

**Asociación de Bancos de México ABM, A.C.**

**By-laws**

**Chapter I.- Business Name, Nationality, Domicile, Duration, Purpose and Patrimony of the Association.**

**Section 1.** The Business Name of the Association shall be Asociación de Bancos de México ABM, and will be followed by the words "Asociación Civil" or its abbreviation, A.C.

The Association is governed by its charter and by-laws and in matters not provided therein, it shall be subject to the provisions in the Civil Code for the Federal District.

**Section 2.** The Association is organized under the laws of Mexico; by virtue it has always retain Mexican nationality.

**Section 3.** The Association shall be domiciled in Mexico City, Federal District; however, it may indicate domiciles and establish branches in any state in Mexico.

**Section 4.** The Association shall have an indefinite duration.

**Section 5.** The Association shall have the purpose of:

- I. Representing the general interest of its Associates and Affiliates;
- II. Collaborating with its Associates and Affiliates to achieve their general objectives and in all the activities related to its business purpose;
- III. Fostering the development of bank activities in the country and the participation of the Mexican Banking in the International Financial Markets;
- IV. Representing and defending the general interests of its Associates and Affiliates in any mater of regular interest before the authorities and national and international private organizations and providing them advisory and support for the solution of their issues;
- V. At the proposal of the members of each State Bank Centers, in their absence, the Executive Committee, shall appoint the chairmen of the State Bank Centers;
- VI. Coordinating and supervising the activities of the Chairmen of the State Bank Centers of the Association;
- VII. Acting as consulting agency of the State in banking and financial matters, providing the necessary technical groups for such purposes;
- VIII. Performing studies and investigations for the development and good functioning of the banking and financial system, as well as those related to their methods and operation practices;
- IX. Exercising the right of petition, through the necessary procedures before federal or local authorities to request the issue, modification, or derogation of laws or administrative regulations related to the development, safety, and improvement of the banking system;
- X. Acting as mediator in conflicts that may take place between Associates and exercising, at the request of the Interested Parties, the arbitration in said conflicts;

XI. Promoting the participation of its Associates with the purpose of increasing the national savings attraction, and taking the necessary actions to stimulate the habit of saving;

XII. Participating as associate, in all kinds of national or foreign companies or associations that render services or carry out activities related to its business purpose;

XIII. Organizing, sponsoring, directing, and in general, directly or indirectly organize courses, conventions, seminars, conferences, study meetings, forums, round tables, or any other event having the purpose of spreading the banking system development;

XIV. Appointing representatives before the copula organisms, public or private entities, either national or foreign, where the Association is invited to participate;

XV. Promoting and increasing the relationships with similar organizations of other countries and with international financial entities. Collaborating in the studies and works tending to the standardization of processes and procedures, the experiences interchange, best practices, and the reciprocal knowledge of the legal or administrative regulations governing the exercise of banks and credits;

XVI. Coordinating and fostering social, cultural, and sports activities that engage the improvement of the national banking system members;

XVII. Sponsoring and organizing courses to train those providing services related to the bank activity in general;

XVIII. Creating, coordinating, and supervising the Commissions and Specialized Committees necessary for the best services rendering the Association offers to its Associates, and

XIX. In general carrying out all acts tending to obtain the best development of the Mexican Banking System contributing to the country economic growth.

To carry out its purpose, the Association may acquire, lease, sell, manage, use, mortgage or encumber in any way the real and personal property necessary or appropriate for this purpose and carry out all kinds of operations and appropriate legal acts or necessary for the satisfaction and fulfillment of the same purposes.

The Association cannot guarantee obligations for third parties.

**Section 6.** The assets of the Association consist of the movable and immovable property, rights of any kind or acquired cash amounts contributed by the members, as well as donations and other income from other concepts perceived by the Association itself.

To carry out its purposes, the Association shall make an annual budget of income and expenses, and depending on the budget, it will determine the amount of the ordinary and extraordinary fees to be paid mandatorily by Associates, as well as fees to be covered by the Affiliates no later than 15 working days after the Associates Committee approves the budget and the corresponding proportion.

