

## **FEDERAL RESERVE BANK OF CHICAGO**

### **System Activities, Bank Operations and Risk Committee Charter**

#### **SECTION 1. Purpose**

The System Activities, Bank Operations and Risk (SABOR) Committee is a standing committee 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 primary purposes of the Committee are to review and oversee the Bank’s strategic objectives, the budget, performance and risk management activities. The Committee also oversees the material activities performed by or for the Bank.

#### **SECTION 2. Committee Membership**

The System Activities, Bank Operations and Risk Committee has a minimum of four members consisting of the Board Chair, who will serve as an ex-officio voting member, and at least three other directors who will 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. At least one member of the Committee shall also be a member of the Audit Committee of the Board of Directors.

#### **SECTION 3. Meetings**

The Committee has the authority to meet as often as circumstances require, but not less frequently than four times a year. The Committee Chair shall report regularly to the Board of Directors on its activities and will make recommendations to the Board of Directors as appropriate.

#### **SECTION 4. Authority and Responsibilities**

Except as otherwise provided in the Bank’s bylaws, the Committee, in consultation with senior Bank management, is responsible for reviewing and overseeing the strategic objectives of the Bank; the Bank’s budget; and evaluation of the Bank’s performance prepared by Bank management as further described below.

- The Committee shall be responsible for providing oversight and guidance on the performance of strategic and material activities of the Bank. The Committee shall receive reports from Bank senior management on these matters, including but not limited to annual reporting from the Federal Reserve Financial Services Enterprise and Federal Reserve System Chief Payments Executive.
- Provide input and guidance on long-term strategies associated with System assigned responsibilities.
- Serve as a resource to management by providing comments and suggestions to assist the Bank in meeting its business objectives.

- Provide guidance on the District's strategies and ensure alignment with Federal Reserve System strategies.
- Review and provide oversight of the Bank's budget and Bank performance, ensuring effective management oversight and reporting of performance.
- Review, endorse, and recommend to the full Board the approval of the annual Bank budget.
- Provide guidance and oversight of the Bank's enterprise-wide risk management activities,
- Provide oversight and guidance regarding material risks related to the performance of the strategic and material activities of the Bank.

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.