

BYLAWS OF THE FEDERAL RESERVE BANK OF CLEVELAND

Adopted By the Board of Directors
December 8, 2011

ARTICLE I – ORGANIZATION AND POWERS OF THE BOARD OF DIRECTORS

Section 1. Composition

The Board of Directors of this Bank (hereinafter called "Board") shall consist of nine members, holding office for terms of three years, and 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 Fourth Federal Reserve District and three Class C directors shall be appointed by the Board of Governors of the Federal Reserve System (hereinafter called "Board of Governors"). As provided in the Federal Reserve Act, the Chairperson and the Deputy Chairperson of the Board shall be designated annually by the Board of Governors from the Class C directors.

Section 2. Chairperson

The Chairperson shall preside at all meetings of the Board and shall be Chairperson of the Executive Committee. The Chairperson shall perform such other duties as may be prescribed from time to time by the Board that are not inconsistent with the duties as Chairperson or Federal Reserve Agent as provided by law.

Section 3. Deputy Chairperson

In the absence or disability of the Chairperson, or during a vacancy in that office, the Deputy Chairperson shall perform the duties of the Chairperson.

Section 4. Vacancies

As soon as practicable after the occurrence of any vacancy in the Class A or Class B membership of the Board, the Chairperson shall take such steps as may be necessary to cause such vacancy to be filled in the manner prescribed by law.

Section 5. Powers and Duties

The Board shall have such powers and perform such duties as are prescribed by law, and other powers not inconsistent with law as may be prescribed by the Board of Governors or these Bylaws, including but not necessarily limited to the following:

- o Exercise supervision and control over the affairs of the Bank, subject to the general supervision of the Board of Governors and, except as limited below, including the appointment of the President, First Vice President, and other officers, fix their compensation, and approve the schedules of compensation of employees.
- o Provide general oversight over the extension of Federal Reserve credit to member banks and others.
- o Establish the discount and interest rates to be charged by the Bank, subject to review and determination by the Board of Governors.

- o Appoint four of the seven directors comprising the Board of Directors at each of the Branches of this Bank.

The powers and duties of Class A directors and Class B directors who are affiliated with a thrift holding company (herein “affiliated Class B directors”) shall be the same as the other members of the Board except that they shall not participate in the appointment of the President or First Vice President.

The supervision and regulation of District financial institutions and their affiliates is not a responsibility of the Bank, although employees of the Bank may be involved in such matters as delegated by the Board of Governors. The Board’s powers and duties thus exclude such matters. Therefore, Class A and affiliated Class B directors shall not be involved in the selection, appointment, or compensation of officers having responsibility for the supervision and regulation of Fourth Federal Reserve District financial institutions. ARTICLE II - MEETINGS

Section 1. Time, Place, and Manner of Meetings

Unless the Board approves or ratifies the holding of a meeting at a different time and place, there shall be a regular meeting of the Board at the Main Office of the Bank in Cleveland, Ohio, on the second Thursday of each month, except that if any such meeting day shall fall upon a holiday, such meeting shall be held on the preceding full business day. The Board or the Chairperson of the Board or, in the absence or disability of the Chairperson, the Deputy Chairperson may call a special meeting at any time, and shall do so upon the request of any three directors or of the President. In the absence or disability of the Chairperson and the Deputy Chairperson, the President or, in the President’s absence or disability, the First Vice President may call a special meeting at any time. A meeting of the Board may be held by any means of communication allowing each participant to hear and be heard by each other participant, and any business may be transacted during such meeting which could have been transacted at a meeting attended in person by the participants.

Section 2. Notice of Meetings

Notice of a regular or special meeting shall be given to all directors by mail, messenger, telephone, facsimile, electronic mail, or other electronic communication. If given by mail, such notice shall be mailed at least five days before the date of meeting. If given by messenger, telephone, facsimile, electronic mail, or other electronic communication, such notice shall be given so as to be received at least 24 hours before the time of meeting. Notice of a special meeting shall state the time and place of the meeting. The provisions for notice of a regular meeting are informational only; failure to send the prescribed notice or failure to transmit it within the time or in the manner prescribed shall not invalidate such meeting. Notwithstanding the foregoing, in exigent circumstances, notice of special meetings shall be given as far in advance of such meetings as circumstances permit. Notice of any meeting may be dispensed with if five directors waive such notice, either in writing (including via facsimile or electronic mail) or by telephone. Notice of meetings need not state the business to be transacted.