## **Chapter II. Associates, Affiliates, and Special Guests.**

**Section 7.** The commercial banks authorized by the Federal Government through the Treasury Department may have the status of Associate, which are admitted by the General Meeting of Associates on a proposal of the Committee of Associates, who, according to the case, agree with

the provisional admission while the General Meeting ratifies the final admission. The General Meeting of Associates shall be empowered to resolve on the admission and exclusion of Associates.

**Section 8.** The representative offices of foreign financial institutions authorized by the Federal Government through the Treasury Department may have the status of Affiliates, supported by the General Meeting on the recommendation of the Committee of Associates.

**Section 9.** All those institutions or bodies, private and public that have similar objectives to those of the Association or, well, those institutions and bodies that are considered as members of the Mexican financial system, and are admitted by the General Meeting on a proposal from the Committee of Associates may participate as Special Guests. The General Meeting determines the rights and obligations of these special guests.

Development banks, in their capacity as Special Guest, shall cover 5% of the annual budget of the Association, and at least 5% of the annual budget of each State Banking Center.

**Section 10.** Associates shall have the rights and shall be responsible for the obligations under these by-laws.

**Section 11.** Associates have the following rights and obligations:

*Rights:*

- I. Attend general meetings of the Association and the Associates Committee sessions, present studies, proposals and suggestions, take part in its deliberations and vote, on the understanding that all votes are equal;
- II. Request and receive the services provided by the Association;
- III. Separate from the Association prior written notice given two months in advance, and
- IV. Not to be excluded from the Association except for reasons provided in these By-laws.

*Obligations:*

- I. Pay the ordinary and extraordinary fees determined by the Committee of Associates, the former will be used for the operation and implementation of the objectives of the Association, and the latter to meet those requirements agreed by the Committee itself;
- II. Support their officials to perform charges and commissions the Association entrusted to them, and provide all facilities for the performance of their duties;
- III. Observe the provisions of the Articles of Association, the Code of Ethics for Directors, Officers and Employees of Banks, and the self-regulatory rules and regulations adopted by the General Meeting;
- IV. Timely and accurately provide, to the extent permitted by law, the information and statistical data requested by the Association to them, and
- V. Comply with the agreements by the General Meeting, the Committee of Associates and the Management Committee.

**Section 12.** Affiliates have the following rights and obligations:

*Rights:*

- I. Have an Affiliate Coordination, which will have the powers and duties specified in Section 42 of these By-laws;
- II. Through its Coordinator, attend general meetings of the Association and the Associates Committee meetings, with voice but no vote; and present studies, proposals and suggestions in those meetings;
- III. Request and receive the services provided by the Association;
- IV. Separate from the Association prior written notice given two months in advance, and
- V. Not to be excluded from the Association, except for reasons provided in these By-laws.

*Obligations:*

- I. Pay the fees determined by the Committee of Associates, which will be used for the operation and implementation of the objectives of the Association;
- II. Support their officials to perform charges and commissions that the Association entrusted to them, and provide all facilities for the performance of their duties;
- III. Observe the provisions of the Articles of Association, the Code of Ethics for Directors, Officers and Employees of Banks, and the self-regulatory rules and regulations adopted by the General Meeting;
- IV. Timely and accurately provide, to the extent permitted by law, the information and statistical data requested by the Association to them, and
- V. Comply with the agreements by the General Meeting, the Committee of Associates and the Management Committee.

**Section 13.** The quality of Associate or Affiliate, according to the case, will be lost:

- a) By prior voluntary separation giving written notice two months in advance;
- b) By resolution of the General Meeting of Associates, in case of the following exclusion causes;
  - I. Failure of payment of the regular or special contributions, as appropriate, within two months following the date on which payment is requested;
  - II. Repeatedly deny without justification to its officials or representatives, if any, of the offices, positions or commissions entrusted to them by the General Assembly of Members, Associates Committee or the Steering Committee;
  - III. For not providing timely and accurately the information requested by the Association directly or through the Banking Centers;

IV. By starting dissolution, liquidation, bankruptcy, insolvency or for having revoked the authorization to operate, and

V. For failure to comply with any other obligation under the Constitution, and the findings and decisions of the General Meeting, the Committee of Associates, or the Management Committee.

**Section 14.** Associates and Affiliates who separate voluntarily or are expelled, shall lose their rights, including without limitation, any right to the Company's Assets.

