

# *Amended and Restated Bylaws of The American National Red Cross*

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# AMENDED AND RESTATED BYLAWS OF THE AMERICAN NATIONAL RED CROSS

## *Section 1—Statutory Authority; Certain Defined Terms*

- 1.1 Statutory Authority.** These Amended and Restated Bylaws of The American National Red Cross (the “*Corporation*”) have been adopted as the bylaws of The American National Red Cross (the “*Bylaws*”) by the Board of Governors pursuant to authority conferred on the Board of Governors by an Act of Congress approved January 5, 1905, as amended, appearing at 36 U.S.C. § 300101 et seq. (the “*Congressional Charter*”).
- 1.2 Certain Defined Terms.** Capitalized terms used but not otherwise defined herein shall have the meaning set forth below:
- (a) “*Board*” means the Board of Governors of the Corporation. Members of the Board also are sometimes referred to in the Bylaws as governors.
  - (b) “*Board Size Limitation*” has the meaning set forth in Section 2.2.
  - (c) “*Bylaws*” has the meaning set forth in Section 1.1.
  - (d) “*Chairman*” means the person appointed by the President of the United States to serve as the Chairman of the Board pursuant to the Congressional Charter.
  - (e) “*Chapter*” means a local unit of the corporation, as referred to in the Congressional Charter, which the Corporation has recognized as a Chapter and has authorized to provide certain services and/or engage in certain activities in a particular territorial jurisdiction in accordance with Section 8.2.
  - (f) “*Congressional Charter*” has the meaning set forth in Section 1.1.
  - (g) “*Corporate Policies and Regulations*” means the Congressional Charter, the Bylaws, all actions, policies, regulations and resolutions of the Board, and all other written directives, policies and regulations of the Chief Executive Officer, or his or her designee. Each source of corporate authority occupies the order of precedence in which it appears in the preceding sentence. Each prevails over inconsistent provisions of subordinate sources.
  - (h) “*Corporate Unit*” has the meaning set forth in Section 2.3(a).
  - (i) “*Corporation*” has the meaning set forth in Section 1.1.

- (j) “*Emergency*” means an attack on the United States of America or on a locality in which the Corporation conducts its business or customarily holds meetings of the Board, any nuclear or atomic disaster, any catastrophe, any Presidentially declared emergency, or other similar event, occurrence or condition, as a result of which a quorum of the Board pursuant to Section 2.6(f) is not present at the first Board meeting called in the manner provided in Section 12.4(a).
- (k) “*Entire Board*” means the total number of members of the Board that the Corporation would have if there were no vacancies.
- (l) “*Immediate family member*” means and includes a person’s spouse, parents, children (including adopted children), siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home. When applying the look-back provisions in Section 2.3, the Board need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.
- (m) “*Indemnitee’s Request*” has the meaning set forth in Section 10.2(a).
- (n) “*Organizational Meeting*” has the meaning set forth in Section 2.6(a).
- (o) “*Petition for Nomination*” has the meaning set forth in Section 2.4(b)(iii).
- (p) “*Petition for Resolution*” has the meaning set forth in Section 6.1(c)(ii)(B).

## *Section 2—Board of Governors*

**2.1 General Powers.** The Board is the governing body of the Corporation with all powers of governing and directing, and of overseeing the management and affairs of, the Corporation. In furtherance and not in limitation of the foregoing, the Board shall, subject to any limitations in the Congressional Charter or as may otherwise be provided by applicable law, have the power, authority and responsibility to:

- (a) review and approve the mission statement of the Corporation;
- (b) approve and oversee the Corporation’s strategic plan and maintain strategic oversight of operational matters;
- (c) select, evaluate the performance of, and determine the level of compensation of the chief executive officer and other officers of the Corporation, as well as other employees of the Corporation who may be a “disqualified person” (as defined in Section 4958 of the Internal Revenue Code of 1986, as amended);
- (d) oversee succession planning for management;
- (e) hold management accountable for performance;

- (f) oversee (i) the integrity of the financial statements of the Corporation, (ii) the qualifications and independence of the Corporation’s independent auditors, (iii) the performance of the Corporation’s independent auditors and internal audit function, (iv) the processes by which the Corporation’s management assesses and manages risk, and (v) the Corporation’s compliance with legal and regulatory requirements;
- (g) review and approve the annual budget of the Corporation and provide oversight of the financial stability of the Corporation;
- (h) review and approve capital expenditures, acquisitions and divestitures and other transactions that, as determined by the Board in its sole discretion, are significant to the Corporation, in each case in accordance with policies that may be established by the Board from time to time;
- (i) assist in ensuring the inclusiveness and diversity of the Corporation;
- (j) provide oversight of the protection of the brand of the Corporation;
- (k) oversee fundraising on behalf of the Corporation;
- (l) adopt standards applicable to members of the Board, in addition to specific standards of independence;
- (m) determine the duties and responsibilities to be performed by the Chief Executive Officer;
- (n) design a formal and transparent process for nominating members of the Board;
- (o) monitor potential conflicts of interest of management and members of the Board;
- (p) monitor through evaluations the effectiveness of the governance practices under which the Board operates and make changes as needed; and
- (q) exercise such other powers, authority and responsibilities as may be set forth in these Bylaws or as may be otherwise determined by the Board.

**2.2** *Number.* The Board shall fix by resolution from time to time the number of members constituting the Entire Board, provided that, as required by the Congressional Charter, there shall be no fewer than 12 and no more than 20 members constituting the Entire Board (the “*Board Size Limitation*”).

**2.3** *Independence of Governors; Compensation; Code of Business Ethics and Conduct.*

- (a) General. Subject to Section 2.3(b), all members of the Board shall be persons determined by the Board to be independent. In order to determine that a person is independent pursuant to this Section 2.3, the Board shall make an affirmative determination that a person has no material relationship with the Corporation, with any Chapter, or with any consolidated subsidiary of the Corporation (each, a “*Corporate Unit*”), and that the person is free of any other relationship (with a Corporate Unit or otherwise) that would interfere with the exercise of independent judgment of such person. In making this determination, the Board shall consider all relevant facts and circumstances, including commercial, charitable, and familial relationships that exist between the person and a Corporate Unit, or between entities with which the person is affiliated and a Corporate Unit. All members of the Board

shall provide to the Corporation all information requested to assist the Board in making its determination. The Board may, from time to time, adopt categorical standards to guide its determination of materiality. In addition, a person is not independent for purposes of this Section 2.3 if:

- (i) the person is, or has been within the last three years, an employee of a Corporate Unit, or an immediate family member is, or has been within the last three years, an officer of a Corporate Unit; *provided, however*, that employment, on an interim basis, as chief executive officer or other officer of a Corporate Unit shall not disqualify a person from being considered independent following that employment;
- (ii) the person has received, or has an immediate family member who has received, within the last 12-month period any direct compensation from any Corporate Unit; *provided, however*, that employment, on an interim basis, as chief executive officer or other officer of a Corporate Unit shall not disqualify a person from being considered independent following that employment;
- (iii) (A) the person or an immediate family member is a current partner of a firm that is the Corporation's external auditor; (B) the person is a current employee of such a firm; (C) the person has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the person or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Corporation's audit within that time;
- (iv) the person or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Corporation's present officers serves or served on that company's compensation committee;
- (v) the person is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, a Corporate Unit for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, it being understood that for purposes of this Section 2.3(a)(v), (A) both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year, (B) the look-back provision for this test applies solely to the financial relationship between the Corporate Unit and such person's or immediate family member's current employer (*i.e.*, former employment of such person or immediate family member need not be considered for this Section 2.3(a)(v)), and (C) charitable contributions to the Corporation or to any Corporate Unit shall not be considered "payments"; or
- (vi) such person is serving in any capacity with a Corporate Unit (other than as a volunteer, except as a volunteer in a management or governance position).

