

Virginia 1st

BY-LAWS

June 2008

Introduction

Virginia1st is Virginia's financial industry business continuity coalition, which is organized and maintained to coordinate business continuity planning activities among financial institutions, to address emergency management issues effecting the financial industry, to develop and maintain relationships with City, County, Commonwealth and Federal Agencies, and private industries, and, to enhance the financial sector's capability to respond to and recover from disastrous situations.

Article I – General Provisions

Section 1 Name:

The name of the organization shall be Virginia1st

Section 2 Offices:

The principal office shall be within the Commonwealth of Virginia.

Section 3 Administration:

- A. Virginia1st is a volunteer operated non-profit association. Its Members, Directors and Officers will not be compensated for their time; however Members, Directors and Officers may be reimbursed for expenses incurred related to Virginia1st activities as approved by the Board of Directors.
- B. Virginia1st operations will, to the greatest extent possible, be conducted using donated office space, time, supplies and equipment (i.e. computer time).
- C. Dues and/or assessments will be established on an annual basis by the Board of Directors.

Section 4 A Non-Profit Association:

- A. Virginia1st is organized as an association operating exclusively within the meaning of Section 501(c) (6) of the Internal Revenue Code, or corresponding section of any future tax code exclusively for the benefit of improving communication and coordination among its Members and with public agencies and private industry, to improve response to Homeland Security issues and regional disasters.

- B. No part of the organization's assets shall inure to the benefit of, or be distributable to its Members, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes set forth herein.
- C. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in or intervene in (including the publishing or distribution of statement's) any political campaign on behalf of or in opposition to any candidate for public office.
- D. Notwithstanding any other provision of these articles, the organization shall not carry on any other activities not permitted to be carried on by an organization exempt from federal income tax under section 501 (c) (6) of the Internal Revenue Code, or the corresponding section of any future federal tax code.
- E. Upon dissolution of this organization, after paying or adequately providing for the debts and obligations of the organization, the Board of Directors shall distribute any remaining assets to an organization which is organized and operated exclusively for one or more exempt purposes and has established its exemption under section 501 (c) (6) of the Internal Revenue Code, or the corresponding section of any future tax code.
- F. The fiscal year shall be the calendar year and the books will be closed and balanced at the end of the year. The Board of Directors may, at its discretion, require the audit of Virginia1st's books and records from time to time.

Article II –Objectives

Section 1 Objectives:

- A. Encourage participation among financial institutions in the Commonwealth of Virginia and the participation of a broad spectrum of Strategic Partners, which have an impact on business continuity.
- B. Foster and promote business continuity communications, coordination and cooperation within the financial industry and with City, County, Commonwealth and Federal Agencies, and other private industries, to develop and execute Homeland Security objectives, and to respond to and recover from regional disasters.
- C. Identify barriers and recommend initiatives to improve business continuity planning, and the timely dissemination of critical Homeland Security information among financial institutions and Strategic Partners.

Article III – Membership

Section 1 Membership Categories:

- A. Member – Any financial institution doing business within the Commonwealth, whose admission is approved by the Board of Directors, in its sole discretion, may become a Virginia1st Member upon payment of applicable dues and/or assessments.
- B. Strategic Partner – Public sector agencies and non-financial private sector enterprises, whose admission is approved by the Board of Directors, in its sole discretion, who are committed to improving the resiliency of the financial sector and the overall recovery of the Commonwealth’s economy, in the aftermath of a disaster. Virginia1st Strategic Partners are permitted to attend and participate in all meetings of Members but are not entitled to vote and are not subject to dues or assessments.

Section 2 Rights and Privileges:

All Members and Strategic Partners are eligible to:

- A. Review all documents and records of the organization including an annual report.
- B. Attend all meetings.
- C. Review correspondence between Virginia1st and the Regional Partnership Council as determined by the Chairman.
- D. Request, in writing to the Secretary, matters to be considered by the Board of Directors and/or membership at least two weeks prior to a meeting.

Section 3 Voting Powers:

- A. Each Member shall be entitled to one vote at any Virginia1st meeting.
- B. Unless otherwise expressly specified, any matter subject to a vote of Members shall be determined by a simple majority of the Members present.

Section 4 Termination of Membership:

- A. All Member rights and privileges shall cease on the termination of membership. Membership shall automatically terminate upon the occurrence of any of the following causes:
 - i. Written resignation;
 - ii. For cause, as determined by a vote of 2/3 of all Board members;
 - iii. Violation of the Code of Ethics; or
 - iv. Non-payment of Member dues or assessments.

Section 5 Actions by Members:

Except as otherwise provided in the By-Laws, no Member shall take action on behalf of Virginia1st without explicit written authorization of the Board of Directors. No Member shall be bound or be responsible for the actions of any other Member.