Associates and Affiliates may be temporarily suspended in their rights by the breach of any of its obligations or, if Associates, being the subject of an administrative or managerial preventive intervention, when agreed by the Committee of Associates.

**Section 15.** Associates and Affiliates who separate voluntarily or are expelled may reenter the Association prior compliance with the requirements for each case, under Sections 7 and 8 of this By-laws.

The rights of those banking institutions that return to the Association as Associates, will be recognized after approval of their readmission by the General Meeting.

**Section 16.** All foreign Associate in the act of incorporation or at any time thereafter acquire an interest or participation in the Association will be considered for that fact as a Mexican and be deemed to agree not to invoke the protection of his government, under penalty, in case of breaching their agreement, such interest or losing the benefit of the Mexican Nation.

### **Chapter III. General Meetings of Associates**

**Section 17.** The General Meeting of Associates is the supreme organ of authority of the Association; it shall consist of each and every one of the associated institutions.

Meetings shall be ordinary and extraordinary.

Extraordinary meetings shall be those that meet to discuss any amendment to the By-laws or the early dissolution of the Association. All the rest shall be ordinary.

**Section 18.** Calls for Meetings of Associates comprise the agenda, and shall be signed by the Secretary. A meeting shall be called when requested by at least 5% of Associates, and if not, by any civil judge of general jurisdiction of the Federal District at the request of the interested parties.

**Section 19.** Calls of meetings must be published in a newspaper of national circulation, and there must be 15 days at least from the date of publication of the notice, and the day appointed for holding the meeting in the case of first call. On second call will be sufficient to take thirty minutes from the time fixed for the first and second. The call will not be necessary to the meetings when all Associates are legally represented.

**Section 20.** Associates may attend meetings by one or more proxies, who must prove their personality by writing at any time prior to the meetings.

Proxies play their position in the order of their appointment and have power to exercise the rights that these By-laws confer Associates.

**Section 21.** In the Meetings, each Associate may be entitled to one vote.

**Section 22.** The minutes of the meetings should be recorded on the respective book or any other means, and shall be signed by the Chairman and the Secretary of the Meeting and they shall be formalized.

The resolutions adopted at the meetings will be distributed for the information of all Associates.

**Section 23.** General Meetings shall be chaired by the Chairman or the Executive Chairman of the Association, and in their absence, by the person designated by the Associates present by majority vote. The Secretary in meetings of Associates shall be the CEO of the Association and in his absence, the post shall be filled by the person designated by the Associates present by majority vote. The Chairman of the Meeting shall appoint two or more scrutinizers from among those present, who, with their signature shall certify the required quorum.

**Section 24.** Ordinary meetings shall be held at least once a year at such time and place fixed by the Committee of Associates. The annual meeting is concerned at least of the following issues:

I. Know and, where appropriate, adopt the general report on the performance of the Chairman on the Association performance in the respective fiscal year;

II. Examine, and where appropriate, approve the financial statements of the Association to the closing date for the year, after hearing the auditor's report, and if necessary take measures deemed appropriate;

III. Ultimately approve the admission or exclusion of reentry Associates;

IV. Elect the Executive Chairman of the Association and if he deems it advisable, appoint the Executive Chairman of the company, who in turn, shall assume the qualities of Chairman and Deputy Chairman respectively of the Committee of Associates;

V. Approve codes of ethics, self-regulatory provisions and regulations under consideration;

VI. Know the activity report presented by the specialized committees;

VII. Approve the appointment of the Vice Chairmen proposed by the Executive Chairman, and

VIII. The rest of the matters included in the agenda.

**Section 25.** For an ordinary meeting of Associates to be considered legally met in the first call, at least 50% of Associates shall be present. If in the meeting convened pursuant to a first call, there is no quorum, it will be summoned again to the meeting and shall be deemed legally convened in second call no matter the number of attendees. The agreements shall be taken by the majority of votes of the attendees. In case of a tie, the Chairman of the meeting shall have casting vote.

**Section 26.** For an extraordinary general meeting of Associates to be considered legally convened on first call, at least 70% of the Associates must be present; in this case, the proceedings shall be valid if approved by 50% of the Associates present. If in the meeting convened pursuant to a first call there is no quorum, it will be called again and will be considered legally installed in second call when attended by at least 50% of the Associates, and in this case, the agreements of the Meeting shall be valid if approved by the vote of 50% of the Associates present.

