

## **BYLAWS OF THE U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION**

These bylaws are adopted by the Board of the Directors (the “Board”) of the U.S. International Development Finance Corporation (the “Corporation”) pursuant to section 1413(b) of the BUILD Act of 2018 (Div. F, PL 115-254) (the “Act”), and they shall be construed accordingly.

### **ARTICLE I – BOARD OF DIRECTORS**

Section 1. Powers – All powers of the Corporation shall vest in and be exercised by or under the authority of its Board. These powers may be delegated in these Bylaws or by Resolutions duly adopted by the Board; provided such delegations may be suspended by a subsequent Resolution as provided in Article III, Section 6.

Section 2. Composition – The Board shall be composed in accordance with Section 1413(b)(2) of the Act. The duties of a Director, including duties as a member of any Committee of the Board, shall be performed in a manner in which the Director believes to be in the best interest of the Corporation and U.S. taxpayers, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

Section 3. Designation of Chair and Vice Chair – The Secretary of State, a designee of the Secretary of State pursuant to the Act, or an official appointed by the Secretary of State pursuant to Article III, Section 3 herein, shall serve as the Chairperson of the Board. The Administrator of the United States Agency for International Development, a designee of the Administrator pursuant to the Act, or an official appointed by the Administrator pursuant to Article III, Section 3 herein, shall serve as the Vice Chairperson of the Board. In the absence of the Chairperson, the Vice Chairperson shall preside over the meeting. In the absence of both the Chairperson and Vice Chairperson, the Chief Executive Officer (“CEO”) shall preside over the meeting.

Section 4. Specific Functions – The Board has the powers and authority provided in the Act. In addition, it is hereby expressly declared that the Board’s functions include:

- (a) The Board shall provide direction and general oversight as to the manner in which the business of the Corporation may be conducted and in which the powers granted it by law may be exercised and enjoyed.
- (b) The Board shall receive reports from the Corporation’s independent accountability mechanism on its activities, and may provide direction or recommendations to the Corporation based on such reports.
- (c) The Board shall, after the end of each fiscal year, approve and authorize for transmission to the Congress a complete and detailed report of the Corporation's operations during such fiscal year and to the Office of Management and Budget a budget as required by Section 102 of the Government Corporation Control Act.
- (d) The Board, in consultation with the Director of the Office of Management and Budget, shall annually assess a dividend payment to the Treasury if the Corporation’s insurance portfolio is more than 100 percent reserved.

- (e) The Board shall call upon members of the Development Advisory Council, either collectively or individually, to advise the Board regarding the extent to which the Corporation is meeting its development mandate and any suggestions for improvements in with respect to meeting that mandate, including opportunities in countries and project development and implementation challenges and opportunities.

## **ARTICLE II – OFFICERS OF THE CORPORATION**

Section 1. Chief Executive Officer – The CEO shall be appointed by the President of the United States, by and with the advice and consent of the Senate and shall serve at the pleasure of the President. The CEO shall report to the Board and be responsible for the operations and management of the Corporation, exercising all powers and authorities of the Corporation by delegation from the Board, subject to these Bylaws and to policies or other restrictions established by the Board. Subject to those limitations, the CEO may make rules, regulations, policies and procedures with respect to the Corporation and its business and may delegate all or any part of that authority, including authority to obligate the Corporation. Wherever any statute or regulation provides for the exercise of any functions or authorities by the head of agency, such functions or authorities shall be exercised by the CEO. The CEO is delegated the day-to-day authority to perform administrative duties and routine supervisory functions on behalf of the Board with respect to the Chief Risk Officer, the Chief Development Officer, and the Corporate Secretary, including with respect to compensation and employee relations matters, but only to the extent the exercise of such administrative duties and routine supervisory functions does not impede, alter or affect direct reporting to the Board and the Board’s authorities pursuant to Section 1413(f)(1) and Section 1413(g)(1) of the Act.

Section 2. Deputy Chief Executive Officer – The Deputy Chief Executive Officer (“Deputy CEO”) shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Deputy CEO shall report to the CEO and shall assist the CEO in the operations and management of the Corporation and other duties as assigned or delegated by the CEO. The Deputy CEO shall perform the duties of the CEO should there be a vacancy in that position.

Section 3. Chief Risk Officer – The Chief Risk Officer (“CRO”) shall be appointed by the CEO, subject to the approval of the Board, to perform the duties specified in section 1413(f)(2) of the Act. The CRO shall report directly to the Board and be removable only by a majority vote of the Board.

Section 4. Chief Development Officer – The Chief Development Officer (“CDO”) shall be appointed by the CEO, with the concurrence of the Administrator of the United States Agency for International Development, subject to the approval of the Board, to perform the duties specified in section 1413(g)(2) of the Act. The CDO shall report directly to the Board and shall be removable only by a majority vote of the Board.