- (b) Independence of each of Chairman and Chief Executive Officer. Service by a person as the Chairman or as the Chief Executive Officer, or service by a person as the Chairman and Chief Executive Officer, shall not disqualify such person from serving as a member of the Board under Section 2.3(a) if the Board determines that such person is otherwise independent for purposes of Section 2.3(a) without taking into account such person's service as the Chairman and/or the Chief Executive Officer, in each case notwithstanding anything to the contrary in Section 2.3(a).
- (c) Compensation; Reimbursement of Expenses. No member of the Board shall be entitled to receive from the Corporation compensation for service on the Board, any committee of the Board, any Board-appointed committee or body, or any advisory council to the Board. Members of the Board shall be entitled to receive from the Corporation reimbursement for the reasonable expenses, including reasonable travel expenses, incurred by such governor in attending meetings of the Board, meetings of committees of the Board of which such governor is a member, meetings of Board-appointed committees or bodies of which such governor is a member, meetings of advisory councils of the Board of which such governor is a member, and such other events and activities at which attendance by such governor is authorized by the Board or is otherwise consistent with the policies, procedures and practices established by the Board from time to time. Reimbursement guidelines for Board member expenses shall be approved and kept by the Secretary consistent with Corporate Policies and Regulations.
- (d) Code of Business Ethics and Conduct. All members of the Board shall meet the standards of conduct set forth in the Red Cross' Code of Business Ethics and Conduct, and shall annually execute a Certification of Commitment to the Code of Business Ethics and Conduct.

## **2.4 *Appointment and Election.***

- (a) Chairman.
  - (i) General. The Board, in accordance with the procedures provided in this Section 2.4(a), shall recommend to the President of the United States an individual to serve as Chairman. If such recommendation is approved by the President of the United States, the President shall appoint such individual to serve as Chairman. The Chairman shall be a member of the Board.
  - (ii) Recommendations to Fill a Vacancy or an Anticipated Vacancy. In the event of (A) a vacancy in the office of the Chairman, including a vacancy resulting from the resignation, death, disability or removal by the President of the United States of the Chairman, or (B) an anticipated vacancy, including an anticipated vacancy resulting from an anticipated resignation or the expiration of the term of the then-serving Chairman, the Governance and Board Development Committee shall consider candidates to fill such vacancy or anticipated vacancy and submit its recommendation to the Board at least six months prior to an anticipated vacancy or otherwise as reasonably practicable under the circumstances. If the then-serving

Chairman is eligible to serve another term of office, the Governance and Board Development Committee may decide to recommend to the Board that the then-serving Chairman serve another term of office as Chairman without considering other candidates. If the recommendation of the Governance and Board Development Committee is approved by the Board, the Board shall recommend to the President of the United States the appointment of such individual to serve as Chairman.

(b) Members of the Board Other than the Chairman.

- (i) General. Members of the Board other than the Chairman shall be elected at each annual meeting of the Corporation in accordance with the procedures provided in this Section 2.4(b).
- (ii) Nominations by the Board. The Governance and Board Development Committee shall consider persons for election to the Board and shall submit its recommended candidates to the Board. If the recommendations of the Governance and Board Development Committee are approved by the Board, the Board shall nominate such candidates to stand for election as governors by the Chapters entitled to vote at the annual meeting of the Corporation. The names of such nominees shall be made available to the Chapters not later than 30 days prior to the date of the annual meeting at which such nominees shall stand for election to the Board, unless it is not reasonably practicable in the circumstances for the names of the nominees to be made available not later than 30 days prior to the date of such annual meeting. In the case of such impracticability the names of such nominees shall be made available to the Chapters as far in advance of the annual meeting as is reasonably practicable in the circumstances, which in no event will be later than ten days prior to the date of the annual meeting at which such nominees shall stand for election to the Board.
- (iii) Nominations by Petition. (A) Twenty-five percent or more of the Chapters may nominate persons to stand for election as governors at the next annual meeting of the Corporation only if timely written notice of such Chapters' intent to make such nomination is provided, either by personal delivery or by mail, postage prepaid, to the Secretary. To be timely, the Chapters' notice (the "*Petition for Nomination*") must be delivered to or mailed and received by the Secretary after the names of the Board's nominees for governor are made available to the Chapters in accordance with Section 2.4(b)(ii), but not later than the later of (1) the twentieth day prior to the annual meeting of the Corporation at which such Board nominees will stand for election or (2) the fifth day after the names of the Board's nominees for governor are made available to the Chapters in accordance with Section 2.4(b)(ii).

(B) Each Petition for Nomination shall set forth (1) the name and address of each Chapter which intends to make the nomination, (2) the name and address of the person or persons proposed to be nominated and sufficient information about each person to enable the Board to make a

reasonable determination that, subject to such diligence and analysis that the Board (or the Governance and Board Development Committee) performs with respect to persons nominated by the Board to stand for election as governors, such person shall meet the independence standards adopted by the Board and such other standards adopted by the Board (or the Governance and Board Development Committee) in considering persons for election to the Board generally, (3) a representation of each Chapter which intends to make the nomination that (a) at least one of its delegates will be present at the annual meeting of the Corporation (or deemed present in accordance with Section 6.1(a) at such annual meeting) and (b) its governing board has duly authorized the Petition for Nomination, and (4) the executed written consent of each nominee to serve as a member of the Board if so elected.

(C) The chair of the annual meeting may refuse to acknowledge or accept the nomination of any person not made in compliance with the procedures and standards set forth in Section 2.4(b)(iii), and only such persons who, as determined by the Board (or the Governance and Board Development Committee), are nominated in accordance with such procedures and who satisfy the independence standards adopted by the Board and such other standards adopted by the Board (or the Governance and Board Development Committee) in considering persons for election to the Board generally shall be eligible to stand for election as nominees and to serve as members of the Board.

- (iv) Vacancies and Newly Created Board Positions. Vacancies in any Board position other than the Chairman and in any newly created Board position may be filled by a vote of the remaining members of the Board pursuant to this Section 2.4(b)(iv). Vacancies on the Board resulting from death, disability, resignation, removal or other cause and newly-created Board positions shall only be filled by the Board by the affirmative vote of a majority of the remaining governors then in office, even though those remaining governors constitute less than a quorum of the Board, or by a sole remaining governor. Any governor appointed in accordance with this Section 2.4(b)(iv) to fill a vacancy (other than resulting from a newly-created Board position) shall hold office until the next annual meeting of the Corporation unless the Board determines to appoint such governor to serve the remainder of the term of office of such vacancy. In the event the Board creates a new Board position, the new position shall be assigned to one of the three staggered groups of members of the Board consistent with Section 2.5(a)(ii), and any governor appointed in accordance with this Section 2.4(b)(iv) to fill a newly-created Board position shall hold office until the annual meeting of the Corporation at which the term of office of that staggered group of members of the Board expires (*e.g.*, the next annual meeting, the second annual meeting or the third annual meeting of the Corporation following the appointment of such governor). A vacancy on the Board shall not affect the powers, authority or responsibilities of the Board.

- (v) Chief Executive Officer. The Chief Executive Officer may be appointed as a member of the Board of Governors upon approval by the Board. If the Chief Executive Officer serves as a member of the Board, he or she shall have full voting rights and other privileges of the Board. The Chief Executive Officer shall not be permitted to serve as a member of any committee of the Board unless the charter of such committee so provides. If the Chief Executive Officer serves as a member of the Board, termination of the Chief Executive Officer's employment with the Corporation as Chief Executive Officer for any reason, whether voluntary or involuntary, shall immediately terminate the Chief Executive Officer's membership on the Board. This Section 2.4(b)(v) does not apply to a person who serves as the Chairman and the Chief Executive Officer.

## **2.5 Term of Office; Removal.**

### **(a) Term of Office.**

- (i) General. The term of office of each member of the Board shall be three years, except that any member of the Board elected by the Board to fill a vacancy in a Board position arising before the expiration of its term may, as determined by the Board pursuant to Section 2.4(b)(iv), serve for the remainder of that term or until the next annual meeting of the Corporation.
- (ii) Terms of Office to be Staggered. The terms of office of members of the Board (other than the Chairman) shall be staggered such that one-third of the Entire Board (or as near to one-third as practicable) shall be elected at each successive annual meeting of the Corporation with the term of office of each member of the Board elected at an annual meeting expiring at the third annual meeting following the annual meeting at which such member was elected.
- (iii) Term Limits. No person may serve as a member of the Board for more than three consecutive terms of office regardless of the number of years comprising each term of office with the following limited exceptions:

(A) The term of office of a governor who is appointed to the Board to fill a vacancy or a newly-created Board position pursuant to Section 2.4(b)(iv) shall not constitute a term of office for purposes of this Section 2.5(a)(iii) if such term of office is less than 18 months and such person shall not be eligible for reelection to the Board before the second annual meeting of the Corporation following the annual meeting at which such person's third consecutive term of office expired. Notwithstanding the preceding sentence, in the event such person's third consecutive term of office expired prior to an annual meeting because such person resigned from the Board, such person shall not be eligible for reelection to the Board before the third annual meeting of the Corporation following the date on which such person's third consecutive term of office expired.

