

CODE OF ETHICS 2021

2021

FHLBANK CHICAGO

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Introduction

Since it was founded in 1932, the Federal Home Loan Bank of Chicago (the “Bank”) has built a reputation for delivering products and services to our member institutions with integrity and honor. The Bank has developed this reputation by establishing appropriate risk tolerances, risk limitations, and the fundamental expectation that our employees will conduct themselves with the highest level of integrity, honesty and impartiality. This includes treating Bank Members, Directors, and fellow employees with respect and courtesy, avoiding conflicts of interest, and speaking up about your colleagues’ conduct that might violate the Bank’s ethical expectations.

The Bank outlines its expectations in this Code of Ethics (the “Code”), which applies to all full-time and part-time employees of the Bank and Members of the Board of Directors. References to “you” refer to both employees and Directors, however, certain provisions apply only to employees.

The Code is updated annually and, therefore, each year the Bank will ask you to certify your compliance with the Code. This Code is effective as of January 1, 2021

You are responsible for reading the Code, reviewing any related training and associated policies, and also understanding and complying with the requirements.

If you have any questions or concerns about anything described in the Code, please send your questions to your HR business partner or the General Counsel.

Things to look out for

Throughout this document, you will find “What if” scenarios that will serve as examples of the Code in practice.

You should review the additional Bank Policies that are blue and bolded

Compliance with Laws and Regulations

The Bank is a highly-regulated entity operating within a highly-regulated industry. Compliance with applicable laws and regulations, whether those have been issued by our regulator, the federal government, or any state government, including the States of Illinois and Wisconsin is required. If you have any questions, please reach out to a member of the Law Department.

Compliance with Policies

In addition to being familiar with the Code, you are responsible for being familiar and complying with all Bank policies and procedures, including the:

- **Privacy Statement**
- **Policy Statement on Use of Material Nonpublic Information**
- **Anti-Money Laundering, Bank Secrecy Act, and Suspicious Activity Reporting Policy (“AML/BSA”)**
- **Whistleblower Policy and Procedures (“Whistleblower”)**
- **Employee Handbook**

Personal Activities

Outside Employment

You may not engage in outside employment or other outside activities that are incompatible with the performance of your Bank duties and responsibilities, such as outside employment that impairs your mental or physical ability to perform your job or outside employment or activities that conflict with the Bank's core business hours.

This does not prevent you from participating in the activities of charitable, religious, professional, social, fraternal, nonprofit, educational, recreational, public service, or civic organizations, unless these activities are incompatible with your job.

What if...

I would like to participate in my local Habitat for Humanity chapter. It is unaffiliated with the Bank. Can I join?

Answer: As long as your participation in Habitat for Humanity doesn't interfere with your duties to the Bank, you are encouraged to participate in volunteer activities.

Gifts and Entertainment

You may not accept or solicit Gifts that are incompatible with your duties at the Bank. This includes offers for reimbursement or entertainment, gratuities, loans, services, or other personal benefits (gifts) from Bank Members or Bank Counterparties (a

third party, such as an individual, Vendor or servicer) who is performing, or who is seeking to perform, services for the Bank.

If you receive a gift that is not permitted under the Code, you should politely decline it.

What if...

One of our vendors offered me tickets to a major league baseball game as an honorarium for attending their conference – they are not attending, so can I accept them?

Answer: No, you must politely decline the tickets.

Compatibility with Bank Duties

You may participate in activities compatible with your Bank duties, including:

- Accepting food, refreshments, or entertainment on infrequent occasions in the ordinary course of business, where both you and a representative of the Member or Counterparty who invited you is in attendance. If a meeting or function requires travel and/or lodging expenses that will be paid by the Member or Counterparty, you must obtain the prior approval of your Group Head.
- Participating in activities where the circumstances make it clear that the motivating factor behind the activity is

family or personal relationships rather than the business of the person hosting the activity.

- Accepting unsolicited gifts of nominal value (not more than \$200 in a calendar year) from any single Member or Counterparty.
- Accepting unsolicited advertising or promotional material, such as pens, pencils, notepads, travel mugs, and other items of nominal value.
- Taking advantage of a discount negotiated by the Bank on behalf of its employees.

What if...

I was attending an industry convention with some of our Members and there was a raffle for an iPad. I won, but it is worth more than \$200. Do I have to decline it?

