

Federal Home Loan Bank of Topeka Compensation Committee Charter

The Compensation Committee (committee) of the board of directors (board) of the Federal Home Loan Bank of Topeka (FHLBank) will consist of at least four directors appointed by the board chairperson who will also appoint the chair of the committee. Each member of the committee shall meet any applicable independence requirements, if any, and at least one member of the committee shall have practical skills and experience in risk or executive management. The committee may form and delegate authority to subcommittees and, to the extent permitted by applicable law and regulations may delegate authority to one or more designated members of the committee, the board or FHLBank officers to perform certain of its duties on its behalf.

Purpose

The committee is established by the board for the primary purpose of overseeing the compensation of the chief executive officer (CEO) and the Participants, as defined in the Executive Incentive Compensation Plan (referred to hereinafter as the executive officers). The committee is also responsible for oversight of any other long-term or short-term incentive plans involving the executive officers. The committee shall discharge the board's responsibility for monitoring and approving the FHLBank's policies as they relate to the compensation of the executive officers. The committee is charged with overseeing the management of succession planning risk for the FHLBank's executive officers and shall also direct the preparation of the Compensation Discussion and Analysis, and associated tables and narratives, to be included in the FHLBank's filings with the United States Securities and Exchange Commission (SEC) and the FHLBank's reports to the Federal Housing Finance Agency (FHFA) on director compensation and the compensation of executive officers, as defined by the FHFA.

Authority

The committee shall have all authority necessary to fulfill the duties and responsibilities assigned to the committee in this charter or otherwise assigned to it by the board. The committee shall have the authority, with board approval, to engage or terminate any outside consultant that is retained to assist the committee in the evaluation of executive officers' and directors' compensation, including the approval of fees and other retention terms. As the committee deems appropriate, it may also retain independent counsel and other professionals to assist the committee, with board approval, with respect to the selection, fees or retention terms of such advisers. Any communications between the committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the FHLBank, and the committee will take all necessary steps to preserve the privileged nature of those communications.

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Duties and Responsibilities

In the furtherance of its purpose, the committee shall have the following duties and responsibilities.

1. Approve the payment of all executive officer incentive plan awards.
2. Annually assist the board in establishing the incentive plan, which includes goals and objectives against which the performance of executive officers is evaluated.
3. Establish the performance evaluation plan used to evaluate the performance of the CEO following the end of each calendar year. The CEO's performance appraisal may include input from the board of directors, the Chief Internal Audit Officer, the CEO's direct reports and the CEO himself through the CEO's self evaluation. The CEO's performance appraisal will be presented to the CEO by the chair of the committee and/or chair of the board.
4. Recommend to the board the CEO's annual compensation, including salary, incentive compensation opportunity and actual award, based on the CEO's prior performance and relevant labor market data.
5. Review and approve the CEO's evaluations of other executive officers' performance, and the CEO's recommendations regarding changes in the executive officers' compensation, including salary, incentive compensation opportunity and actual award, based upon executive officers' evaluations and relevant labor market data.
6. Periodically review significant benefits and policies applicable to the executive officers.
7. Review and approve compensation paid as part of related person transactions as required by applicable law.
8. Annually review the compensation paid to directors and make recommendations to the board for any adjustments.
9. Nominate officer candidates for consideration by the board.
10. Review and recommend ratification by the board of directors of any revisions to the organizational structure of the FHLBank.
11. Review annually the succession plan for the CEO which may include a review of the CEO's job description. Any such revisions shall be submitted to the board for approval.
12. Review annually, and approve if necessary, the succession plans for the executive officers, which may include a review of appropriate job descriptions.

Meetings

The committee shall meet at least twice per annum, or more frequently as circumstances dictate, and all committee members shall strive to be present at all committee meetings. The committee meetings shall follow an agenda established by the chair.

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Only the chair may call a committee meeting upon due notice of each other committee member as established by FHLBank's Bylaws and Board of Directors Operating Guidelines. One-half of the committee members, acting in person or by proxy, shall constitute a quorum. The committee shall meet in person at least one (1) time per year. The committee shall be responsible for maintaining minutes and other applicable records of each committee meeting. The committee shall promptly report its actions and recommendations to the board. Approved committee minutes will be provided to the FHFA.

Charter

The committee shall review its charter annually.