(B) A person may serve as Chairman for more than three consecutive terms and if the Chief Executive Officer serves as a member of

the Board, he or she may serve as a member of the Board for more than three consecutive terms. For purposes of the term limit in the first sentence of this Section 2.5(a)(iii), any term of office as a member of the Board served by any of the following does not count as a Board term: (1) the Chairman, (2) the Chief Executive Officer, or (3) the most senior Vice-Chairman under circumstances in which such Vice Chairman is required to discharge the duties and responsibilities of the Chairman.

(C) The Board may elect to waive the three term limit and allow a governor to serve an additional consecutive term of office as a member of the Board if the Board determines that allowing such governor to serve such additional term will better enable the Board to exercise oversight of the Corporation's compliance with applicable legal and regulatory requirements and otherwise is in the best interests of the Corporation.

- (b) Resignations; Removal. Any governor other than the Chairman may at any time resign by giving written notice to the Board or the Chairman. Such resignation shall take effect at the time specified in such notice or, if the time be not specified therein, upon receipt thereof, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective. The Board may remove any governor other than the Chairman, and may request that the President of the United States remove the Chairman, for conduct deemed by the Board to be detrimental to the Board or to the Corporation. Any governor so removed shall not be eligible for subsequent election or appointment to the Board.

## **2.6 Meetings.**

- (a) Regular Meetings. The organizational meeting of the Board, for the purpose of organization or otherwise (the "Organizational Meeting") and other regular meetings of the Board may be held at such times and at such places as the Board shall from time to time determine, although regular meetings of the Board shall be held in Washington, D.C. unless otherwise determined by the Board or specified in a notice of the regular meeting.
- (b) Special Meetings. Special meetings of the Board may be held at such times and at such places whenever called by the Board, by the Chairman, or by the Secretary upon the written direction of any three governors, with special meetings of the Board being held in Washington, D.C. unless specified in the notice of the special meeting. Reasonable notice thereof shall be given by the person or persons calling the meeting.
- (c) Notice of Meetings; Waiver. Notice of regular meetings of the Board or of any adjourned meeting thereof need not be given. Notice of each special meeting of the Board shall be given to each governor (i) by first class mail at least five days before, or by overnight delivery service at least two days before, the day on which the meeting is to be held, in either case addressed to such governor at the governor's residence or usual place of business or (ii) by electronic transmission, addressed to such governor or shall be given personally or by telephone, in each case not later than the day before the meeting is to be held, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the

circumstances; *provided, however*, notice need not be given to any governor who shall, either before or after the meeting, submit a waiver of such notice or who shall attend such meeting without objecting, prior to or at its commencement (or promptly upon arrival), the lack of notice to such governor, or who shall attend such meeting and vote on or assent to an action taken at such meeting. Unless otherwise required by these Bylaws, every such notice shall state the time and place but need not state the purpose of the meeting.

- (d) Participation in Meetings by Means of Communications Equipment. Members of the Board, or any committee or other body designated by the Board, may participate in a meeting of the Board or of such committee or other body by means of electronic communications by which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 2.6(d) shall constitute presence in person at such meeting.
- (e) Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board or of any committee or other body designated by the Board may be taken without a meeting if all members of the Board, committee, or other body, as the case may be, consent thereto in writing, or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board, committee, or other body. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.
- (f) Quorum and Manner of Acting. A majority of the Entire Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the vote of a majority of the governors present at any meeting at which a quorum is present shall be the act of the Board. In the event a quorum shall not be present at any meeting of the Board, the governors or a majority of the governors present may adjourn the meeting from time to time until a quorum shall be present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.
- (g) Proxies. Voting by proxy is not allowed at any meeting of the Board or of any committee or other body designated by the Board.

**2.7 Rules and Regulations.** The Board may adopt such rules and regulations not inconsistent with applicable laws, the Congressional Charter or these Bylaws for the conduct of its meetings and overseeing the management of the business and affairs of the Corporation.

## *Section 3—Committees of the Board of Governors*

**3.1 Establishment of Committees of the Board of Governors.** The Board may designate one or more committees that shall have such name or names as may be determined from time to time by the Board. Subject to Section 2.4(b)(v), each committee shall consist of one or more members of the Board, and the Board shall designate a chair and vice-chair of each committee from among the committee's members. The Board may designate one or more governors as alternate members of any committee who may replace any absent or

disqualified member at any meeting of the committee. Any such committee, to the extent provided in a resolution of the Board or a charter of a committee adopted by the Board, shall have and may exercise all the powers and authority of the Board in directing, and of overseeing the management of the business and affairs of, the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; *provided, however*, no such committee, including the Executive Committee and other standing committees of the Board, shall have the power or authority in reference to the following matters:

- (a) the recommendation to the President of the United States of an individual to serve as Chairman;
- (b) the removal of any member of the Board;
- (c) the filling of vacancies on the Board;
- (d) the nomination of candidates to stand for election as governors by the delegates of the Chapters entitled to vote thereon at the annual meeting of the Corporation;
- (e) the appointment, removal or reassignment of a member of any committee of the Board, or the filling of vacancies on any committee of the Board;
- (f) the designation of any committee of the Board or any Board-appointed committee, advisory council to the Board, or other Board-appointed body;
- (g) the appointment, removal or reassignment (or the concurrence in the appointment, removal or reassignment) of any officer of the Corporation, except that vacancies in established positions may be filled by the Executive Committee subject to ratification by the Board;
- (h) the amendment or repeal of these Bylaws or the adoption of new bylaws;
- (i) the amendment, alteration, repeal, or taking of any action inconsistent with any resolution or action of the Board when the resolution or action of the Board provides by its terms that it shall not be amended, altered or repealed by action of a committee of the Board;
- (j) the sale, lease, exchange or transfer of all or substantially all of the Corporation's property and assets;
- (k) the approval of the annual budget of the Corporation; and
- (l) the dissolution of the Corporation or a revocation of a dissolution.

The Board may, from time to time, establish, eliminate and modify the power and authority of any committee of the Board; change the size of a committee; and add, remove or replace the chair or member of any committee.

**3.2 *Standing Committees of the Board.*** The Board shall have the following standing committees whose members shall initially be appointed by the Board at the Organizational Meeting upon the recommendation of the Governance and Board Development Committee:

- (a) Executive Committee. The Executive Committee may exercise all powers, and have such authority and responsibilities, of the Board when the Board is not in

session except as specified in Section 3.1. The Executive Committee shall be composed of at least three but not more than seven members, with such specified number of members as the Board shall fix by resolution from time to time, consisting of the Chairman, the chairs of each of the standing committees of the Board, and other members of the Board appointed to the Committee by the Board. The Chairman shall be the chair of the Executive Committee.

- (b) Audit and Risk Management Committee. The Audit and Risk Management Committee shall have the purpose, authority and responsibilities as shall be set forth in these Bylaws, the Audit and Risk Management Committee Charter adopted by the Board, and by resolution of the Board. The Audit and Risk Management Committee shall be composed of at least five but not more than eight members, with such specified number of members as the Board shall fix by resolution from time to time.
- (c) Compensation and Management Development Committee. The Compensation and Management Development Committee shall have the purpose, authority and responsibilities as shall be set forth in these Bylaws, the Compensation and Management Development Committee Charter adopted by the Board, and by resolution of the Board. The Compensation and Management Development Committee shall be composed of at least three but not more than eight members, with such specified number of members as the Board shall fix by resolution from time to time.
- (d) Governance and Board Development Committee. The Governance and Board Development Committee shall have the purpose, authority and responsibilities as shall be set forth in these Bylaws, the Governance and Board Development Committee Charter adopted by the Board, and by resolution of the Board. The Governance and Board Development Committee shall be composed of at least three but not more than eight members, with such specified number of members as the Board shall fix by resolution from time to time.
- (e) Board of Trustees of the Endowment Fund. The Board of Trustees of the Endowment Fund shall have the purpose, authority and responsibilities as shall be set forth in the Congressional Charter, these Bylaws, the Board of Trustees of the Endowment Fund Charter adopted by the Board, and by resolution of the Board. The Board of Trustees of the Endowment Fund shall be composed of at least three but not more than five members with such specified number of members as the Board shall fix by resolution from time to time.