Answer: No, although its value exceeds \$200, it is a randomly awarded prize and not a gift, so you may accept it.

No Favoritism

You may engage in a deposit, loan, or other transaction with a Member under the same terms and conditions available to the public. You may not seek – either for yourself, a family member, or a third party – any terms or conditions with respect to deposits, loans, or other transactions with a Member that are more favorable than those available to the public.

No Influencing Director Elections

You must follow Federal Finance Housing Agency (“FHFA”) regulations regarding the prohibition on actions to influence Director Elections.

You may not:

- Communicate directly or indirectly that another Bank employee, agent, or Director supports or opposes the nomination or election of a particular individual for a directorship; or
- Take any other action to influence the voting.

However, provided that you are acting in your personal capacity, you may:

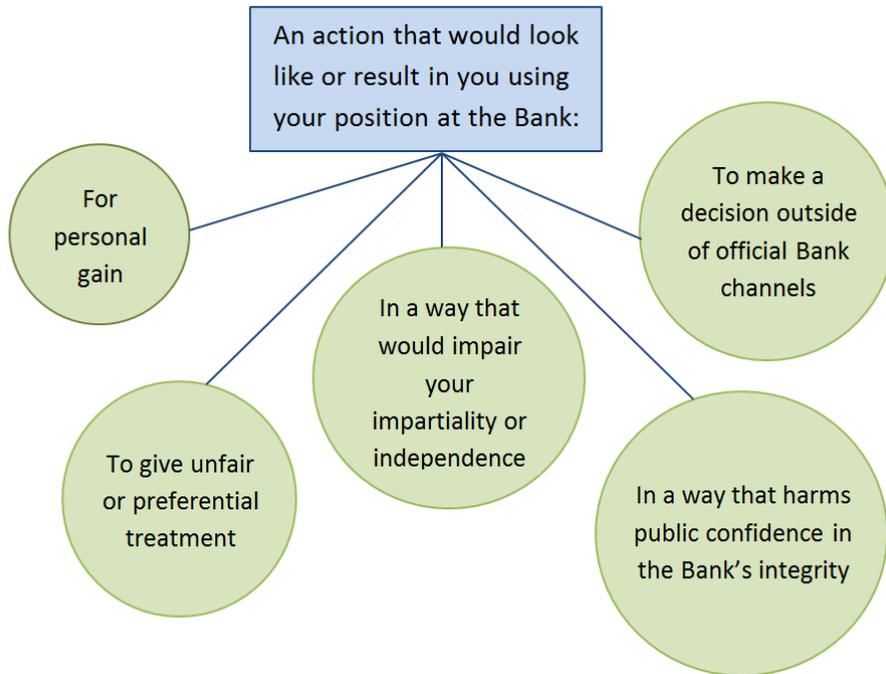
- Support the nomination or election of any individual for a Member directorship and also support the candidacy of any person nominated by the Board of Directors for election to an independent directorship, provided you do not give the appearance that you represent the views of the Bank or its Board of Directors in doing so.

Compensation for Bank Services

You may not receive a salary or anything of monetary value from a private source as compensation for your services to the Bank.

Conflicts of Interest

What is a Conflict of Interest?



Directors should refer to the [Director's Conflict of Interest Policy](#) for information about Director Conflicts of Interest.

Important Conflict of Interest definitions

Immediate Family Member

Your spouse, domestic partner, parent, stepparent, sibling, child, stepchild, dependent, or any relative who lives in your household.

Financial Interest

Ownership or control by you or your Immediate Family Member of any shares of common or preferred stock, or other equity security or any debt security or obligation, including subordinated debt, issued by a Member, but excluding deposits or savings accounts

Significant Personal Interest,

A position of leadership in an organization held by you or your Immediate Family Member, such as serving on a Board of Directors

You may not have a [Financial Interest](#) or a [Significant Personal Interest](#) in the Bank's Members or its Counterparties

If your duties at the Bank require you to make a decision about a Member or Counterparty in which you have a Financial Interest or Significant Personal Interest, please notify your immediate supervisor and notify the Law Department. The Bank will review

your conflict and may ask you to recuse yourself from the decision.

If your Financial Interest or Significant Personal Interest in a Member or a Counterparty interferes with your ability to properly perform your job, the Bank may require you to divest yourself of that interest within a reasonable period of time to continue your employment at the Bank.