Section 3. Quorum

Five of the directors shall constitute a quorum for the transaction of business, and action by the Board shall be upon vote of a majority of the directors present at any meeting of the Board at which a quorum is present, but less than a quorum may adjourn from time to time until a quorum is in attendance. Action by the Board on matters on which Class A directors and affiliated Class B directors may not participate (Article IV, Section 1) shall require a quorum of at least three

Class C directors and/or unaffiliated Class B directors and shall be upon the vote of a majority of Class C directors and unaffiliated Class B directors present at such meeting.

Section 4. Presiding Officer

In the absence of the Chairperson and the Deputy Chairperson, the third Class C director shall preside at a meeting of the Board. In the absence of the Chairperson, Deputy Chairperson, and the third Class C director, the senior Class B director present shall preside at the meeting.

Section 5. Order of Business

The Board may from time to time make such regulations as to order of business as may seem desirable. Establishment of discount and interest rates shall be an item of business at each regular meeting of the Board.

Section 6. Minutes

Minutes shall be prepared for each meeting of the Board and such minutes, or a summary thereof, shall be submitted to the Board for approval at its next meeting where all directors attending are physically present.

ARTICLE III - COMMITTEES

Section 1. Executive Committee

- a. Composition. There shall be an Executive Committee consisting of the Chairperson of the Board and no fewer than four directors. The members of the Executive Committee shall be chosen by the Board and shall serve at the pleasure of the Board, or for terms fixed by it. Any other director may attend the meetings of the Committee and while so attending shall also be a member of the Committee for all purposes, including the requirement with respect to a quorum.
- b. Powers and Duties. Subject to the supervision and control of the Board, the Executive Committee shall, between meetings of the Board, have power to direct the affairs of the Bank and to exercise all the power and authority vested by law in the Board, insofar as such power and authority may lawfully be delegated to the Committee.
- c. Time and Place and Manner of Meetings. There shall be regular meetings of the Executive Committee biweekly during the interval between regular meetings of the Board.

The Executive Committee shall have power to fix the time, place and manner of regular and special meetings of the Executive Committee.

- d. Remote Meetings. Any meeting of the Executive Committee may be held by any means of communication through which each participant may hear and be heard by each other participant, and any business may be transacted during such meeting which could have been transacted at a meeting attended in person by the participants. The business transacted at any such meeting normally shall be limited to consideration of and action upon discount and interest rates and upon purchases and sales of United States obligations but, if deemed necessary or desirable by all the directors participating, other matters may be considered and acted upon.

- e. Notice of Meetings. Unless otherwise prescribed by the Executive Committee, meetings of the Committee shall be called in the same manner and upon the same notice, and notice of such meetings may be dispensed with in the same manner, as provided in these Bylaws with respect to meetings of the Board. If a quorum of the members of the Board is not present at a regular or special meeting of the Board, and if a majority of the members of the Board present at such meeting so request, the Executive Committee shall meet immediately upon the adjournment of such meeting of the Board, and no notice of such meeting of the Executive Committee shall be required.
- f. Quorum. Three members of the Executive Committee shall constitute a quorum for the transaction of business. Action by the Committee shall be upon the vote of a majority of those present at any meeting.
- g. Presiding Officer. In the absence or disability of the Chairperson of the Board, or in the event of a vacancy in that office, the Deputy Chairperson shall serve as a member and Chairperson of the Committee or in the absence of both the Chairperson and Deputy Chairperson, the third Class C director shall serve as a member and Chairperson of the Committee. In the absence of the Chairperson, Deputy Chairperson, and the third Class C director, the senior Class B director present shall preside at the meeting.
- h. Minutes. Minutes shall be prepared for each meeting of the Committee and such minutes, or a summary thereof, shall be submitted to the Board for approval at its next meeting where all directors attending are physically present.