#### **Chapter IV.- Committee of Associates**

**Section 27.** The Committee of Associates shall be formed by an owner proxy for each Associate, on the understanding that the designation shall apply to the Chairman of the Board or the CEO of the associate institution. Each owner associate of the Committee of Associates shall have a substitute.

**Section 28.** The members of the Committee of Associates, the head of the Coordination of Associates and their substitutes may not be represented by proxy at meetings of that committee; except in cases approved for that purpose by the Board of Directors.

**Section 29.** The Associates Committee shall have the following powers and responsibilities:

- I. Formulate and issue internal regulations of the Association;
- II. Issue interim resolutions regarding the admission and exclusion of members and consideration by the next meeting, which will ultimately resolve;
- III. Appoint and remove the CEO of the Association, at the Directors' proposal, as well as grant them leaves of absence;
- IV. Execute agreements of the General Meeting of Associates;
- V. Agree on the amount of ordinary and extraordinary quotas to be paid by Associates and quotas to be paid by the Affiliates, and the terms and conditions under which they shall be paid;
- VI. Call for ordinary and extraordinary general meetings of Associates;
- VII. Appoint the external auditor of the Association;
- VIII. Approve the annual budget of the Association and agree the proportion that each associate institution will have to pay, and
- IX. In general, perform all the steps and perform all acts and contracts that are necessary to realize the objectives of the Association.

The Associate Committee may delegate its powers to the Executive Committee, the Chairman, and the Executive Chairman or, for performing specific activities, on the people he deem appropriate.

**Section 30.** The Committee meetings held by Associate in accordance with the schedule approved or when convened by the Chairman or, where appropriate, the Executive Chairman. The calls for the meeting shall contain the agenda and will be shipped with no less than three business days in advance.

**Section 31.** The meetings of the Committee of Associates shall be considered validly incorporated when half of its members are present at least and take its decisions by majority vote of the members present. In case of a tie, the Chairman or, where appropriate, the Executive Chairman shall have the casting vote.

In the absence of the Chairman, the Executive Chairman or the Secretary, and for that session, the Committee of Associates shall appoint, from those present, the people to hold their positions.

For each session of the Committee of Associates, minutes will be drawn and its resolutions will be distributed for the information of all Associates.

## **Chapter V. Board of Directors**

**Section 32.** The administration, management and representation of the Association, will be in charge of the Board of Directors.

The Board of Directors shall consist of the Chairman of the Association and the four vice chairmen approved by the Annual General Meeting of Associates.

The members of the Board of Directors may not be represented at the meetings of that Board.

The Board of Directors shall meet with the same frequency determined by it, previous call.

For each session of the Board of Directors, minutes will be drawn and its resolutions will be distributed for the information of all Associates.

**Section 33.** The Board of Directors shall have the following powers:

I. Those implied in the general powers of attorney for litigation and collections, to administer properties and exercise acts of property with all the general and special powers requiring special section in accordance with the law under the terms of section 2554 of the Civil Code for the Federal District, of the Federal Civil Code or its correlatives in any federal division of the Mexican Republic, in order to represent the company before any kind of individual or company, as well as before the administrative, judicial authorities, either federal, state, and municipal before the Federal Board of Conciliation and Arbitration, and the rest of the labor authorities and before arbitrators with all the general and special powers requiring power or special section in accordance with the laws, as well as to file Amparo proceedings and abandon them to present penal complaints or accusations and to abandon the former, to demand civil responsibilities arising from crimes and to negotiate and bind before arbitrators regarding the Association business.

The above powers include power to articulate, but not to answer interrogatories, obtain award of assets, assign assets to present positions in auctions, challenge, receive payments, complaints, act as an adjunct of the public ministry, make fees and waiver agreements as may be necessary in accordance with Section 27 of the Constitution.

The Board of Directors will also have authority to sign, execute, issue, draw, accept, endorse, guarantee or otherwise subscribe credit titles and to open and cancel bank accounts on behalf of the Association, as well as to make deposits and designate people who can draw against them;

II. Appoint attorneys-in-fact granting them the powers it deems appropriate and revoking the necessary powers;

III. Appoint the members of the Committees and specialized committees of the Association on a proposal of the Chairman, and

IV. Analyze and propose the agenda for meetings of the Committee of Associates.

V. Act as consulting committee of the Chairman.

VI. Suggest alternative solutions on matters requiring expert opinions in matters relating to banking and financial activity;



VII. Present work programs that benefit the Association for the banking system, and

VIII. Generally perform all those functions and activities that facilitate the Chairman the best performance of his duties.