Exceptions

You may refer to the chart to help you determine whether your Financial Interest or Significant Personal Interest falls within the Code of Ethics exceptions. Unless your interest falls within the Mutual Funds exception, you will still need to report your conflict to the Bank.

What if...

I know I have invested in mutual funds, but I am not sure if the fund invests in one of our Members. Do I have to disclose?

Answer: Having investments in mutual funds is an exception that does not need to be disclosed to the Bank.

Mutual Funds	You may own shares or other investment units of a mutual Fund that has invested in a Member, provided that you don't direct the investment decisions of the Mutual Fund
Qualified Benefit Plan	You may have shares or other investment units in a Member that are held through a qualified benefit plan established by your Immediate Family Member's employer
Former Employment with a Member	You may have shares in a Member that were obtained through your former employment with a Member, or that were obtained by your Immediate Family Member's current or former employment with a Member
Special Circumstances	You may have shares in a Member that were obtained through special circumstances, such as through an inheritance, gift, merger, acquisition or change in marital status
Conversion	You may have shares in a Member that were obtained through the conversion of a mutual institution to a stock institution, provided that you obtained your interest because you are an account holder of the institution.
Securities	You may purchase or sell securities in a Member where neither you nor your Immediate Family Member has any influence, control or prior knowledge that could impact the purchase or sale, and where you hold the securities in a Blind Account, managed by an investment advisor.

Disclosure and Recusal Requirements

You understand and acknowledge that:

- You must disclose a new interest in a Member as soon as you know you have a new conflict, unless it falls within the Mutual Fund, Qualified Benefit Plan, or Securities Exceptions outlined above.
- If you have a new interest in a Bank Counterparty, you must disclose an interest as soon as you know you have an interest.
- You must report an existing conflict annually during the Bank's Code of Ethics certification, even if you have reported that conflict to the Bank previously.
- You are responsible for ensuring that you recuse yourself from making any decision that relates to a potential or an actual conflict of interest, and notifying your manager and the Law Department of your recusal.

If you have questions about whether you should recuse yourself, or you would like to report a new Conflict, you should notify the General Counsel as soon as possible.

Community Investment Programs

If you or your Immediate Family Member has a Financial Interest in, or is an employee, director, officer, volunteer, or consultant of, an organization involved in a transaction that is either the subject of a pending or approved Community Investment Program application or modification thereof, or a Community First® Fund application, or a potential recipient of any Community Investment Program grant or loan, then you must disclose that information to the Bank. You should also review the Bank's **Community Investment Conflict of Interest Policy** for additional information.

You should not participate in or attempt to influence decisions by the Bank regarding the evaluation, selection, approval, funding, monitoring, or any remedial process for an application, loan, grant, or underlying project with which you or your Immediate Family Member has a conflict.

If you have an actual or potential Conflict of Interest with the Bank's Community Investment Programs, you may be asked to complete the Community Investment Conflicts of Interest Disclosure form. You can find this form on the Community Investment Blink Page

You may not solicit Members personally or through a third party, to explore any potential Community Investment Program arrangement, regardless of whether the arrangement would result in the receipt of something of value by you or your Immediate Family Member.

What if...

I am on the Board of Directors for a community development organization. I didn't say anything about the Community First Fund, but I know they are applying. I don't work in Community Investment, so do I need to do anything?

Answer: Yes. You still need to disclose your Board position to the Bank.

Conducting Arm's-Length Transactions

The Law Department will document that the Bank is conducting all transactions where there is a conflict of interest in accordance with standard business practices (such as competitive bidding, market standard terms, independent appraisals to support fair value, etc.).

Corporate Opportunities, Insider Trading, Fair Dealing, and Competing with the Bank

You owe a duty to the Bank to advance its legitimate interests when the opportunity to do so arises. You should not take any opportunity that you discover through the use of Bank information or Bank property, or through your position at the Bank, without first obtaining the consent of the General Counsel (for employees) or the Audit Committee (for Directors). You may not compete with the Bank.

You must perform your duties fairly, impartially, and in a non-discriminatory manner that seeks to benefit or harm a Member, Counterparty, or employee.

What if...

Through my work at the Bank, I found out that one of our Members is going to undergo some management changes that may affect their stock value. Can I tell my sibling, who I know has stock in that Member, and who might be affected?