Section 5. Inspector General – The Inspector General shall be appointed by the Board, shall report directly to the Board and be removable only by a majority vote of the Board.

Section 6. Corporate Secretary – The Corporate Secretary (“Secretary”) shall be appointed by the CEO, subject to the approval by majority vote of the Board. Removal of the Secretary by the CEO shall be approved by majority vote of the Board. The Secretary shall maintain the corporate records of the Corporation and coordinate communications and flow of information to and among Board members, Corporate officers, and Corporate staff, and shall sign all papers and instruments on which the signature of the Secretary is necessary or appropriate, including the personnel documents necessary for the

appointments of the CRO, CDO, and Inspector General; and shall attest to the authenticity of, and affix the seal of the Corporation upon, any instrument requiring such.

Section 7. Other Officers – Except as otherwise provided in these Bylaws or the Act, the CEO may appoint and remove officers, employees, attorneys, and agents as, from time to time, may be deemed necessary and may prescribe their duties and fix their salaries and other compensation.

### **ARTICLE III – PROCEDURE**

Section 1. Conduct of Business – Any and all business of the Board may be transacted at any regular or special meeting of the Board or, subject to the conditions of Section 4 of this Article.

Section 2. Meetings – The Board shall meet not less than quarterly at such times and places as may be specified by the Board; provided, however, that a meeting shall not be required in any quarter when there is no matter requiring action by the Board. Meetings of the Board may also be held at any time upon call of the Chairperson or the Chief Executive Officer or called upon the request of any three members of the Board. The Secretary shall give written notice to each Director of the time, place, and purpose of each meeting by mailing the same at least twelve business days before the meeting or by transmitting the same by electronic means at least ten business days before the meeting. Any meeting at which a quorum is present shall be a legal meeting without regard to the foregoing notice provisions if each Director not present gives written consent to the meeting within ten business days thereafter. The Board shall hold at least two public hearings each year.

Section 3. Quorum; Manner of Voting – Five members of the Board shall constitute a quorum for the transaction of business at any meeting. The act of a majority of the Directors present and voting on a matter shall constitute action of the Board. Any person who has been duly authorized to serve in an acting capacity as CEO, Secretary of State, the Administrator of USAID, Secretary of the Treasury, or Secretary of Commerce, shall be considered a Director and may attend and vote at meetings of the Board in such acting capacity. If a member of the Board as specified in Section 1413(b)(2)(B) of the Act is unavailable to attend a meeting of the Board, such Director may appoint another official at such Director's agency whose duties relate to the programs of the Corporation to act in such Director's place in a meeting of the Board, and to vote on behalf of, or take any other action required or permitted to be taken by, a Director. The appointed official must serve in a position at or above the level of Assistant Secretary, or equivalent rank. Service in an Acting capacity fulfils this requirement, as does performing the delegable duties of such a position. No Director may otherwise vote or act on any matter before the Board at any meeting or participate in any meeting by any method other than being present. Directors may be present for purposes of this section by conference call or any other means by which all Directors participating in a meeting may hear and respond to each other contemporaneously.

Section 4. Voting by Written Consent – Any matter that could have been submitted for approval at a meeting of the Board may instead be submitted in writing for approval by the Board according to the written consent procedure described in this section. Written approval of a resolution by a majority of the Directors then serving or officials appointed pursuant to Article III, Section 3, shall constitute action of the Board; provided, however, that such action shall be effective only upon expiration of fifteen business days after delivery of the proposed resolution to all Directors. The action shall not be effective and such resolution shall be considered at the next regular or special meeting of the Board if three or more Directors make written objection to the use of the written consent procedure not later than fifteen business days after confirmation by the Corporate Secretary of effective delivery of the proposed resolution to each Director. For approval of matters deemed high-priority by the Chief Executive Officer, the time periods specified in the second and third sentences of this paragraph shall be ten business days instead of fifteen.

To the extent Board approval is required for support under 22 U.S.C. § 9621(c) in the form of a co-investment in an investment fund portfolio company, the time periods specified in the second and third sentences of this paragraph shall be five business days instead of fifteen business days.

Section 5. Conflict of Interest – Any Director, serving either pursuant to the Act or Article III, Section 3 herein, who deems it necessary or prudent to disqualify himself/herself from participation in Board action on any matter in which he/she may have or may appear to have a conflict of interest shall advise the presiding officer of his/her disqualification. A Director who is so disqualified shall be counted as present at the Board meeting for quorum purposes. A majority of the Directors present and voting, or a majority of the Directors not disqualified under this section in the case of written consents, shall be sufficient to constitute Board action on any matter on which one or more Directors present shall have disqualified himself/herself by reason of conflict of interest.