IX. Propose to the Chairman of the Association candidates for Chairmen of the State Bank centers, in the absence of proposals from the members of such Banking Centers.

X. Coordinate and supervise the work and relations with the Association of the Chairmen of the State Banking Centers

The Board of Directors may delegate the powers outlined in fraction I of this section to the Chairman or the Executive Chairman, as well as those people or group of people it deems appropriate.

#### **Chapter VI. Chairman.**

**Section 34.** The Chairman of the Association, who shall be Chairman or CEO of one of the associate institutions or financial group to which it belongs, will be the Chairman of Committee of Associates, and during his tenure, the general representative of the Committee of Associates. *(Amended in a Meeting of Associates on March 5, 2013)*

The Chairman of the Association shall be elected by favorable resolution of at least two thirds of the General Meeting of Associates. Should said percentage is not reached, the following Meeting shall resolve on this regard by absolute majority. *(Amended in a Meeting of Associates on March 5, 2013)*

The Presidency shall consist of four Vice-Chairmen, including one for each of the following groups:

- *Group A.* Composed of the credit institutions within this group identified in Annex 1 hereto.
- *Group B.* Composed of the credit institutions within this group identified in Annex 1 hereto.
- *Group C.* Composed of credit institutions with an individual sharing of more than 20% of the sight deposits in the market, whose names are listed in Annex 1 hereto.
- *Group D.* Composed of subsidiary credit institutions and representative offices of foreign financial institutions whose names are listed in Annex 1 hereto.

The rating of participants in each Group shall be based on the market sharing, segment and specialization.

To elect the holders of the Vice-presidency positions, each of the above groups will propose candidates for the Chairman position. The Chairman shall decide among the candidates proposed by each group, those whose appointment as Vice Chairmen shall be subject to the approval of the General Meeting of Associates.

For the purposes specified in the preceding paragraph, Group C will nominate a candidate, while Groups A, B and D propose a duo.

The Chairman shall hold office from his election until the next annual general meeting of Associates.

The Chairman may be re-elected.

**Section 35.** The Chairman of the Association may only be a banker with professional prestige recognition who holds the position of Chairman of the Board of Directors or CEO of one of the associate institutions.

*The Chairman shall have the following powers:*

I. Represent the Association in accordance with Section 34 of these By-laws. In no case, he might answer interrogatives;

II. Run, directly or through the Executive Chairman, the agreements and decisions of the General Meeting, the Committee of Associates and the Board of Directors;

III. Be the liaison between the Association and the Public Administration; as well as being the spokesman of the Association, being able to delegate authority to the Executive Vice Chairman or, when so deemed appropriate;

IV. Veto resolutions of the Board of Directors, when it deems necessary to do so for the benefit of the Association. The resolutions of the Board of Directors, vetoed by the Chairman, shall be forwarded to the Committee of Associates to be rejected or approved finally;

V. Have the casting vote in case of a tie;

VI. Appoint the Vice-Chairmen or the Executive Chairman, who will substitute him in the hearings;

VII. Appoint, among the candidates the Vice-Chairman each group of Associates proposes, whose appointment shall be subject to the approval of the General Meeting of Associates;

VIII. Call and chair the General Meetings, the Committee of Associates meetings and the Management, as well as the agreements of the Association;

IX. Coordinate the relationships with the Committees between them and the management organisms;

X. Request and obtain from the Associates and Affiliates, the technical collaboration the Association may require for the performance of its purpose;

XI. Monitor the compliance with the agreements of the General Meeting of the Associates, of the Committee of Associates, and the Board of Directors;

XII. Authorize the terms and conditions of employment of the CEO and Directors of the Association;

XIII. Know the issues raised by the Associates and Affiliates, and decide on these, prior favorable opinion of the Board of Directors, and

XIV. Appoint people who will act as spokesmen for the Association on issues or specific issues, and

XV. Make proposals for the approval of the Board of Directors and the Committee of Associates in their respective sessions.