Answer: No, you cannot share that information with your sibling or anyone outside of the Bank.

Confidential Information

While working at the Bank, you may have access to information that has not been made available to the general public; is designated as confidential, private or proprietary; or is routinely treated by the Bank as confidential.

Some examples of confidential information include:

- non-public information about the Bank or any Member, or Business Partner of the Bank, including financial information and information submitted through an Affordable Housing Program application;
- non-public information about a Bank Member's customer, another Federal Home Loan Bank, or the Federal Home Loan Bank System;

- certain communications from the Bank’s regulator and information received from any other federal or state regulatory agency about any Bank Member or applicant for Bank membership;
- personally identifiable information (PII), such as a person’s name along with a social security number, driver’s license number, bank statement, health information, or other financial information; and
- personal information about any Bank employee, or Director.

Confidential information may only be released or used as authorized by Bank policy.

What if...

I learned the Bank is discussing disengaging with a certain vendor; one of my friends works for that Vendor, so I can I give her a heads up about our plans?

Answer: You may not tell anyone about the Bank’s plans to disengage with any vendor outside of official channels

Public Disclosures

The Bank submits various information and reports to its regulator, some of which are made publically available by the FHFA. The Bank also files various periodic reports with the Securities and Exchange Commission. It is the Bank’s policy to

make full, fair, accurate, timely, and understandable disclosures in compliance with all applicable laws and regulations in all reports and documents that the Bank files or submits to any regulatory agency.

You should take steps to help ensure that the Bank makes full, fair, accurate, timely, and understandable disclosures in all of its public communications and disclosures, including those related to the Bank’s financial condition. You should review the Bank’s Disclosure Policy under Securities and Exchange Commission Regulation FD, for more information on Bank compliance with “fair disclosure” securities laws.

Reporting Code Violations and/or Suspicious Conduct

It is your responsibility to report any actual or potential Code violation, as well as any illegal activity, fraudulent activity, or any activity that you think could be illegal or fraudulent (collectively known as Suspicious Conduct) as soon as possible using the channels the Bank has made available for reporting under the **Whistleblower Policy** and/or the **AML/BSA Policy** as applicable.

When reporting actual or potential Code violations and/or Suspicious Conduct, you are encouraged to provide as much detail as possible, including information about names, dates,

and places, a description of the events that took place, and your perception of why the incident(s) may be a violation of this Code or may be Suspicious Conduct. Please do not attempt to conduct an investigation by yourself.

Reports will be kept as confidential as possible and you should maintain that confidentiality as well.

Non-Retaliation

The Bank is committed to promoting ethical business practices and complying with all applicable laws, regulations, accounting standards, accounting controls, and audit practices. The Bank strictly prohibits, and will not tolerate, any retaliation (intimidation, or discriminatory conduct) against anyone who makes a report, raises a concern, or cooperates with an investigation). In certain cases, retaliation is a violation of law.

Anyone who believes that any retaliatory conduct has occurred against them or against another person at the Bank, or who believes that retaliatory conduct is likely to occur, should report the matter to the General Counsel.

Policy Violations and Waivers

Any violation of this Code will be addressed as follows:

Directors

The Board of Directors or a Board Committee (if designated by the Board of Directors) is responsible for reviewing any alleged violation by a Director or the President and Chief Executive Officer. Violations will be promptly reported to the Audit Committee.

Employees

The Bank's President and Chief Executive Officer (or such other employee(s) designated by the President and Chief Executive Officer to handle matters relating to this Code), is responsible for review of any alleged violations of the Code by employees, including officers of the Bank; such violations must also be promptly reported to the Audit Committee.

Violation Considerations

In considering violations of the Code, the Board of Directors and the Bank's President and Chief Executive Officer, or their designee, will consider the nature and scope of the violation to determine the appropriate next steps; these next steps may be a waiver of the Code, or appropriate disciplinary action.

Waivers or other action with respect to violations of the standards in this Code for the President and Chief Executive Officer or the Chief Financial Officer, will be promptly reported to the General Counsel, and disclosed as required by applicable law.

Conclusion and Acknowledgement

Thank you for reading and adhering to this Code of Ethics.

Please acknowledge that you have read this code and certify that you are in compliance by taking the training and completing the certification in Workday.