Section 2. Credit Risk Management Committee

- a. Composition. There shall be a Credit Risk Management Committee consisting of the President, First Vice President, senior officers responsible for the lending, banking supervision and regulation, and economic research functions of the Bank, and such other senior officers as the President may designate from time to time.
- b. Powers and Duties. Subject to the approval of the Board, the Credit Risk Management Committee shall formulate a loan policy statement and prescribe rules for the administration of the lending function of the Bank; and, in accordance with such policy and rules, the Committee shall authorize or ratify loans, advances, discounts, purchases, and commitments made pursuant to the provisions of law and regulations of the Board of Governors. A report of lending activity shall be submitted to the Board quarterly for its review.

Section 3. Audit Review Committee

There shall be an Audit Review Committee consisting of no fewer than three directors chosen by the Board annually. Two members of the Committee shall constitute a quorum for the transaction of business, and action by the Committee shall be upon the vote of a majority of those present at any meeting. The Audit Review Committee shall have primary responsibility for maintaining contact with the General Auditor and satisfying itself that appropriate audit programs and procedures are maintained by the Audit Department. The Committee will also ensure that the General Auditor has proper official status and sufficient staff, both numerically

and qualitatively, to discharge the responsibilities of the office with thoroughness and dispatch, making such reports and recommendations to the Board as may be necessary to that end.

Section 4. Operations and Resource Committee

There shall be an Operations and Resource Committee consisting of no fewer than three directors. Committee members, the chairperson, and vice chairperson shall be appointed annually by the Board. The Chairperson of the Board shall be a voting *ex-officio* member of the Committee. Two members of the Committee shall constitute a quorum for the transaction of business, and action of the Committee shall be upon the vote of the majority of those present at any meeting at which a quorum is present. The Committee shall assist the Board in fulfilling its oversight responsibilities related to Bank operations and human resources.

Section 5. Corporate Governance Committee

There shall be a Corporate Governance Committee consisting of three directors. One shall be the Deputy Chairperson of the Board who shall serve as chairperson of the Committee. The other members shall be appointed annually by the Board. Two members of the Committee shall constitute a quorum for the transaction of business, and action of the Committee shall be upon the vote of the majority of those present at any meeting at which a quorum is present. The Committee shall assist the Board in fulfilling its responsibilities related to corporate governance.

Section 6. Other Committees

The Board from time to time may create other committees and provide for their membership, powers and duties.

ARTICLE IV - OFFICERS OF BANK

Section 1. Appointment of Officers

The Class C and unaffiliated Class B directors shall appoint a President and a First Vice President with the approval of the Board of Governors. The appointment and reappointment of the President and First Vice President shall be based on an affirmative vote of a majority of the Class C directors and unaffiliated Class B directors present at a meeting at which a quorum of directors is present (Article II, section 3). The Class A directors and affiliated Class B directors shall not vote on the appointment or reappointment of the President or First Vice President

Class A and affiliated Class B directors shall not be involved in the selection, appointment, or compensation of officers having responsibility for the supervision and regulation of Fourth Federal Reserve District financial institutions. Approval of these matters shall be based on an affirmative vote of a majority of the Class C directors and unaffiliated Class B directors present at a meeting at which a quorum of directors is present (Article II, section 3).

The Board shall also appoint a General Auditor 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 for the offices of President, First Vice President, and General Auditor, any two or more offices of the Bank may be held by one person.

The President and the First Vice President shall be appointed for terms of five years commencing March 1 of each fifth year after 1936. In case a vacancy in the office of the President or the First Vice President shall occur during the five-year term of such office, appointment to fill the

vacancy shall be made for the unexpired portion of the term with the approval of the Board of Governors.

Officers may be dismissed at pleasure by the Board or by the officer having authority to appoint them.

Unless otherwise determined by the Board, the President (or First Vice President, in the President's discretion), shall appoint, dismiss, and fix the compensation of officers below the level of senior vice President (except for the General Auditor) and determine the separation wages or allowance, if any, of such officers, subject to the rules and limits established by the Board of Governors.

Section 2. 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 affairs of the Bank. The President shall have power to prescribe the duties of all other officers (except the General Auditor), employees, and agents of the Bank, where such duties are not specifically prescribed by law, the Board of Governors, these Bylaws, or the Board. The President shall also 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. The President or any officer authorized by the President may dismiss any employee of the Bank. The President shall designate officers to be responsible for control of valuables in the possession of the Bank and shall have power to make any and all transfers of securities or other property of the Bank which may be authorized to be sold or transferred by the Board. The President also shall have power to execute, or to delegate the power to execute to any other officer or officers, in the name and on behalf of the Bank all contracts, deeds, conveyances, and transfers as may be deemed necessary for the conduct of the business of the Bank.