XVI. Appoint the chairmen of the State Banking Centers proposal of the members of each such centers or, failing that, of the Board of Directors.

The Chairman may delegate one or more of the powers conferred by these By-laws to the Executive Chairman, the CEO or the directors.

#### **Chapter VII.- Vice-Chairmen.**

**Section 36.** Vice-Chairmen shall help the Chairman in all matters and commissions entrusted to them by the Committee of Associates, the Board of Directors or the Chairman. Vice-Chairmen may only be the members of the Committee of Associates. One of the vice-Chairmen due to the decision of the Committee of Associates may replace the Chairman in his temporary or permanent absence, and will then have the powers vested in the Chairman of the Association.

Vice-Chairmen shall have the power to make proposals for the approval of the Board of Directors and the Committee of Associates in their respective sessions.

**Section 37.** Vice-Chairmen may be ratified as determined by the General Meeting and continue in office until new appointments.

#### **Chapter VIII - Executive Chairman.**

**Section 38.** The Chairman may have an Executive Chairman to aid him in the performance of his duties and have the following functions:

I. Represent the Association with similar powers to the Chairman, against the media, legislators, authorities, other professional organizations and the society in general. This is in accordance with the instructions and procedures that may introduce the Chairman and/or the Board of Directors;

II. Supporting associate banks in specific problems justifying the intervention of the Association, seeking constantly to settle or, where appropriate prosecute -of orderly and constructively- any conflicts of interest that arise between banks or groups of associates;

III. Submit to the Board of Directors proposals that merit the pronouncement of the Association regarding issues or topics of interest union;

IV. Explain and defend the pronouncements of the Association as may be instructed by the Chairman, to authorities, the media, opinion leaders and other sectors of society;

V. Direct and supervise the Chairmen of the Committees and the CEO in the formulation of the Annual Work Plan to be submitted for consideration and, where appropriate, approval of the Chairman and /or the Board of Directors;

VI. Participate in meetings of the Board of Directors and vote, except when another member of the Board of Directors representing the same institution, in which case the Executive Chairman will have voice only; and

VII. Perform other acts and activities that may be assigned by the Chairman, the Board of Directors or the Committee of Associates.

## **Chapter IX.- Chief Executive Officer.**

**Section 39.** The CEO of the Association shall have the following powers and duties:

I. Perform the functions entrusted to the General Meeting, the Committee of Associates, the Board of Directors, the Chairman and the Executive Chairman of the Association, and accept appointments assigned to him in those organizations, companies or institutions where his participation is considered convenient;

II. Direct the work of the staff of the Association, which he may appoint and remove previous agreement with the Chairman or, where appropriate, with the Executive Chairman;

III. Manage financial and material resources of the Association and, where appropriate, submit the reports as requested by the Executive Chairman;

IV. Coordinate and supervise the work of the committees and specialized committees;

V. Coordinate and supervise the work and relations with the State Bank Association Centers;

VI. Coordinate and supervise the care of legal matters;

VII. Coordinate the activities of communication and information, internal and external, of the Association;

VIII. Hiring the professional services required to meet the objectives of the Association;

IX. Hold the post of Secretary of the Meeting of Associates, Associates Committee, and Board of Directors;

X. Formulate and submit to the Committee of Associates, the annual budget of revenues and expenditures of the Association, with the agreement of the Chairman or, where appropriate, the Executive Chairman;

XI. Organize conventions and events that must take place by agreement of the Committee of Associates, the Board of Directors, the Chairman of the Association and, where appropriate, the Executive Chairman;

XII. Submit the Committee of Associates recommendations of the Committees and Special Committees;

XIII. Fulfill the agreements of the Meeting, the Committee of Associates, of the Board of Directors and the Chairman, and where appropriate, implement the decisions and instructions of the Executive Chairman of the Association;

XIV. Delegate to the staff in charge of one or more of the powers and duties that have been conferred, and grant and revoke powers, subject to approval of the Board of Directors, the Chairman or, where appropriate, the Executive Chairman; and

XV. Carry out all activities that contribute to achieve the objectives of the Association and, where applicable, those required for the performance of the Executive Chairman.