### **3.3 *Certain Rules Applicable to All Committees of the Board.***

- (a) Meetings; Notice; Waiver. Regular meetings of each committee of the Board, of which no notice shall be necessary, may be held at such times and places as shall be fixed by resolution adopted by a majority of the total number of authorized committee members of each such committee, whether or not there exists any vacancies or unfilled previously authorized committee seats. Special meetings of any committee of the Board shall be called at the request of any member of such committee. Notice of each special meeting of any committee of the Board shall be sent to each member of such committee (i) by first class mail at least five days

before, or by overnight delivery service at least two days before, the day on which the meeting is to be held, in either case addressed to such committee member at the member's residence or usual place of business or (ii) by electronic transmission, addressed to such committee member or shall be given personally or by telephone, in each case not later than the day before the meeting is to be held, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances; *provided, however*, notice need not be given to any governor who shall, either before or after the meeting, submit a waiver of such notice or who shall attend such meeting without objecting, prior to or at its commencement (or promptly upon arrival), the lack of notice to such governor, or who shall attend such meeting and vote on or assent to an action taken at such meeting. Unless otherwise required by these Bylaws, every such notice shall state the time and place but need not state the purpose of the meeting. Any special meeting of any committee of the Board shall be a legal meeting without any notice thereof having been given, if all the members of such committee shall be present at the meeting and no member shall object to the lack of notice to such member. Notice of any adjourned meeting of any committee of the Board need not be given.

- (b) Quorum and Manner of Acting. A majority of the authorized members of any committee of the Board shall constitute a quorum for the transaction of business at any meeting, and the vote of a majority of the members of such committee present at any meeting at which a quorum is present shall be the act of such committee.
- (c) Adoption of Committee Rules. Any committee of the Board may adopt such rules and regulations not inconsistent with applicable laws, the Congressional Charter, these Bylaws, the Board resolution designating the committee, or the committee charter adopted by the Board for the conduct of its meetings as such committee of the Board may deem advisable.
- (d) Minutes and Reports. Each committee shall keep regular minutes of its meetings and report the same to the Board, when required, and present to the Board such reports as are requested by the Board or required by these Bylaws, the Board resolution designating the committee, or the committee charter adopted by the Board or as are deemed advisable by the Committee.
- (e) Subcommittees. Unless otherwise provided in these Bylaws, the resolution of the Board designating the committee or the committee charter adopted by the Board, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee and be composed solely of members of the committee, and delegate to a subcommittee any or all of the powers, authority and responsibilities of the committee.

## *Section 4—Board-Appointed Committees, Advisory Councils, and Other Bodies*

- 4.1 *Establishment of Board-Appointed Committees, Advisory Councils to the Board of Governors, and Other Bodies.*** The Board may designate one or more Board-appointed committees, advisory councils, and other bodies that shall have such name or names as may be determined from time to time by the Board. Such Board-appointed committees, advisory councils, and other bodies may consist of one or more, or no, members of the Board and one or more, or no, individuals who are not members of the Board as determined by the Board.
- 4.2 *Board-Appointed Committees and Other Bodies.*** Board-appointed committees and other bodies shall have such purposes, powers, authority and responsibilities as may be designated by the Board by resolution or in a charter of the committee or other body adopted by the Board. The Board may, from time to time, establish, eliminate and modify the purposes, powers, authority and responsibilities of any committee or other body; change the size of any committee or other body; and add, remove or replace the chair or member of any committee or other body.
- 4.3 *Advisory Councils.*** Advisory Councils shall be advisory only and shall have no power or authority to act on behalf of the Board or of the Corporation, but shall provide such advice and assistance to the Board or such other constituency within the Corporation, and have such other purposes, powers, authority and responsibilities as may be designated by the Board by resolution or in a charter of the advisory council adopted by the Board. Except as otherwise provided in the Congressional Charter with respect to the Cabinet Council, the Board may, from time to time, establish, eliminate and modify the purposes, powers, authority and responsibilities of any advisory council; change the size of any advisory council; and add, remove or replace the chair or member of any advisory council.

The Board shall have the following standing advisory councils:

### Cabinet Council.

- (a) There shall be an advisory council to the Board named the “Cabinet Council.” The Cabinet Council shall be composed of no fewer than eight and no more than 10 members, each of whom shall be appointed by the President of the United States from principal officers of the executive departments and senior officers of the Armed Forces whose positions and interests qualify them to contribute to carrying out the programs and purposes of the Corporation. At least one, but not more than three of the members of the Cabinet Council shall be selected from the Armed Forces.
- (b) The Cabinet Council shall advise, report directly to, and meet, at least one time per year with the Board.
- (c) A member of the Cabinet Council may send a representative or liaison to attend on his or her behalf a meeting or meetings of the Cabinet Council.

## Section 5—Officers

**5.1 Officers.** Except as otherwise provided in this Section 5, the officers of the Corporation shall be a Chairman, a Chief Executive Officer, a President, a Chief Financial Officer, a General Counsel, a Chief Audit Executive, an Ombudsman, one or more Vice Chairmen, one or more Vice Presidents (who could have the title of Executive Vice President or Senior Vice President), a Treasurer, a Secretary, and one or more Assistant Treasurers or Assistant Secretaries, and such other officers and agents with such titles and such duties as the Board (or an officer authorized by the Board) may from time to time determine, each to have such powers, authority or responsibilities as provided in these Bylaws or as the Board (or an officer authorized by the Board) may from time to time determine. Except as otherwise provided in these Bylaws or by resolution of the Board, one person may hold the offices and perform the duties of any two or more of said officers; *provided, however*, that no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law, the Congressional Charter or these Bylaws to be executed, acknowledged or verified by two or more officers.

**5.2 Term of Office; Resignation; Removal; Vacancies.** Unless otherwise provided in the resolution by the Board electing or authorizing the appointment of any officer, each officer other than the Chairman shall be elected by the Board (or an officer authorized by the Board) for an initial term which shall continue until the next Organizational Meeting, and thereafter each officer other than the Chairman shall be elected for one-year terms or until his or her successor is elected or appointed and qualified or until his or her earlier resignation, death or removal.

Any officer may resign at any time upon written notice to the Board or to such person or persons as the Board may designate. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective. The Board may remove any officer other than the Chairman with or without cause at any time.

Any officer authorized by the Board to appoint a person to hold an office of the Corporation may also remove from office any person appointed by such authorized officer with or without cause at any time, unless otherwise provided in these Bylaws or the resolution of the Board. Any such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation, but the election or appointment of an officer shall not of itself create contractual rights as all employees who serve as officers of the Corporation are at-will employees unless an employee with whom the Corporation enters into a written employment agreement that expressly provides otherwise.

Subject to any contractual limitations, the Chief Executive Officer may suspend the powers, authority, responsibilities and compensation of any officer elected by the Board, for a period of time sufficient to permit the Board or the appropriate committee of the Board a reasonable opportunity to consider and act upon a resolution relating to the reinstatement, further suspension or removal of such person, and may remove from office any other employee of the Corporation with or without cause at any time. Any vacancy occurring in any office of the Corporation other than the office of the Chairman by death, resignation,

removal or otherwise may be filled by the Board at any regular or special meeting or by an officer authorized by the Board to appoint a person to hold such office.

