanding any other provision of these Bylaws, Class A directors and Class B directors who are affiliated with a thrift holding company that is supervised by the Federal Reserve (“affiliated Class B director”) shall have no power or authority with respect to the search, selection, appointment, or reappointment (collectively, the appointment process) of the Bank’s president and first vice president. No Class A or affiliated Class B director shall receive or provide any information or advice regarding the appointment process, except to the extent commensurate with any other member of the public.

The Board shall also appoint a General Auditor, Secretary and such other officers as the Board may from time to time determine to be necessary and proper for the conduct of the business of the Bank, except that Class A directors and affiliated Class B directors are prohibited from involvement in the selection, appointment, and compensation of any officer assigned to the Bank Supervision and Regulation Department. The Board delegates to the President and the First Vice President the authority to appoint and promote employees to C and D level officers.

Section 2. **The President.** Subject to the supervision and control of the Board, 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. The President shall have the power to prescribe the duties of all subordinate officers and employees of the Bank where such duties are not specifically prescribed by law or by the Board. The President may suspend or remove any officer or employee of the Bank.

Section 3. **The First Vice President.** The First Vice President shall, in the absence of the President, or during a vacancy in the office of President, serve as chief executive officer of the Bank. The duties of the First Vice President shall otherwise be such as shall be prescribed by the President where such duties are not specifically prescribed by law or by the Board. In the absence of the First Vice President, or during a vacancy in the office of the First Vice President, the powers and duties of the First Vice President shall be exercised by the senior Officer designated by the Board or, if not so designated, then designated by the President.

Section 4. **General Auditor.** At least two weeks in advance of any action by the Board on the appointment, termination or reassignment of the General Auditor, the Chair shall consult with the Board of Governors Committee on Federal Reserve Bank Activities. The General Auditor shall be in charge of all Bank auditing work in the Seventh District and shall have such other duties as the Board may prescribe. The General Auditor shall report to the Audit Committee.

Section 5. **Secretary and Assistant Secretary.** The Secretary or the Assistant Secretary shall keep the minutes of all meetings of the Board, unless some other person is designated Acting Secretary by the Board to keep minutes for a particular meeting. The Secretary shall have custody of the seal of the Bank and shall perform such other duties as may from time to time be prescribed by the Board or the President. In the absence of the Secretary, the Assistant Secretary shall perform the duties of Secretary.

Section 6. **Other Officers.** The duties of other officers shall be as prescribed by the Board or the President.

Section 7. **Vacancies.** Whenever a vacancy shall occur in the office of President or First Vice President, it shall be filled in the manner provided for original appointments; and the person so appointed shall hold office until the expiration of the term of his or her Predecessor.

## ARTICLE X. – MISCELLANEOUS PROVISIONS

Section 1. **Election of Federal Open Market Committee Member.** The Board shall annually elect a Federal Open Market Committee (“FOMC”) member and an alternate from among the Presidents or First Vice Presidents of the Federal Reserve Bank of Chicago and the Federal Reserve Bank of Cleveland for alternating one-year terms commencing on the date of the first regularly scheduled FOMC meeting of the calendar year.

Section 2. **Selection of Federal Advisory Council Member.** The Board shall annually select a Federal Advisory Council member who shall reside in the Seventh District and who shall serve for a one-year term commencing the first of January.

Section 3. **Hours of Business.** Unless otherwise provided by resolution of the Board, the offices of the Bank shall be open for business on each day except Saturday and Sunday, and days or half-days that are recognized as holidays by the Bank. The normal hours of business on such days shall be as determined by the President from time to time. The President is authorized to establish other times for conducting particular types of transactions that are not inconsistent with laws and regulations and practices of the Federal Reserve System.

Section 4. **Meetings.** Any meeting of the Board or any meeting of any committee created by these Bylaws may be held in person or by means of communication equipment which enables each participant to be heard by each other participant. A director participating in such meetings shall be deemed present at the meeting.

Section 5. **Fees.** For each Board meeting attended, directors shall receive the fee designated by the Board of Governors. Directors attending committee meetings or meetings called by the Board of Governors shall receive the same fee they would have received had the meeting been an in-person or telephone Board meeting except that no director shall be entitled to more than one fee on the same day. Directors shall be reimbursed for the cost of travel, food and lodging incurred in the course of performing Board duties.

Section 6. **Indemnification of Directors.** Directors of the Bank shall be indemnified for losses they may suffer as provided in the resolution adopted by the Board on August 28, 1975 and as amended on February 23, 1989.

Section 7. **Amendments.** These bylaws may be amended at any meeting of the Board by a majority vote of the members of the Board. A copy of the proposed amendment shall be mailed to each director at least five days prior to such meeting. The five day notice may be waived with the consent of all directors.

