



# CHARTER | COMPENSATION, HUMAN RESOURCES AND INCLUSION COMMITTEE

December 15, 2023

## Members

The Compensation, Human Resources and Inclusion Committee (committee) of the board of directors (board) of the Federal Home Loan Bank of Topeka (FHLBank) will consist of at least five directors appointed by the board chair 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 management.

## Purpose

The committee shall assist the board by providing oversight of certain compensation, human resources and inclusion activities including:

1. Compensation paid to executive officers and directors, including review of market comparability.
2. Organizational human resources matters.
3. Succession planning risk, particularly succession planning for FHLBank's executive officers.
4. FHLBank's diversity, equity, inclusion and belonging (DEIB) program, particularly with respect to workforce, supplier and capital markets activities.

## Specific Duties and Responsibilities

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

### Executive Officer and Director Compensation

- Advise the board with respect to FHLBank's pay philosophy for executive officers and recommend any changes to the board for approval.
- Review and recommend to the board approval of the EICP and annual FHLBank Targets document, which includes: (1) annual incentive targets for the Named Executive Officers (NEOs); (2) performance measures of the annual incentive targets; and (3) the threshold, target and optimum measurements for achieving the incentive targets.
- Review and recommend to the board approval of the CEO's annual feedback form and compensation, including base salary and EICP opportunity, based on the CEO's prior performance, relevant labor market data and the performance of FHLBank.
- Approve EICP distributions for all executive officers.
- Receive the CEO's evaluations of other executive officers' performance, and review and approve the CEO's recommendations regarding changes in the compensation for NEOs, including salary and actual EICP opportunities, based on executive officers' evaluations, relevant labor market data and the performance of FHLBank.
- Periodically review and approve, or recommend to the board approval of, as applicable, any compensation-related policies applicable to the executive officers, to the extent they include components not available to all FHLBank business partners.
- Review and approve any compensation paid as part of related person transactions as required by applicable law.
- Annually review the compensation paid to directors and recommend to the board approval of any adjustments.
- Review and recommend to the board approval of the travel policy applicable to directors and executive officers.
- Direct the preparation of the Compensation Discussion and Analysis (CD&A), and associated tables and narratives, to be included in the FHLBank's filings with the United States Securities and Exchange Commission 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. Review and approve the CD&A for inclusion in the FHLBank's annual Form 10-K filed with the Securities and Exchange Commission.

### Human Resources

- Nominate officer candidates for consideration by the board.
- Review and recommend ratification by the board of any revisions to the organizational structure of FHLBank.
- Periodically review and evaluate human resources in general at FHLBank, which may include assessment of whether compensation and benefit offerings are in line with the market to support FHLBank's goal of attracting and retaining key talent.
- Oversee the performance evaluation process used to evaluate the performance of the CEO. The CEO's feedback form presented to the board for approval by the committee will be reviewed with the CEO by the chair of the committee and/or chair of the board.
- Provide advice and counsel to senior management regarding human resources issues brought to the attention of the committee.
- Receive reports on and evaluation of FHLBank's culture from FHLBank management and consultants, as deemed appropriate by the committee.

### Succession Planning

- Review and recommend to the board approval of the succession plan and position description for the CEO at least annually.
- Review and approve the executive officer succession plans.

### Diversity, Equity, Inclusion and Belonging

- Advise the board with respect to DEIB matters, including overseeing FHLBank's compliance with the Minority and Women Inclusion (MWI) regulation and the FHFA's Office of MWI (OMWI) requirements.
- Review FHLBank's MWI Annual Report, receive QDR submissions and receive regular progress / status reports from management on quantitative and qualitative aspects of the FHLBank's DEIB Program.
- Ensure FHLBank develops a long-term DEIB strategic plan regarding its DEIB Program and MWI activities, provides sufficient resources to ensure the successful implementation of the DEIB Program, and assesses the progress made under the plan. Review the strategic plan at least annually and readopt at least every three years.
- 
- Ensure FHLBank's OMWI is provided relevant resources sufficient to fulfill the FHFA OMWI requirements, that those directing and overseeing the DEIB Program have been empowered, and have the necessary knowledge, skills, competencies and abilities, to effectively implement the FHFA OMWI standards and requirements.
- Annually review and recommend to the board approval of the DEIB Policy and the Anti-Harassment and Equal Opportunity Policy Statement.

### **Outside Advisors / Consultants / Counsel**

The committee shall have the authority to retain and terminate independent advisors, consultants and counsel as it determines appropriate to assist it in the full performance of its duties and responsibilities. The committee shall also have authority to approve any related fees and other retention terms related to the independent advisors, consultants and counsel. The FHLBank shall provide appropriate funding, as determined by the committee, for payment of compensation to any advisor, consultant or counsel retained by the committee. Any communications between the committee and legal counsel in 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.

### **Meetings**

The committee will generally meet on a quarterly basis, in person, via video conference or telephonically, and at such times as the committee shall determine. It will report its activities to the board and make such recommendations to the board for action from time to time as deemed appropriate related to its charter duties and responsibilities. Quorum requirements and procedures for calling special meetings are set forth in the Board of Directors' Operating Guidelines.

### **Charter**

The committee shall review its charter annually. The committee shall perform an annual self-assessment to conduct an evaluation of its performance and, as part of that self-assessment, confirm that all responsibilities outlined in this charter have been fulfilled.

### **Minutes**

Written minutes shall be prepared for each meeting, with a copy made available to the board.

### **FHFA Reporting**

CHRIC meeting materials and approved CHRIC minutes will be provided to the FHFA.