

FEDERAL RESERVE BANK OF CHICAGO

Governance and Human Resources Committee Charter

SECTION 1. Purpose

The Governance and Human Resources Committee is a standing committee of the Board of Directors of the Federal Reserve Bank of Chicago (“Bank”) and operates pursuant to the bylaws of the Bank and consistent with the applicable policies of the Board of Governors of the Federal Reserve System (“Board of Governors”). The Committee shall have the duty to consider director candidates and make recommendations for Board membership as well as Federal Advisory Council membership. Additionally, the Committee shall provide oversight for District governance and human resources matters.

SECTION 2. Committee Membership

The Governance and Human Resources Committee shall have a minimum of four members, consisting of at least one representative from each of the three classes of directors. Members of the Committee shall be appointed annually by the Board Chair, who shall serve as an ex-officio voting member, and at least three other directors who shall be appointed annually by the Board Chair for one-year terms. The Board Chair shall designate the Committee Chair and will fill Committee vacancies as necessary. No more than two Class A directors may serve at the same time on the Governance and Human Resources Committee, and no Class A director may serve as Chair of the Committee.

SECTION 3. Meetings

The Committee has the authority to meet as often as circumstances require, but not less frequently than three times a year. The Committee Chair shall report regularly to the Board of Directors on its activities and will make recommendations to the Board as appropriate. The committee may transact business through notational voting as needed. Only actual votes shall be counted, silence shall not be interpreted as consent.

SECTION 4. Authority and Responsibilities

The specific responsibilities of the Governance and Human Resources Committee, in consultation with senior Bank management, are described below.

A. Governance

- Provide feedback on any proposed changes to director-related policies concerning eligibility, rotation, investment restrictions, conduct and political activity.
- Review and assess the adequacy of the Board’s committee structure and recommend proposed changes to the Board for approval.
- Review and recommend to the Board changes to the Bank’s bylaws.

B. Nominations

- Establish the criteria, within the guidelines set by the Federal Reserve Act and the Board of Governors, to be used when considering candidates for Board of Director and Federal Advisory Council membership. When recommending candidates, the Committee members shall consider diversity of gender, race, experience, geographic location and occupational representation.
- Consider, recommend and recruit candidates to fill open seats on the Board, confer with the Bank President, and others as appropriate or required, on these matters.
- Conduct appropriate inquiries into the background and qualifications of candidates, including eligibility and availability to serve.
- Recruit an individual to serve as the Seventh District's Federal Advisory Council representative and recommend to the full Board that such individual be approved to serve in that role.
- Review candidates for openings on the Detroit Branch Board of Directors in consultation with the President, Chair of the Detroit Branch Board of Directors and other Detroit Branch directors as appropriate. If the Detroit Branch Chair is eligible for re-appointment as a Detroit Branch director that year, the Detroit Branch director with the longest seniority as a director may be consulted with regard to the Chair's director position. Recommend candidates for Board of Directors' appointed positions, including Chair of the Branch Board, to the full Board for approval. Recommend candidates for Board of Governors' appointed positions.

C. People & Culture

- Provide advice and direction on the Bank's diversity, equity, and inclusion practices and monitor progress on related strategies.
- Provide input and guidance on the Bank's succession planning activities.
- Annually review and offer guidance on the Bank's officer compensation program and philosophy within the structure provided by the Board of Governors.
- Under Board delegated authority and subject to the bylaws, review and recommend to the Board for approval Senior Vice President and Executive Vice President appointments and monitor reports of official Bank appointments at the Vice President level.

The Committee will complete an annual performance evaluation. The Committee will also undertake additional activities within the scope of the purpose of the Committee as the Committee or the Board of Directors deems necessary. The Committee shall review and reassess the adequacy of this Charter annually, confirm that all responsibilities outlined herein have been carried out, and recommend any proposed changes to the Board for approval.