## **Chapter X.- Agencies, Coordination of Affiliates and Specialized Committees**

**Section 40.** The Association shall have the following agencies:

- A) Committee on Financial System Development;
- B) Committee for Regulations;
- C) Committee on Operations and Payment Systems;
- D) Credit Committee;
- E) Committee of Financial Markets and
- F) Committee on Communication and Marketing.

**Section 41.** The Committees shall have the following powers and duties:

- I. Formulate the internal regulations;
- II. Prepare the annual work plan, which includes the Special Committees that constitute them;
- III. Meet regularly;
- IV. Assure that the specialized committees that form them meet regularly;
- V. Submit the Committee of Associates an annual activities report;
- VI. Advise the Board of Directors, the Chairman, CEO and banking centers in their areas of specialty;
- VII. Propose to the Board of Directors, the establishment of specialized committees that provide its Associates, research services, study, information and representation in the various fields of the banking and credit, or in connection with them;
- VIII. Evaluate and permanent follow up the work of specialized committees, and
- IX. Encourage the participation of Associates in the specialized committees, ensuring adequate representation of institutions in the activities of the specialized committees.

**Section 42.** The Association will have a Coordination that will aim to treat Affiliates related issued to be submitted to the Board of Directors and further discussion in the Meeting or the Committee of Associates, where applicable.

The Coordination of Affiliates shall have the following powers and duties:

- I. Formulate the internal regulations;
- II. Prepare the annual work plan, which includes the Special Committees that constitute them;
- III. Meet regularly;
- IV. Assure that the specialized committees that form them meet regularly;
- V. Submit the Committee of Associates an annual activities report;
- VI. Advise the Board of Directors, the Chairman and the Executive Chairman in their areas of specialty;
- VII. Propose to the Board of Directors, the establishment of specialized committees that provide its Associates, research services, study, information and representation in the various fields of the banking and credit;

VIII. Evaluate and permanent follow up the work of specialized committees that deal with matters pertaining to the Affiliates, and

IX. Encourage the Affiliates participation in specialized committees, ensuring adequate representation of the Affiliate on the activities of the Coordination and Special Committees.

**Section 43.** The boards are formed by the holder of each Committee, by the heads of the specialized committees that form them, as well as those that the Committee deems appropriate.

The post of the Committee invariably fall on the Chairman of the Board, the CEO, the Deputy Director General or equivalent official in charge of the associate institution, specialized in the field in charge of said Committee. The holder of each Committee shall have an alternate; both positions are honorary.

**Section 44.** The post of the Coordination of Affiliates will fall on the representative of one of the representative offices of foreign financial institutions, admitted as an Affiliate of the General Meeting. The post of head of the Coordination Affiliates will be honorary.

**Section 45.** In order for the Committees, Coordination of Affiliates and Special Committees to operate normally, the Association may request the Associates and Affiliates, where appropriate, the designation of persons required for the posts of head of Committees, head of Coordination and holder of Specialized Committee which are vacant due to any reason; understanding that said appointments shall be approved by the Board of Directors.

**Section 46.** The holders of the Committees shall hold office for one year, counted as from his appointment by the Board of Directors. They may be ratified in his post one or more times and continue to perform their duties until new appointments are not made.

**Section 47.** To enable the Committees to hold their meetings, the presence of a majority of its members, who will make arrangements on the recommendations they deem appropriate to submit for consideration to the Board of Directors will be necessary.

**Section 48.** The Committees meetings are held in the days and hours that are indicated in the timetable developed by the Committee. The meetings may also be held when so agreed by the holder or two or more members of the Committee so request. The meetings shall be through a call.

For each session of the Committees, minutes will be drawn and its resolutions will be distributed for the information of all Associates.

The Committees shall prepare advances reports regarding the issues they have in charge, which are distributed to the Board of Directors.

**Section 49.** In performing their duties, the commissions shall not bind the Association. Their recommendations should refer precisely to matters they have in charge. In the case of general issues affecting the bank institutions or the economy of the country, they shall submit their recommendations to the Board of Directors of the Association.

The recommendations, proposals, or statements of the Committees approved by the Board of Directors shall be informed to the bank centers.

**Section 50.** Specialized committees are formed by officers of associate institutions that have the level of director or higher level in the specialty to be entrusted to each Committee.