Section 3. First Vice President

In the absence or disability of the President, or during a vacancy in that office, the powers and duties of the office shall be exercised and discharged by the First Vice President. The duties of the First Vice President shall otherwise be such as may be prescribed from time to time by the Board or the President, subject to the provisions of law and the regulations of the Board of Governors.

Section 4. Vice Presidents

Vice Presidents shall have such powers and perform such duties as the Board or the President may prescribe.

Section 5. Secretary

The Secretary shall keep the minutes of all meetings of the Board, of the Executive Committee, and of all Committees of the Board unless some other person is designated to keep such minutes. The Secretary shall have custody of the seal of the Bank, with power to apply it, or permit it to be applied by a senior vice President, as authorized by the Board in a resolution approved on July 8, 1993. The Secretary shall perform such other duties as may be prescribed from time to time by the Board or the President.

Section 6. General Auditor

The General Auditor shall, subject to the direction of the Board or the Chairperson of the Board, make periodic audits or examinations of all accounts and departments of the Bank and of the accounts of the Federal Reserve Agent. Once a quarter, or more often if required by the Board, the Audit Review Committee, the Chairperson, or the President, the General Auditor shall transmit to the Audit Review Committee a complete report of all such audits and examinations, and any other matter coming to the attention of the General Auditor in the course of the General Auditor's duties which should be brought to the attention of the directors.

Section 7. Succession to Duties of Chief Executive Officer

The Board may from time to time adopt resolutions authorizing a Vice President to exercise the powers and duties of the President during the absence or disability of both the President and First Vice President.

Section 8. Federal Open Market Committee Transactions

In addition to their other powers and duties, officers of the Bank are authorized, between meetings of the Board, to do such things on behalf of the Bank as are necessary to participate in transactions engaged in by the Federal Open Market Committee in accordance with the directions and regulations of the Federal Open Market Committee.

ARTICLE V - EXERCISE OF AUTHORITY DURING EMERGENCIES

The Board may from time to time adopt resolutions authorizing certain persons or entities to exercise authority on behalf of the Bank in the time of emergency, and in the time of emergency any such resolution will be applicable notwithstanding any provisions to the contrary contained in these Bylaws.

ARTICLE VI - CAPITAL STOCK

Capital stock of the Bank shall be issued as provided by law and regulations of the Board of Governors. Records of stockholdings shall be maintained in book-entry form; acknowledgments of ownership shall be signed by an officer or an employee designated by the President.

ARTICLE VII - OFFICES AND HOURS OF BUSINESS

Section 1. Offices

The Offices of the Bank at which its business shall be conducted shall be the Main Office at 1455 East Sixth Street in Cleveland, Ohio, and its Branches in Cincinnati, Ohio, and Pittsburgh, Pennsylvania. Limited operations may be conducted at such other locations as may be authorized by the Board with the approval of the Board of Governors from time to time. During an emergency the business of the Bank may be conducted at such other locations as may be designated by the Board or by such persons or entities as are then authorized by the Board to conduct the affairs of the Bank in time of emergency.

Section 2. Hours of Business

Unless otherwise provided by resolution of the Board, the Offices of the Bank shall be open for business on such days and during such hours as shall be determined by the President or any officer or officers designated by the President.

ARTICLE VIII - CORPORATE SEAL

The corporate seal shall consist of a circular device, one and seven-eighths inches in diameter, bearing a shield surmounted by an eagle with wings extended; the shield shall display 12 stars at the top and the symbol "4-D" in the lower portion; the shield shall be partially encircled with entwined wreaths, and the shield and wreaths shall be surrounded by a ring containing the words "Federal Reserve Bank of Cleveland, Incorporated May 18, 1914."

ARTICLE IX - AMENDMENTS

These Bylaws may be amended at any regular or special meeting of the Board by a two-thirds vote of the entire Board, provided that a copy of the proposed amendment shall have been sent by mail, facsimile, electronic mail or other electronic communication to each member at least five days prior to any such meeting. The five-day notice herein provided may be waived by the consent of all members expressed in writing (including facsimile or electronic mail).

-End-