- 5.3 *Powers, Authority and Responsibilities.*** The officers of the Corporation shall have such powers, authority and responsibilities in the management of the Corporation as shall be provided in the Congressional Charter, these Bylaws or by resolution of the Board which is not inconsistent with these Bylaws and, to the extent not so stated, as generally are incident to their respective offices, subject to the direction and oversight of the Board. Officers (other than the Chief Executive Officer) shall also have and perform such powers, authority and responsibilities as the Board may from time to time determine by resolution or as the Chief Executive Officer may from time to time specifically direct, provided that such directed powers, authority and responsibilities are not inconsistent with these Bylaws or with any outstanding Board resolutions.
- 5.4 *Chairman.*** The Chairman shall be a member of the Board and, when present, shall preside at meetings of the Board, at meetings of the Executive Committee, and at annual meetings of the Corporation. The term of office of the Chairman shall be coterminous with the Chairman's term of office as a member of the Board. The Chairman may not hold any office other than the office of Chief Executive Officer if so elected by the Board.
- 5.5 *Honorary Chairman.*** The President of the United States shall, upon acceptance, be the Honorary Chairman of the Corporation.
- 5.6 *Vice Chairmen.*** The Board may elect from the members of the Board one or more Vice Chairmen of the Board, and if more than one Vice Chairman is elected, the Board shall establish the seniority of the Vice Chairmen and may charge each Vice Chairman with a specific area of responsibility. In the absence of the Chairman due to unavailability, vacancy in the office of the Chairman, including a vacancy resulting from the resignation, death, disability or removal of the Chairman by the President of the United States, or otherwise, the most senior Vice Chairman present shall discharge the duties and responsibilities of the Chairman.
- 5.7 *Chief Executive Officer.*** The Chief Executive Officer shall have overall responsibility and authority for the conduct of the business and affairs of the Corporation, subject to the control and oversight of the Board, and shall report directly to the Board. The Chief Executive Officer shall exercise such other powers, authority and responsibilities as the Board may from time to time determine by resolution, and shall ensure that all orders and resolutions of the Board are carried into effect. Accordingly, the Board delegates to the Chief Executive Officer all such authority as is necessary and appropriate to manage the business and affairs of the Corporation in accordance with the strategic plan and objectives adopted and approved by the Board and subject to oversight by the Board. The Board of Governors also reserves to itself full authority to revoke or modify any such delegation at any time and from time to time.
- 5.8 *President.*** The President shall be the chief operating officer of the Corporation and shall have and perform such powers, authority and responsibilities in connection with the operations of the Corporation as the Board or the Chief Executive Officer shall from time to time determine, and shall report directly to the Chief Executive Officer. In addition to any powers, authority and responsibilities of the President pursuant to Section 5.3, the President shall, when requested, counsel with and advise the other officers of the

Corporation. There shall be no office of the President if the Chief Executive Officer also holds the title of President, in which case the Board may elect a Chief Operating Officer with the powers, authority and responsibilities described in this Section 5.8, and the Chief Operating Officer shall report directly to the President and Chief Executive Officer.

- 5.9 Chief Financial Officer.** The Chief Financial Officer shall have and perform all the powers, authority and responsibilities of the office of the chief financial officer and in general have overall supervision of the financial operations of the Corporation. In addition to any powers, authority and responsibilities of the Chief Financial Officer pursuant to Section 5.3, the Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation. The Chief Financial Officer shall report directly to the Chief Executive Officer, or his or her designee.
- 5.10 General Counsel.** The General Counsel shall be the chief legal, ethics and compliance officer of the Corporation and shall have general control of all matters of legal import concerning the Corporation, including the Chapters, and shall advise the Board and officers on legal matters. In addition to any powers, authority and responsibilities of the General Counsel pursuant to Section 5.3, the General Counsel shall, when requested, counsel with and advise the other officers of the Corporation. The General Counsel shall report directly to the Chief Executive Officer.
- 5.11 Chief Audit Executive.** The Chief Audit Executive shall have and perform such powers, authority and responsibilities as are incident to the position of a general, internal auditor in the performance of an independent audit activity of the Corporation and shall have direct access to the Chairman, the Audit and Risk Management Committee, and the Chief Executive Officer. In addition to any powers, authority and responsibilities of the Chief Internal Auditor pursuant to Section 5.3, the Chief Audit Executive shall, when requested, counsel with and advise the other officers of the Corporation and shall have and perform such powers, authority and responsibilities as the Chief Executive Officer may from time to time specifically direct. The Chief Audit Executive need not be an officer of the Corporation and shall not be deemed an officer of the Corporation unless elected and designated as an officer by the Board. The Audit and Risk Management Committee shall have the authority to appoint and remove the Chief Audit Executive. The Chief Audit Executive shall report directly to the Audit and Risk Management Committee and, administratively, to the Chief Executive Officer, or his or her designee.
- 5.12 Ombudsman.** The Ombudsman shall have and perform such powers, authority and responsibilities as are incident to the position of an internal corporate ombudsman, which shall be to serve as the neutral and impartial dispute resolution practitioner whose principal function shall be to provide confidential and informal assistance to the many constituents with concerns or complaints about the Corporation. In addition to any powers, authority and responsibilities of the Ombudsman pursuant to Section 5.3, the Ombudsman shall, when requested, counsel with and advise the other officers of the Corporation. The Chief Executive Officer shall have the authority to appoint and remove the Ombudsman, subject to the concurrence of the Audit and Risk Management Committee. The Ombudsman need not be an officer of the Corporation and shall not be deemed an officer of the Corporation unless elected and designated as an officer by the Board. The Ombudsman shall submit reports to the Chief Executive Officer and to the Audit and Risk Management Committee on an annual basis. The Ombudsman shall also submit a report annually to Congress and

- the full Board concerning any trends and systemic matters that the Ombudsman has identified as confronting the Corporation.
- 5.13 *Vice Presidents.*** Any Vice President (who could have the title of Executive Vice President or Senior Vice President) shall have and perform such powers, authority and responsibilities as shall be prescribed by his or her superior officer or the Board. In addition to any powers, authority and responsibilities of a Vice President pursuant to Section 5.3, a Vice President shall, when requested, counsel with and advise the other officers of the Corporation. A Vice President need not be an officer of the Corporation and shall not be deemed an officer of the Corporation unless elected and designated as an officer by the Board.
- 5.14 *Treasurer.*** The Treasurer, if one shall have been elected, shall supervise and be responsible for all the funds and securities of the Corporation; the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation; borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party; the disbursement of funds of the Corporation and the investment of its funds; and in general shall perform all of the duties incident to the office of the Treasurer. In addition to any powers, authority and responsibilities of the Treasurer pursuant to Section 5.3, the Treasurer shall, when requested, counsel with and advise the officers of the Corporation. The Treasurer need not be an officer of the Corporation and shall not be deemed an officer of the Corporation unless elected and designated as an officer by the Board.
- 5.15 *Secretary.*** The Secretary shall have and perform such powers, authority and responsibilities as are incident to the position of secretary, which shall be to act as secretary and record minutes of all meetings of the Board, of the committees of the Board, of annual meetings of the Corporation, of meetings of Board-appointed committees or bodies, and of meetings of advisory councils to the Board, to record the proceedings of such meetings in a book or books to be kept for that purpose, and to have sole custody of such minutes and records. The Secretary shall see that all notices of meetings of the Board, of the committees of the Board, of annual meetings of the Corporation, of meetings of Board-appointed committees or bodies, and of meetings of advisory councils to the Board required to be given are duly given. The Secretary shall be custodian of the seal of the Corporation and shall affix the seal or cause it to be affixed and shall attest to the seal of the Corporation upon all instruments to be executed under such seal. In addition to any powers, authority and responsibilities of the Secretary pursuant to Section 5.3, the Secretary shall, when requested, counsel with and advise the other officers of the Corporation. The Secretary shall report directly to the Chief Executive Officer.
- 5.16 *Assistant Treasurers and Assistant Secretaries.*** Any Assistant Treasurers and Assistant Secretaries shall have and perform such responsibilities as shall be assigned to them by the Board or by the Treasurer or Secretary, respectively, or by the Chief Executive Officer. An Assistant Treasurer or Assistant Secretary need not be an officer of the Corporation and shall not be deemed an officer of the Corporation unless elected and designated as an officer by the Board.
- 5.17 *Additional Matters.*** The Chief Executive Officer and, if a separate officer, the President shall have the authority to designate employees of the Corporation to have the title of Vice

President (including the titles of Executive Vice President and Senior Vice President), Assistant Treasurer, or Assistant Secretary. The Chief Executive Officer and, if a separate officer, the President shall also have the authority to designate employees of the Corporation to have the title of President of a dedicated business unit or units or any other such title as he or she shall determine appropriate. Any employee so designated shall have the powers, authority and responsibilities determined by the officer making such designation. The persons upon whom such titles are conferred shall not be deemed officers of the Corporation unless elected and designated as an officer by the Board.