Section 6. Devolution – In circumstances in which a significant number of the Corporation’s officers and employees are incapacitated, the direction and control of the Corporation shall revert to the Board, whether upon notice from the CEO or upon the Board’s recognition of a catastrophic emergency. The Board shall then immediately take control of executing the Corporation’s essential functions, suspend delegations of Board powers as appropriate, and, in communication and coordination among available Board members and capable staff, reconstitute the Corporation, all pursuant to Corporation’s Devolution Plan and the Continuity of Operations Plan of which it is a part.

#### **ARTICLE IV – COMMITTEES OF THE BOARD**

Section 1. Executive Committee – By resolution adopting these Bylaws, the Board delegates to an Executive Committee, in the event a quorum of the Board is not present for a regular meeting of the Board, full power and authority to conduct any and all business which shall come before the Board. The Executive Committee shall consist of not less than four Directors or officials appointed pursuant to Article III, Section 3, all of whom shall be required to be present to conduct business. A unanimous vote shall be required to take action. The Chairperson or Acting Chairperson of the Board shall be the Chair of the Executive Committee and shall designate the members thereof in connection with the meeting.

Section 2. Risk Committee – There shall be a Risk Committee consisting of five Directors or officials appointed pursuant to Article III, Section 3, other than the CEO. The Chairperson of the Board shall nominate Directors to serve on the Risk Committee and nominate a Chair of the Risk Committee for the Board’s approval. A majority of the Risk Committee members shall constitute a quorum. The Risk Committee shall report to the Board and shall assist the Board in fulfilling its oversight responsibilities under Section 1421(a) of the Act. The Board shall approve a charter document detailing the manner in which these duties will be exercised. Board members specified in Section 1413(b)(2)(B) of the Act may send an official at such Director’s agency to observe Committee meetings.

Section 3. Audit Committee – There shall be an Audit Committee consisting of three Directors or officials appointed pursuant to Article III, Section 3, other than the CEO. The Chairperson of the Board shall nominate Directors to serve on the Audit Committee and nominate a Chair of the Audit Committee for the Board’s approval. A majority of the Audit Committee members shall constitute a quorum. The Audit Committee shall report to the Board and shall assist the Board in fulfilling its financial oversight responsibilities under Section 1421(a) of the Act. The Board shall approve a charter document detailing the manner in which these duties will be exercised. Board members specified in Section 1413(b)(2)(B) of the Act may send an official at such Director’s agency to observe Committee meetings.

Section 4. Other Committees – The Board may, at its discretion, establish other standing or temporary committees composed of Directors, officials appointed pursuant to Article III, Section 3, or other officials or experts as designated by the Board, to assist the Board in fulfilling its responsibilities under the Act.

## **ARTICLE V – DEVELOPMENT ADVISORY COUNCIL**

Section 1. Development Advisory Council – There shall be a Development Advisory Council (the “Council”) to advise the Board on development objectives of the Corporation. Members of the Council shall be appointed by the Board, on the recommendation of the CEO and CDO, and shall be comprised of not more than nine members broadly representative of nongovernmental organizations, think tanks, advocacy organizations, foundations, and other institutions engaged in international development. Members of the Council, either collectively or individually, shall report to the Board from time to time to advise the Board regarding the extent to which the Corporation is meeting its development mandate and any suggestions for improvements with respect to meeting that mandate, including opportunities in countries and project development and implementation challenges and opportunities.

## **ARTICLE VI – INDEPENDENT ACCOUNTABILITY MECHANISM**

Section 1. Independent Accountability Mechanism: There shall be a transparent and independent accountability mechanism established by the Board. The independent accountability mechanism shall (1) annually evaluate and report to the Board and Congress regarding compliance with environmental, social, labor, human rights, and transparency standards, consistent with Corporation statutory mandates; (2) provide a forum for resolving concerns regarding the impacts of specific Corporation-supported projects with respect to such standards; and (3) provide advice regarding Corporation projects, policies and practices. The Board shall approve an implementation document detailing the manner in which these duties will be exercised. The head of any office responsible for fulfilling these functions shall be appointed by the Board, shall report directly to the Board and be removable only by a majority vote of the Board.

## **ARTICLE VII – MISCELLANEOUS**

Section 1. Amendments – The Bylaws may be amended by the affirmative vote of two-thirds of the Directors or officials appointed pursuant to Article III, Section 3 then serving, provided that the Secretary shall have given written notice of the general nature and text of any proposed amendment by mailing the same at least twelve business days before the meeting or by transmitting the same by electronic means at least ten business days before the meeting and provided, further, that such notice may be waived by the written consent of all Directors.