**BYLAWS**  
**of the**  
**DETROIT BRANCH**  
**of the**  
**FEDERAL RESERVE BANK OF CHICAGO**  
  
**As Amended**  
**December 13, 2007**

## ARTICLE I. - ORGANIZATION

Section 1. **Name and Place of Business.** The Detroit Branch of the Federal Reserve Bank of Chicago (“Detroit Branch”) is organized under the Federal Reserve Act with its principal place of business in Detroit, Michigan.

## ARTICLE II. – DIRECTORS

Section 1. **Composition.** The Detroit Branch Board of Directors (“Detroit Board”) shall consist of five or seven members, the majority of whom shall be appointed by the Board of Directors of the Federal Reserve Bank of Chicago (“Chicago Board”), and the remainder of whom shall be appointed by the Board of Governors of the Federal Reserve System (“Board of Governors”). Directors shall be appointed for terms of three years, or the remainder of a three-year term. If a vacancy occurs on the Detroit Board, an appointment filling the vacancy shall be made by the body which made the original appointment. The appointment shall be for the unexpired term. Directors shall generally be limited to a maximum of seven years of continuous service.

Section 2. **Purpose.** The Detroit Branch directors shall represent their industries or sectors and shall provide information, advice and input to assist in the formulation of monetary policy. The Detroit Branch directors shall assist in outreach efforts and in other activities of the Branch intended to carry out the mission and objectives of the Federal Reserve System. The Detroit Board shall conduct other business of the Branch subject to the direction and control of the Chicago Board.

Section 3. **Chair.** The Chicago Board shall annually designate as Chair of the Detroit Board one of the directors appointed by the Board of Governors (“Chair”). The Chair shall preside at meetings of the Detroit Board. In the absence of the Chair, a member of the Detroit Board shall be designated Acting Chair by the members present.

Section 4. **Detroit Board Action.** Action by the Detroit Board shall be upon the vote of a majority of directors present at any meeting at which there is a quorum present. A quorum shall consist of three members.

Section 5. **Meetings.** The Detroit Board shall adopt annually a schedule of meetings which shall ordinarily be held during the seven days preceding the Chicago in-person Board meeting. Adoption of the schedule shall be notice of such meetings to all directors. The Chair, any three Detroit Board members, the Chair of the Chicago Board, the President of the Federal Reserve Bank of Chicago or the officer in charge of the Detroit Branch may call a special meeting of the Detroit Board at any time. Notice of special meetings shall be given a reasonable time prior to the meeting. Any meeting of the Detroit Board may be held by means of communication equipment which enables each participant to hear and be heard by each other participant. A director participating in such meetings shall be deemed present at the meeting. The Secretary or Acting Secretary designated by the Detroit Board shall prepare minutes for each meeting. Minutes shall be submitted to the Detroit Board for approval.

### ARTICLE III. – LENDING ACTIVITY

Section 1. **Report of Loans.** A report of lending activity to depository institutions located within the boundaries of the Seventh Federal Reserve District in the State of Michigan may be submitted to the Detroit Board for its review.

### ARTICLE IV. – OFFICERS

Section 1. **Appointment of Officers.** The President of the Federal Reserve Bank of Chicago shall designate an officer of the Bank to serve as the Manager of the Detroit Branch (“Manager”). The President shall assign to the Branch such other officers as may be necessary for the conduct of business. The Manager shall have general supervisory responsibility for the business affairs of the Detroit Branch.

Section 2. **General Auditor and General Counsel.** The General Auditor and the General Counsel of the Federal Reserve Bank of Chicago shall act respectively as the General Auditor and the General Counsel of the Detroit Branch.

### ARTICLE V. – MISCELLANEOUS PROVISIONS

Section 1. **Hours of Business.** Unless otherwise provided by resolution of the Detroit Board, the offices of the Detroit Branch shall be open for business on each day except Saturday, Sunday, and days and half-days that are recognized as holidays by the Detroit Branch. The normal hours of business on such days shall be determined by the Manager from time to time. The Manager is authorized to establish other times for conducting particular types of transactions that are not inconsistent with laws and regulations and practices of the Federal Reserve System.

Section 2. **Indemnification of Directors.** Directors of the Detroit Branch are indemnified for losses they may suffer as provided in the resolution adopted by the Chicago Board on August 28, 1975 and as amended on February 23, 1989.

Section 3. **Fees.** For each Board meeting attended, directors shall receive the fee designated by the Board of Governors. Directors attending committee meetings or meetings designated by the Board of Governors shall receive the same fee they would have received had the meeting been an in-person or telephone Detroit Board meeting except that no director shall be entitled to more than one fee on the same day. Directors shall be reimbursed for the cost of travel, food and lodging incurred in the course of performing Detroit Board duties.

Section 4. **Amendments.** The Detroit bylaws may be amended by a majority vote of the members of the Chicago Board, or by a majority vote of the members of the Detroit Board subject to approval by a majority vote of the members of the Chicago Board. A copy of the proposed amendment shall be mailed to each director at least five days prior to such meeting. The five day notice may be waived with the consent of all directors eligible to vote on the amendment.