## Section 6 — Annual Meetings

- 6.1 Annual Meetings.** The annual meeting of the Corporation is the annual meeting of delegates of the Chapters for the election of members of the Board and for the transaction of such other business as may properly come before the annual meeting. This meeting shall be held on such date and at such hour as shall be determined by the Board. Any previously scheduled annual meeting of the Corporation may be postponed by action of the Board taken prior to the time previously scheduled for such annual meeting of the Corporation. The Board may prescribe such rules, regulations and procedures with respect to and covering such matters affecting notice of, and the conduct and proceedings of, annual meetings of the Corporation, and to do all such acts and things as are determined by the Board to be necessary or advisable with respect thereto; *provided, however*, that unless otherwise determined by the Board, the Board shall be required to provide to Chapters reasonable notice of the time, place and manner of the annual meeting of the Corporation, and Chapters shall in turn provide notice to their respective delegates.
- (a) **Place of Annual Meetings.** All annual meetings of the Corporation shall be held at such place as may be fixed from time to time by the Board. Notwithstanding the foregoing, the Board is authorized to determine that the annual meeting shall not be held at any place, but may instead be held by means of remote communication. If authorized by the Board, and subject to such guidelines as the Board may adopt, delegates of Chapters not physically present at an annual meeting of the Corporation may, by means of remote communication, participate in an annual meeting and be deemed present and vote at such meeting whether such meeting is held at a designated place or solely by means of remote communication, provided that (i) the Corporation implements reasonable measures to verify that each person deemed present and permitted to vote at the annual meeting by means of remote communication is a delegate of a Chapter (ii) the Corporation implements reasonable measures to provide such delegates a reasonable opportunity to participate in the annual meeting and to vote on matters submitted to the delegates of the Chapters, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any delegate of a Chapter votes or takes other action at the meeting by means of remote communication, a record of such vote or other action is maintained by the Corporation, subject in each case to Section 6.1(b)(i).

(b) ***Voting at Annual Meetings.***

- (i) General. In matters requiring a vote at the annual meeting of the Corporation, each Chapter is entitled to at least one vote, and voting on all matters may be conducted by mail, telephone, telegram, cablegram, electronic mail, or any other means of electronic or telephone transmission, provided that (A) the person voting shall state, or submit information from which it can be determined, that the method of voting chosen was authorized by such person, and (B) and such means of voting shall have been determined by the Board or the chair of the annual meeting to be advisable for such annual meeting.
- (ii) Establishment of Number of Votes; Voting. Each Chapter shall be entitled to appoint or designate such number of persons to serve as its voting delegates to the annual meeting of the Corporation as is equal to the number of votes the Chapter is entitled to cast at the annual meeting. The Board, upon the recommendation of the Governance and Board Development Committee, shall determine on an equitable basis the number of votes that each Chapter is entitled to cast, taking into consideration the size of the membership of the Chapters, the populations served, and such other factors as may be determined by the Board. The Board shall review the allocation of votes at least every five years. Determinations by the Board of the number of votes that each Chapter is entitled to cast shall be final, conclusive and binding on the Chapters. No person shall be deemed to be a delegate of a Chapter unless such person is registered by the Chapter as a delegate of such Chapter in accordance with such procedures as the Corporation may adopt. Each such person so registered by the Chapter as a delegate of such Chapter shall be entitled to one vote for the election of members of the Board and for the transaction of such other business as may properly come before the annual meeting. At each annual meeting of the Corporation and except as otherwise required by these Bylaws or by resolution of the Board, the vote of a majority of the delegates who are entitled to vote at an annual meeting and who are present (or deemed present) at an annual meeting at which a quorum is present at or prior to the time such annual meeting is convened shall be an act of the delegates of the Chapters and of the Chapters themselves; *provided, however*, that, with the exception of a vote by the delegates of the Chapters with respect to the election of members of the Board, the authorization, adoption or approval of any matter or proposal that comes before the annual meeting of the Corporation shall not be binding on the Corporation or on the Board, but shall be considered a recommendation of the Chapters for consideration by the Board.
- (iii) Quorum. A quorum shall be considered present at any annual meeting of the Corporation if one-tenth of the total delegates registered by the Chapters for such annual meeting are present (or deemed present) at or prior to the time such annual meeting is convened in accordance with such guidelines as the Board may adopt pursuant to Section 6.1(a). In the case of an in-

person annual meeting held at such place as may be fixed by the Board, a quorum shall be considered present if one-tenth of the total delegates registered by the Chapters for such annual meeting have evidenced their presence at or prior to the time such meeting is convened to the chair of the annual meeting or otherwise in accordance with such procedures as the Corporation may adopt. In the case of an annual meeting not held at any place, but instead held by means of remote communication such as a webinar or other form of web-conferencing using a web-based application, a quorum shall be considered present if one-tenth of the total delegates registered by the Chapters for such annual meeting have evidenced their presence at or prior to the time such meeting is convened by means of remote communication to the chair of the annual meeting or otherwise in accordance with such procedures as the Corporation may adopt.

(iv) Voting by Proxy. Voting by proxy is not allowed at any annual meeting of the Corporation.

(v) Other. For purposes of this Section 6(b), it is understood that if a Chapter registers with the Corporation a number of delegates that is fewer than the maximum number of votes that the Chapter has been determined by the Corporation to be entitled to cast, such action shall not affect the number of delegates who are so registered. If, at any annual meeting, there shall be less than a quorum present, the chair of the annual meeting may adjourn the meeting without further notice, from time to time until a quorum shall be present. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

(c) ***Conduct of Annual Meetings.***

(i) General. At each annual meeting of the Corporation, the Chairman or, in the absence of or at the request of the Chairman, such other member of the Board as shall be selected by the Chairman, shall act as chair of the annual meeting. The chair of the annual meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or advisable for the proper conduct of the meeting. At any annual meeting of the Corporation, only such business shall be conducted as shall have been properly brought before the annual meeting, including the nomination and election of governors. The Secretary of the Corporation, or his or her designee, shall serve as the Secretary and Parliamentarian of the Annual Meeting and be responsible for maintaining appropriate records of the proceedings of the Annual Meeting.

(ii) Matters to be Considered.

(A) Upon Direction by the Board. For any matter to be properly brought before any annual meeting of the Corporation, the matter must be (1) specified in the notice of annual meeting given by or at the direction of the Board or (2) otherwise brought before the annual meeting by or at the direction of the Board or the chair of the annual meeting, (3) otherwise

brought before the annual meeting in accordance with Section 2.4(b)(iii), or (4) otherwise brought before the annual meeting in accordance with such rules and procedures as are adopted by the Board or as are set forth in these Bylaws, including in Section 6.1(c)(ii)(B).

(B) By Petition for Resolution. Chapters may properly bring matters before any annual meeting of the Corporation pursuant to policies and regulations prescribed by the Board from time to time upon the recommendation of the Governance and Board Development Committee.

## Section 7— Membership

- 7.1 *Membership in the Corporation.*** The Corporation is a membership organization. The purpose of membership in the Corporation is to promote community understanding, commitment, and support for the mission, strategic plan, and services of the Corporation and its Chapters. Membership is open to all people of the United States and its territories and its possessions. Any individual shall be a member of the Corporation if he or she (a) makes a monetary contribution to the Corporation, including a Chapter, (b) performs volunteer services for the Corporation, including volunteer services performed directly for a Chapter, or (c) donates blood to the Corporation. Membership shall continue for each year in which it is similarly renewed unless sooner terminated.
- 7.2 *Membership Defined.*** For all purposes, including, without limitation, for purposes of these Bylaws, membership in the Corporation shall mean that a person has been conferred pursuant to Section 7.1 of these Bylaws the right to receive notices of meetings of members of the Chapter providing services in the territorial jurisdiction in which such person resides and the right to vote only at those meetings of members of the Chapters for (a) members of the governing boards of such Chapters and (b) delegates of such Chapters to the annual meetings of the Corporation. Members of the Corporation, and membership in the Corporation, shall not confer upon or otherwise entitle any person to any rights or privileges other than those that are described in the preceding sentence, including the right to vote on any other matter involving or concerning the Corporation.
- 7.3 *Termination of Membership.*** Termination of membership by the Corporation or by any of its Chapters shall automatically terminate the rights of such person as a member in the Corporation described in this Section 7, subject to such individual's right of appeal to the Corporation through any procedures established by the Corporation or as described in Section 8.2 of these Bylaws.