Section 6 Meetings of Members:

- A. All meetings shall be held at such place and time as designated by the Board of Directors and stated in the notice of the meeting which shall be provided to Members at least two weeks prior to the meeting.
- B. Annual meetings of Members shall be held at which the Members shall elect members of the Board of Directors pursuant to Article IV, by plurality vote and to transact any other business that may properly come before the meeting.
- C. Special meetings of Members for any purpose may be called by the Chairman or Executive Director, or a majority of the Board of Directors or upon the written request of not less than 25% of the Members. Such request shall state specifically the purpose of the proposed meeting.
- D. A quorum at any meeting of the Members shall consist of 40% of the membership represented in person or by proxy.

Article IV – Board of Directors

Section 1 General Powers, Number, Eligibility.

Virginia1st's business, property and affairs shall be managed by its Board of Directors comprised of not less than five nor more than fifteen persons (the number of directors to be determined by resolution of the Board from time to time). Only Members shall be eligible for the position of a Director.

Section 2 Term of Office:

For continuity purposes the Directors will be classified into three classes, as nearly equal in number as possible. The initial term of one class will expire at the first annual meeting of Members. The initial term of the second class will expire at the second annual meeting of Members. The initial term of the third class will expire at the third annual meeting of Members. At each annual meeting, the successors to the class of directors whose terms expire at that meeting will be elected for a term of three (3) years. Directors may be elected to no more than two (2) consecutive terms.

Section 3 Election, Vacancies and Removal:

One class of Directors shall be elected at each annual meeting of the Members. Each Director shall hold office until their successors are duly elected and qualified unless sooner removed pursuant to these By-Laws. Election shall be by secret ballot with a simple majority vote of the Members present required. In the case of any vacancy in the Board through death, resignation, disqualification, removal or other cause, the remaining Directors, by majority vote, may elect a successor to hold office for the unexpired portion of the term of the Director whose place is vacant. A Director may be removed upon the vote of 2/3 of all the Directors.

Section 4 Meetings:

- A. Regular meetings of the Board shall be held on the date and time specified by resolution of the Board. No notice of regular meetings need be given, unless the time and place of such meetings are other than those stated in the resolution.
- B. Special meetings of the Board may be called by the Chairman or Executive Director on twenty-four hour's personal, telephonic or email notice to each Director or on three days' written notice to each Director. Upon the written request of two or more Directors, special meetings shall be called by the chair or Executive Director or Secretary and appropriate notice given.
- C. Meetings of the Board, and of any committee thereof, may be held by means of a conference telephone or equivalent communications equipment by which all persons participating in the meeting can hear each other simultaneously. Participation by such means shall constitute presence in person at any such meeting.
- D. A majority of the Directors then holding office shall constitute a quorum and an act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board.
- E. Any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting or vote, if a written consent setting forth the action taken is signed by all members of the Board or committee.

Section 5 Committees.

The Board may, by resolution(s) passed by a majority of the Board, designate one or more committees, each committee to consist of two or more Directors. Any such committee, to the extent provided in the resolution or resolutions of the Board and during intervals between meetings of the Board, shall have and may exercise all the power and authority of the Board.

- A. The Board shall elect a Nominating Committee consisting of three Directors. The Nominating Committee shall be selected by the Board at the first regular meeting of each year.
- B. The Board shall appoint five members to form an Executive Committee of the Board. The Executive Committee shall take final action on investments and such action as delegated to it by the Board from time to time.

Section 6 Directors Protected:

Each Director shall in the performance of his duties be fully protected in relying in good faith upon reports made to the Directors by the Officers or upon reports made by any independent certified public accountants, or relying in good faith upon other records of Virginia1st.

Article V – Officers

Section 1 Titles, Election and Tenure:

The officers of Virginia1st shall be a Chairman of the Board of Directors, Vice Chairman, an Executive Director, one or more Vice Executive Directors, a Treasurer, a Secretary and any other officers as the Board from time to time may consider necessary. Any number of offices may be held by the same person, except that the offices of Executive Director and Secretary shall not be held by the same person. An Officer need not be a Member to hold office.

- A. Chairman – The Chairman of the Board shall preside over all meetings of the Board of Directors. He/she shall act as an ex-officio member of all committees.
- B. Vice Chairman – The Vice Chairman will assume the responsibilities and authority of the Chairman in his or her absence.
- C. Executive Director – The Executive Director shall be Virginia1st’s principal executive officer and shall act as the primary interface with public and private organizations and direct the strategic planning for Virginia1st.
- D. Vice Executive Director – each Vice Executive Director shall have such powers and perform such duties as may from time to time be assigned by the Chairman, Executive Director or the Board.
- E. Secretary – The Secretary shall attend all meetings of the Board and of the Members and shall maintain the official records of the proceedings; shall retain official documents, shall maintain the membership roll and take (and) publish minutes of all meetings.