In the Specialized Committees, representatives of each Group of Associates may participate.

The Specialized Committees in matters related to Affiliates, shall be formed by the representatives of the foreign financial institutions offices, participants in the Association as such.

The Associate banks may appoint representatives in the Specialized Committees where they wish to participate and they shall permanently update their relationships with the representatives in the directory kept for such effect by the Association.

The specialized committees shall develop the necessary activities for the participation of associate banks and Affiliates, if any, is realized in works, studies and projects of common interest as well as the exchange of experiences and information sharing.

In the performance of their duties they may hold meetings with government organizations, business and labor representation, educational institutions, and related national and international organizations with their work object.

**Section 51.** Holders of permanent specialized committees shall report their activities and efforts to head of the Committee to which they belong and the Board of Directors. It will also be the responsibility of the holders to ensure that their specialized committees have adequate representation of Associate banks and Affiliates, if any. Holders of the Specialized Committees will have an alternate; such charges shall be honorary.

The specialized committees will have no executive functions and its agreements shall be considered as recommendations for consideration by the Board of Directors.

**Section 52.** The sessions of the Specialized Committees will be held by call, at least once a month. Each session shall draw the corresponding minutes and its resolutions will be distributed to the Committee to which they belong.

Committees shall contribute to the preparation of progress reports and management prepared by the Committees or the Affiliate Coordination, as appropriate; and in integrating the work plan and the report submitted and the Committees and the Affiliates Coordination once a year.

**Section 53.** To provide information to the media, committees and specialized committees shall follow the instructions received from the Board of Directors, the Chairman and, where appropriate, the Executive Chairman of the Association.

#### **Chapter XI.- Chairmen of the State Bank Centers of the Association.**

**Section 54.** Under the terms of fractions V and VI, Section 5 of these By-laws, the Association will coordinate and supervise the activities of the Chairmen of the State Bank Centers of the Association.

**Section 55.** . In each of the states of Mexico, there will be a Chairman in each State Bank Center of the Association, honorary basis and which who will be responsible for the representation of banks operating in each of the corresponding States.

The Chairmen of the State Bank Centers shall be appointed by the Chairman of the Association on a proposal of the members of each State Bank Centers or by the Board of Directors.

The Chairmen of the State Bank Centers must have sufficient expertise and appropriate level of management in the field, being recommended that they are representatives of the highest hierarchical level of the Associate in the city or the state, and have the support of the institution's CEO.

They shall hold office for two years, with possibility extending their appointment for another two years.

**Section 56.** The Chairmen of the State Bank Centers of the Association will remain permanent and timely reported to the Association of issues whose importance should be of its knowledge.

**Section 57.** The functions of the Chairmen of the State Bank Centers of the Association are as follows:

- I. Perform all activities that contribute to achieving the purposes of the Association.
- II. Represent banks operating in each of the States to the State Delegations of CONDUSEF and state and municipal authorities.
- III. Represent banks operating in each of the States in meetings with other local business organizations.
- IV. Inform the Association of locks to branches and negotiate with the local authorities the necessary support to address such contingencies.
- V. Support the Association in carrying out studies or projects.
- VI. The Chairmen of the State Bank Centers of the Association shall refrain from being spokesmen of the ABM, unless the Association so requests it.
- VII. They must refrain from negotiating with local authorities or federal regulatory issues unless instructed by the Association.
- VIII. Convene representatives of banks in the respective state, at least every three months to address issues of common interest
- IX. Submit the Association a six-month report on its activities.

## **Chapter XII. Dissolution and Liquidation.**

**Section 58.** The Association shall be dissolved only:

- I. Through resolution taken by the General Extraordinary Meeting of Associates;
- II. Since the realization of its purpose is impossible, or
- III. Through resolution issued by competent authority.

**Section 59.** Once the dissolution is agreed, the Association enters into liquidation status and the offices of the members of the Committee of Associates shall terminate, and one or more liquidators shall be appointed by the General Extraordinary Meeting. While taking up office liquidators, the members of the Committee shall continue in their duties. The liquidators shall have the powers and duties that the meeting set them. On completion of the liquidation, the



liquidators convene to General Meeting to examine the accounts of the settlement under consideration, opinion report is issued and the form and terms are agreed to distribute the associate assets among the Associates.

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