## Section 8 — Chapters

- 8.1 *Nature of Chapters.*** Chapters are local units of the Corporation and shall not be constituted as legal entities separate from the Corporation. Each member of the governing board of a Chapter shall serve without compensation for services as such and meet such

other standards as may be specified by the Corporation in such Chapter's corporate governance documents (including the Chapters' bylaws), and no employee of the Corporation or any Chapter may serve on the governing board of a Chapter.

**8.2 *Chapter Governance.*** The charter of a Chapter is the recognition by the Corporation that the Chapter is a local unit of the Corporation with a specific territorial jurisdiction. Charters may be issued by the Corporation pursuant to these Bylaws and pursuant to policies and regulations prescribed by the Chief Executive Officer. Policies and regulations with regard to Chapters may include such requirements and other provisions as may be prescribed in the sole discretion of the Chief Executive Officer, including the following:

- (a) the manner in which a Chapter shall be required to provide notice of the Chapter's annual meeting to members of the Corporation residing in the Chapter's territorial jurisdiction;
- (b) the bylaws that each Chapter shall be required to comply with;
- (c) term limits for members of the governing board of a Chapter and the circumstances under which the Chief Executive Officer may grant exceptions thereof;
- (d) the manner in which the governing board of a Chapter may remove officers or terminate the rights of a person as a member of the Corporation; and

**8.3 *Power and Authority with Respect to Chapters.***

- (a) Chief Executive Officer. The Chief Executive Officer shall have overall responsibility and authority to oversee and direct the conduct of the business and affairs of the Chapters, and shall report directly to the Board. Accordingly, the Board delegates to the Chief Executive Officer all such power and authority as is necessary and appropriate to oversee and direct the conduct of the business and affairs of the Chapters, including the power and authority to:
  - (i) remove the chair and/or members of the governing board of a Chapter;
  - (ii) charter, revoke the charter of or otherwise de-charter or re-charter a Chapter;
  - (iii) modify the power and authority or permanently suspend all or any part of the operations of a Chapter;
  - (iv) transfer, in whole or in part, merge, consolidate, otherwise realign the territorial jurisdiction of or alter the purpose of a Chapter;
  - (v) oversee and intervene in the affairs of a Chapter; and
  - (vi) take such other or further action as the Chief Executive Officer may determine to be appropriate under the circumstances.
- (b) Board of Governors. The Board of Governors grants the delegation regarding the Chapters to the Chief Executive Officer, subject to the control and oversight of the Board, and also reserves to itself full authority to revoke or modify any such delegation of authority at any time and from time to time. The Board specifically reserves to itself the power and authority regarding:
  - (i) the manner in which the governing board of a Chapter and a Chapter's delegates to the annual meeting of the Corporation are elected by members

of the Corporation, which in any event shall adhere to democratic principles of election and shall entitle each member to cast one vote without regard to the basis of financial or other type of contributions made by any such member; and

- (ii) removing or restricting the right of a Chapter's delegates to vote at an annual meeting of the Corporation.

**8.4 Funds.** All funds and property received by or coming into the custody or possession of any Chapter or other unit, department, office or division of the Corporation are the property of the Corporation to be expended or applied only for purposes authorized by the Congressional Charter, these Bylaws, by resolution of the Board or by policies and regulations prescribed by the Chief Executive Officer or his or her designee.

**8.5 Accounts of Chapters.** The accounts of each Chapter shall be maintained and audited in accordance with such requirements as may be issued from time to time by the Board, the Audit and Risk Management Committee and the Chief Executive Officer or his or her designee. The Board delegates to the Chief Executive Officer or his or her designee the power and authority to set forth the requirements and the manner in which Chapter financial information is provided and audited.

## Section 9—Funds of the Corporation

**9.1 Authority to Receive.** The Corporation may receive gifts, bequests, devises, legacies, donations, payments and funds for such purposes as are within the general scope of its corporate purposes and powers.

**9.2 Endowment Fund.** Whenever a gift is designated by the donor to be permanently retained, the gift shall be received and held in the Endowment Fund.

**9.3 General Fund.** Except as provided in Section 9.2, there shall be received and held in the general fund of the Corporation all sums received from any source, including

- (a) monetary contributions, gifts, and donations;
- (b) receipts derived from the Endowment Fund unless a contrary use is designated; and
- (c) all other income, receipts, and revenues of the Corporation.

**9.4 Deposit and Investment.** Except as otherwise provided in these Bylaws or by resolution of the Board, the funds of the Corporation shall be deposited in such banks or other financial institutions as may be designated by the Board or any committee thereof or any officer of the Corporation to whom power in respect of financial operations shall have been designated by the Board or any such committee or in these Bylaws shall select, and such of these funds as may not be required for current needs shall be invested in such manner as may be designated by the Board or any committee thereof or any officer of the Corporation to whom power in respect of financial operations shall have been designated by the Board or any such committee or in these Bylaws shall designate. The Board may prescribe suitable policies and regulations for the safekeeping of such securities.

## Section 10—Indemnification

**10.1 Indemnification.** Provided that the provisions of this Section 10.1 and Section 10.2 are satisfied, as determined by the Corporation, the Corporation shall indemnify any person (each such person, an “*indemnitee*”) named or threatened to be named a party to a proceeding by reason of the fact that such person is or was:

- (a) a member of the Board, the Board of Trustees of the Endowment Fund, the Benefit Plan Administration Committee, the Benefit Plan Investment Committee or the governing body of (i) any Chapter, (ii) the American Red Cross Retirement System, (iii) the American Red Cross Health and Life Benefits Plan, (iv) the American Red Cross Savings Plan, or (v) any other employee benefit plan or trust established, maintained or administered by the Corporation; or
- (b) an officer, employee, member of a Board appointed advisory council, or agent (including a volunteer) of the Corporation, any Chapter, any subsidiary of the Corporation, or any of the foregoing.

Any right of an indemnitee to indemnification shall be a contract right and shall include the right to receive, prior to the conclusion of any proceeding, payment of any expenses incurred by the indemnitee in connection with such proceeding, consistent with the provisions of applicable law and the other provisions of this Section 10. Any person covered under this Section 10 shall be indemnified in full against all liabilities incurred in a proceeding. For purposes of this Section 10, “*proceeding*” means any threatened, pending, or completed action, suit or proceeding whether civil, criminal, administrative, or investigative (including any legislative investigations or inquiries) and whether formal or informal, “*liabilities*” means and includes the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses actually incurred with respect to a proceeding, including reasonable attorneys’ fees, and “*party*” means and includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

**10.2 Certain Conditions and Limitations.**

- (a) Any person seeking indemnification shall notify the Office of the General Counsel in writing as soon as practicable after such person becomes aware that such person is threatened to be made involved in any manner (including, but not limited to, as a party or a witness) in a proceeding, but in any event no later than 15 days after the date such person has been notified through service of process or otherwise that such person is involved in any manner (including, but not limited to, as a party or a witness) in a proceeding and submit a request for indemnification, which request shall include (i) all documentation and information as is reasonably available to the indemnitee about the proceeding, including such documentation and information as is reasonably necessary to determine whether and to what extent the indemnitee is entitled to indemnification, (ii) the indemnitee’s agreement to representation, defense, and settlement in and of such proceeding by counsel selected and approved by the Office of the General Counsel, and (iii) the indemnitee’s acknowledgement

and agreement that all entitlement to indemnification shall be determined exclusively by the provisions of this Section 10 (the “*Indemnitee’s Request*”).