D. Treasurer – The Treasurer shall be responsible for Virginia1st’s fiscal activities and will provide financial statements/updates at all regular meetings of the Board and at all meetings of the Members, and as may be requested by the Chairman or Executive Director from time to time.

Section 5 Term, Removal and Vacancies:

Except for the Chairman and Vice Chairman, the Officer’s shall hold office until their successors are elected and qualified. Any Officer may be removed at any time by the Chairman or by the affirmative vote of a majority of the Board. Any vacancy shall be filled by a vote of a majority of the Board.

Section 6 Conflict of Interest:

Unless prohibited by applicable law, no contract or other transaction between Virginia1st and one or more of its Members, Directors and/or Officers or any other entity in which one of more of its Members, Directors and/or Officers are financially interested, shall be either void or voidable because of such relationship or interest or because such member, director or officer is present at a meeting where the transaction was authorized, approved or ratified if the contract or transaction is fair and reasonable to Virginia1st and such interest or relationship is fully disclosed to the Board in writing.

Section 7 Execution of Instruments:

All agreements, applications, filings, contracts, checks, drafts, lease documents, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, attested, delivered or accepted on behalf of Virginia1st by Chairman, Vice Chairman, Executive Director, Secretary or Treasurer. All instruments listed above in the amount of \$1,000 or more shall require the signature of any two of the above officers.

Section 8 Books and Records:

- A. Virginia1st shall keep adequate and correct records of accounts (Treasurer) and minutes (Secretary) of the proceedings of all meetings. Virginia1st shall also keep a record of membership. All records shall be kept in either written form or in any other form capable of being converted into written form.
- B. Each Member shall have access to all records within a reasonable timeframe upon request.

Article VI – Bank Accounts and Loans

Section 1 Bank Accounts:

Any of the following officers, namely, the Chairman, Vice Chairman, Executive Director or Secretary acting jointly with the Treasurer, shall have the authority to establish one or more accounts with such banks or other institutions as in their judgment are necessary or desirable in the conduct of Virginia1st's business, and shall have the authority to issue orders and instructions respecting transactions with respect to such accounts.

Section 2 Loans:

No loan shall be contracted for on behalf of Virginia1st unless authorized in writing by 2/3 of all the Directors. When so authorized, any two of the following officers acting jointly, namely, the Chairman, Vice Chairman, Executive Director, Secretary or Treasurer, shall have the authority to effect loans and advances at any time from any bank or other institution.

Article VII – Miscellaneous Provisions

Section 1 Amendments:

These By-Laws may be amended by a two-thirds vote of the Board of Directors.

Section 2 Liability of Directors and Officers:

No Member, Officer or Director shall be personally liable for the debts, obligations or liabilities of Virginia1st solely by reason of his membership or position.

Section 3 Indemnification:

Virginia1st shall indemnify and hold harmless any Member, Director, Officer or agent, in connection with any proceeding by reason of the fact that the member shared his institution's business continuity plan, or that he is or was a Member, Director, Officer or agent of Virginia1st, to the fullest extent permitted by and in accordance with applicable law, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Virginia1st, and with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. Notwithstanding any other provision in these By-Laws to the contrary, Virginia1st shall not indemnify and hold harmless any Member, Director, Officer or agent who has committed an intentional wrongful act.

Section 4 Insurance:

Virginia1st may purchase and maintain insurance on behalf of any person who is or was a Member, Director, Officer or agent of Virginia1st against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, or the sharing of his institution's business continuity plan, whether or not Virginia1st would have the power to indemnify him against such liability under applicable law.

Section 5 Disclaimer:

Virginia1st is formed as a coalition between financial institutions and certain strategic partners to better prepare the financial industry in Virginia in the event of a catastrophic failure of any Member's assets, including personnel. It is anticipated that Members will share advice, experience and ideas arising from their experience including their business continuity plan and, in the event of a catastrophe to any Member, may share all or part of their institution's assets including personnel. Virginia1st makes no representation or guarantee as to the efficacy of any advice, idea or plan or the completeness of any information exchanged between its Members, and expressly disclaims liability for any injury, loss, costs or damages of any nature resulting from the exchange or use of, or reliance on, any information between its members, including but not limited to, any Member's business continuity plans. Neither Virginia 1st nor any Member shall, in the absence of gross negligence or willful misconduct, have any liability for any Member's reliance upon another Member's assets, including but not limited to personnel.

Section 6 Section Headings and use of Pronouns:

The section headings contained in these bylaws are for reference purposes only and shall not affect the meaning or interpretation of the subject matter contained therein. The use of "he" or "his" unless the context requires otherwise, shall be deemed to refer to "he/she" or "his/hers."