

POLICY TITLE: Whistleblower Policy and Procedures
POLICY LEVEL: Management Level
APPROVED BY: Operational Risk Oversight Committee
APPROVAL DATE: April 30, 2020

I. Table of Contents

Introduction & Purpose 1
Policy..... 1
Policy Violations 2
Roles and Responsibilities 2
Reporting 2
Confidentiality 3
Treatment of Complaint 3
Board Reporting..... 3
No Retaliation..... 4

Introduction & Purpose

The Federal Home Loan Bank of Chicago (“Bank“) is committed to the highest possible standards of honesty, integrity, impartiality, and conduct.

In maintaining these high standards, the Bank is providing outlets for employees, vendors and other individuals or entities doing business with the Bank (collectively, “Persons”) to voice their concerns regarding questionable accounting, internal accounting controls, and auditing matters, as well as concerns regarding unethical, unlawful, and fraudulent conduct (collectively, “Wrongful Conduct”).

This Whistleblower Policy and Procedures (this “Policy”) governs the process through which Persons (anonymously, if desired) can notify the Bank of potential Wrongful Conduct.

Policy

The Internal Audit Department will oversee this Policy and will review this Policy annually with key stake holders. The Policy has been approved by the Operational Risk Oversight Committee of the Bank and is effective April 30, 2020. The Bank’s Audit Committee will be notified of any changes to this Policy.

All Persons should promptly report any actual or possible Wrongful Conduct to the Bank. The Bank encourages each Person to first raise their complaints with Bank supervisors or management (including Executive management).

However, in the event a Person does not feel comfortable raising a complaint through these channels, the Person is encouraged to report the complaint via the Bank's outside vendor, EthicsPoint, which will ensure that individual complaints are communicated (anonymously, if desired) to the Bank's management.

Reporting through EthicsPoint is intended to supplement, and not replace established communication channels. This Policy is not intended to address employment-related complaints that do not rise to Wrongful Conduct (for example, certain employee questions regarding compensation and job performance); such complaints should be reported through the current Human Resources channels.

The Bank is committed to protecting the rights of those employees who report issues directly to management or through EthicsPoint. The Bank will not retaliate against any employee who reports information in good faith regarding Wrongful Conduct. This means that an employee does not need to be right about their reporting, only that they told the truth as they knew it. Every Bank manager has a responsibility to create a work environment in which employees can raise ethical and other concerns without fear of dismissal, retaliation or adverse action of any kind.

Policy Violations

Violators of this Policy, including deliberate misuse of the EthicsPoint hotline or website, may be subject to disciplinary action.

Roles and Responsibilities

Reporting

This Policy is generally intended to apply to reports, complaints or concerns (collectively, "complaints") involving Wrongful Conduct. Any Person with concerns regarding Wrongful Conduct can anonymously report a complaint through EthicsPoint by telephone or the Internet at:

Telephone Number: (866) 294-5579

Internet Address: www.ethicspoint.com

EthicsPoint will accept, verify, and log any complaints received.

Alternatively, any Person wishing to communicate directly with an individual at the Bank to register a complaint may contact Bank supervisors or management, including the Bank's General Counsel or General Auditor.

The reporting Person should provide names, dates, places, and other details sufficient to facilitate an effective investigation. Although the reporting Person is not expected to prove the truth of an allegation, the reporting Person needs to demonstrate that there are sufficient grounds for concern.

Confidentiality

To help facilitate an investigation, the Bank encourages each Person to identify themselves when making a complaint under this Policy. However, any Person who does not want to be identified is entitled to register a complaint anonymously.

The Bank will treat all complaints in a confidential manner. If the Person has identified himself or herself when making a complaint, the Bank will exercise particular care to keep the Person's identity confidential until a formal investigation is launched. Thereafter, the identity of the Person who registered the complaint will be kept confidential unless disclosure is required to investigate the complaint or is required by law or regulation.

Treatment of Complaint

If a complaint is received through EthicsPoint, EthicsPoint shall notify the Bank's General Counsel and General Auditor of the complaint. If a complaint received through EthicsPoint involves the General Counsel or the General Auditor, the complaint will not be directed to that individual. All complaints received through EthicsPoint will also be directed to the Chairperson of the Audit Committee

Whether reported through EthicsPoint's hotline or website, the complainant will receive an acknowledgment of receipt of the complaint, if the complainant has provided his/her name. All complaints covered by this Policy will be initially reviewed and evaluated by the Bank's General Auditor and General Counsel (except as provided above). The General Counsel and the General Auditor shall make the initial determination regarding whether a complaint potentially involves Wrongful Conduct. If the complaint does not potentially pertain to Wrongful Conduct, it will be forwarded to the proper channel, such as the Bank's Human Resources group.

Unless the complaint involves the General Counsel, the General Counsel shall direct the investigation of each complaint regarding Wrongful Conduct using all resources he or she deems necessary, including the involvement of outside counsel. If the complaint involves the General Counsel, then the General Auditor will direct the investigation of the complaint. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review. Whoever directs the investigation will ensure that the appropriate leadership, including the Bank's Chief Executive Officer and Board of Directors, are informed of any steps taken. Any action taken will depend on the nature of the complaint and/or any resulting investigation.

Additional routine access is granted to members of the Board of Directors and Senior Management as seen in Appendix 1 (FHLBC EthicsPoint Whistleblower Report Access Distribution Hierarchy). The EthicsPoint administrator after discussion with the General Counsel and General Auditor, can modify access.

Board Reporting

The General Counsel will maintain a log of all complaints (which may be within EthicsPoint) tracking their receipt, investigation, and resolution, and will provide a summary report for the Audit Committee on a quarterly basis, or more frequently if warranted. If there have been no complaints, the quarterly report will specifically state that fact.

No Retaliation

Retaliation, intimidation or discriminatory conduct by any employee or director of the Bank against any Person who makes a report, raises a concern, provides information, or otherwise assists in an investigation regarding any matter such Person in good faith believes involves Wrongful Conduct is strictly prohibited and will not be tolerated. Examples of such retaliatory conduct may include taking or threatening disciplinary action, including discharge, demotion, suspension, harassment or discrimination. In certain cases, such retaliation would in and of itself be a violation of law. Any Person who in good faith believes that any retaliatory conduct has occurred or is likely to occur should report the matter to the General Counsel for appropriate investigation and potential disciplinary action against anyone violating this Policy.

APPROVED BY THE OPERATIONAL
RISK OVERSIGHT COMMITTEE
THIS 30th DAY OF APRIL, 2020

Its Secretary

Appendix 1: [FHLBC EthicsPoint Whistleblower Report Access Distribution Hierarchy.xls](#)