


October 1, 2013

MEMORANDUM TO: Board of Directors

FROM: Robert E. Feldman  
Executive Secretary 

SUBJECT: Proposed Amendment to Bylaws to Enable Any One Board Member to Request That a Matter Set for Notational Voting be Considered at a Board Meeting

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**Proposal**

This memorandum requests that the Board of Directors amend the provision of the FDIC's Bylaws authorizing the Board to act through notational voting to enable any one member of the Board to request that a matter set for notational action instead be considered at a meeting of the Board.

**Background**

Aside from regular meetings of the Board held at such times as the Chairman of the Board directs after reasonable notice is given to each Board member by the Executive Secretary, the Bylaws set out two methods for the Board to transact its business. First, special meetings of the Board may be called by the Chairman or, upon written request of any two members of the Board, by the Executive Secretary. Second, the Board may transact business by the circulation of written items to all members of the Board who can be contacted after a reasonable effort and in sufficient time to permit action where a majority of the members participate, in writing, in the disposition of each item of business and where such disposition, including the vote of each member with respect to each item of business, is recorded in the minutes of the proceedings of the Board. The latter method is commonly known as notational voting.

Over the years, the FDIC's Board has transacted the vast majority of its business through convened meetings of the Board and has reserved the use of notational voting for time-sensitive or emergency matters which cannot await disposition at the next regularly scheduled Board meeting or for which Board member schedules or other logistics do not permit the scheduling of a special meeting. In addition, notational voting is sometimes used to dispose of routine administrative matters, such as authorizing an honorary Board resolution for a departing senior executive or for an extremely confidential matter such as a personnel selection to a Corporate Officer position where the Chairman has already consulted serially with the individual Board members regarding the intended selection.

Occasionally, over the course of the Board's history, an item has been withdrawn from notational voting and considered at a regular or special Board meeting at the direction of the Chairman

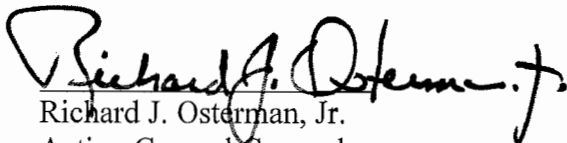
where a single other member of the Board expressed a concern regarding the matter and wished that it be discussed by the members collectively at a meeting. From time to time, the Board should, and does, review its practices to consider whether formalizing an unwritten practice would clarify and regularize its approach to certain aspects of corporate governance. The subject proposal, if adopted, would accomplish that goal by amending the Bylaws to “codify” the above-described history and expressly enable any one Board member to request in writing to the Executive Secretary that a matter otherwise set for notational voting instead be considered at a meeting of the Board. Because the existing Bylaws provision regarding the calling of special meetings enables such a meeting to be called by the Executive Secretary upon the request of two Board members, the amendment to the Bylaws contained in the attached resolution essentially would reduce from two to one the number of Board members needed to request that an item either already issued for notational voting or known to be about to be issued for notational voting be considered at a Board meeting.

### **Recommendation**

For the reasons stated above, it is recommended that the Board adopt the attached resolution, which will result in an amendment to the Bylaws to enable any one Board member to request in writing to the Executive Secretary that Board business on a particular matter set for notational voting instead be transacted at a Board meeting.

Attachment

CONCUR:

  
Richard J. Osterman, Jr.  
Acting General Counsel