- (b) As soon as practicable after receipt of the Indemnitee’s Request, the General Counsel or his or her designee shall make a determination of an indemnitee’s entitlement to indemnification including whether an indemnitee met the standard of conduct set forth in Section 10.2(c). In the case of a member of the Board seeking indemnification, the determination of entitlement to indemnification shall be made by the Board by a majority vote of a quorum consisting of members of the Board who were not parties to the matter giving rise to the claim for indemnification.
- (c) The Corporation shall not indemnify an indemnitee against liability incurred in a proceeding unless it is determined that the indemnitee:
  - (i) conducted himself or herself in good faith;
  - (ii) reasonably believed that his or her conduct was in the best interests of the Corporation, except that an indemnitee’s conduct with respect to an employee benefit plan shall have been for a purpose the indemnitee reasonably believed to be in the interests of the participants in and beneficiaries of the plan;
  - (iii) in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful; and
  - (iv) did not conduct himself or herself with malice, dishonesty or recklessness.
- (d) The termination of a proceeding, or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, adversely affect the right of an indemnitee to indemnification or create a presumption that the indemnitee did not act in good faith and in a manner in which the indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal proceeding, that the indemnitee had reasonable cause to believe that such conduct was unlawful.
- (e) The Corporation shall not indemnify an indemnitee:
  - (i) in connection with a proceeding by or in the right of the Corporation in which the indemnitee was adjudged liable to the Corporation, except as otherwise permitted in Section 10.2(f);
  - (ii) in connection with any proceeding charging improper personal benefit to the indemnitee, whether or not involving action in his or her official capacity, in which the indemnitee was adjudged liable on the basis that personal benefit was improperly received by such indemnitee; and
  - (iii) except for proceedings to enforce rights provided in this Section 10, in connection with any proceeding (or part thereof) initiated by such indemnitee (which shall not include counterclaims or crossclaims initiated by others) unless the Board has authorized or consented to such proceeding (or part thereof) by resolution.

- (f) Indemnification permitted under this Section 10.2 in connection with a proceeding by or in the right of the Corporation shall be limited to reasonable expenses incurred in connection with the proceeding.
- (g) All reasonable expenses (including reasonable attorneys' fees) incurred by or on behalf of an indemnitee in connection with any proceeding shall either be paid directly or reimbursed to the indemnitee by the Corporation upon receipt by the Corporation of a statement or statements from the indemnitee requesting such reimbursement from time to time, whether prior to or after final disposition of such proceeding. Such statement or statements shall reasonably evidence the expenses incurred by the indemnitee and an irrevocable undertaking by or on behalf of the indemnitee to repay the amounts paid if ultimately it should be determined that the indemnitee is not entitled to be indemnified against such expense pursuant to this Section 10. If it is subsequently determined that the indemnitee is not entitled to indemnification pursuant to this Section 10, the indemnitee shall repay to the Corporation any expenses so paid.

**10.3 *Outside Positions.*** In addition to the indemnification provided above, the Corporation, to the fullest extent of, and subject to the same conditions, limitations and procedures set forth in, the provisions of this Section 10, shall indemnify against all liabilities actually and reasonably incurred by such person any person who is or was an employee of the Corporation and who is or was involved in any manner (including, without limitation, as a party or a witness) or is threatened to be made so involved in any threatened, pending or completed proceeding by reason of the fact that such employee is or was serving as an officer or as a director of another corporation (or in a capacity equivalent to that of a director or officer for any partnership, joint venture, trust, limited liability company or other enterprise) at the written request of the Chief Executive Officer following a determination that service by the employee in such position serves an essential purpose of the Corporation and is advisable and in the best interests of the Corporation.

## *Section 11—Miscellaneous*

- 11.1 *Amendments.*** These Bylaws may be amended, repealed, or changed at any regular or special meeting of the Board by the affirmative vote of a majority of the members of the Board present at any such meeting, provided that notice containing the general effect and intent of the proposed amendments has been given to all members of the Board at least 10 days prior to such meeting.
- 11.2 *Subject to Law and Congressional Charter.*** All powers, authority and responsibilities provided for in these Bylaws, whether or not explicitly so qualified, are qualified by the provisions of the Congressional Charter and applicable laws.
- 11.3 *Board Resolutions and Policies.*** The Board may from time to time adopt policies of the Corporation not inconsistent with the Congressional Charter or these Bylaws. These policies shall be part of the overall Corporate Policies and Regulations. The policies shall be set forth in Board resolutions or such other policy document and the official version shall be kept in the custody of the Secretary. The Chief Executive Officer, or his or her

designee, shall communicate all statements of purpose adopted by the Board, including the Mission and Strategic Plan of the American Red Cross, throughout the Corporation.

- 11.4 *Management Policies and Regulations.*** The Board delegates to the Chief Executive Officer, or his or her designee, the authority to promulgate subordinate written directives, policies and regulations of the Corporation not inconsistent with the Congressional Charter, these Bylaws, or any other action, resolution, or policy of the Board. These Management Policies and Regulations shall be part of the overall Corporate Policies and Regulations.

The Board delegates to the Chief Executive Officer, or his or her designee, the authority to develop processes and procedures to enforce Management Policies and Regulations and secure compliance with said policies and to take any remedial or corrective action deemed appropriate and not inconsistent with the Congressional Charter, these Bylaws, or any other action, resolution, or policy of the Board.

- 11.5 *Fiscal Year.*** The fiscal year of the Corporation, including for the avoidance of doubt the fiscal year of each Chapter, shall commence and end on dates fixed from time to time by resolution of the Board.

- 11.6 *Corporate Policies and Regulations.*** The Corporation, including each Chapter, other unit, department, office and division of the Corporation, and the officers, directors, employees, volunteers, agents, and representatives thereof shall comply fully with all applicable provisions of Corporate Policies and Regulations.

- 11.7 *Dissolution.*** All the assets and net earnings of the Corporation are irrevocably dedicated to charitable purposes and no interest therein shall ever inure to the benefit of any member of the Board, officer, member, or private person or entity. In the event of dissolution the corporate assets shall be transferred for charitable purposes to such entity as may be designated by the Congress of the United States.

- 11.8 *Seal.*** The corporate seal shall be in such form as the Board shall approve. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

## *Section 12—Emergency Bylaw*

- 12.1** This Emergency Bylaw shall automatically become effective and operative upon an Emergency and shall remain in effect until it is practical for a normally constituted Board to resume governing and directing, and of overseeing the management of the business and affairs of, the Corporation.

- 12.2** In the event this Emergency Bylaw shall become effective, the business of the Corporation shall continue to be governed and directed, and the management of the business and affairs of the Corporation shall continue to be overseen, by those members of the Board in office at the time an Emergency arises and who are available to act during the Emergency. If fewer than three such members of the Board are available to act, additional members of the Board, in whatever number necessary to constitute a Board of three governors, shall be selected automatically from the first available officers or senior-most employees.

**12.3** For the purposes of Sections 12.2 and 12.4(c), a member of the Board shall be deemed unavailable to act if he or she shall fail to attend a Board meeting called in the manner provided in Section 12.4(a). This Section 12.3, however, shall not affect in any way the right of a governor in office at the time an Emergency arises to continue as a member of the Board.

**12.4** The Board shall be governed by the following basic procedures and shall have the following specific powers and authority in addition to all other powers and authority which it would otherwise have:

- (a) meetings of the Board may be called by any governor, or by the first available officer or employee in the order provided in the emergency succession list referred to in Section 12.2, by mailing to all members of the Board written notice thereof at their residence or place of business at least two days before the meeting and by using other reasonably available means of communication in an effort to contact each member of the Board;
- (b) in all cases, three governors shall constitute a quorum, which may act by majority vote;
- (c) if the number of members of the Board who are available to act shall drop below three, additional members of the Board, in whatever number is necessary to constitute a Board of three governors, shall be selected automatically from the first available officers or employees in the order provided in Section 12.2;
- (d) additional members of the Board, beyond the minimum number of three governors, but not more than three additional governors, may be elected from any officers or employees in the order provided in Section 12.2;
- (e) any members of the Board, other than a governor in office at the time an Emergency arises, may be removed by a majority vote of the Board;
- (f) the Board may establish any additional procedures and may amend any of the provisions of this Section 12 concerning the interim governance and directing, and oversight of the management and affairs of, the Corporation in an Emergency if it considers it to be in the best interests of the Corporation to do so, except that it may not change Sections 12.3 or 12.4(e) in any manner which excludes from participation any person who was a governor in office at the time an Emergency arises; and
- (g) to the extent that it considers it practical to do so, the Board shall govern and direct, and oversee the management and affairs of, the Corporation during an Emergency in a manner which is consistent with the Congressional Charter and these Bylaws. It is recognized, however, that it may not always be practical to act in this manner in an Emergency. Accordingly, this Emergency Bylaw is intended to empower and hereby empowers the Board with the maximum authority possible under all applicable laws, including 36 U.S.C. §§ 300104(g)(1)(B) and (g)(2), to conduct the interim governance and directing, and oversight of the management and affairs of, the Corporation in an Emergency in what the Board considers to be in the best interests of the Corporation.

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