

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 as specified in the Bank's by-laws. 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 commencing the first of January. A director may not serve as a member of the Committee during the year in which he/she is eligible for reelection. The Board Chair shall designate the Committee Chair and will fill Committee vacancies as necessary.

SECTION 3. Meetings

The Governance and Human Resources Committee meets approximately three times per year. The Committee Chair may call additional meetings as necessary. A meeting may be held by any means of communication that allows each participant to hear and be heard by each other participant. 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

- Oversee compliance with 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 by-laws.

B. Nominations

- Establish the criteria, within the guidelines set by the Board of Governors, to be used when considering candidates for Board 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 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 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 to the full Board for approval.

C. Human Resources

- Review and approve Executive Committee member compensation and performance ratings. Review of the Bank President's performance is a full Board responsibility.
- Provide advice and direction on the Bank's diversity and inclusion practices and monitor progress on related goals.
- Provide input and guidance on the Bank's succession planning activities.
- Review and offer guidance on the Bank's compensation program within the structure provided by the Board of Governors.
- Under Board delegated authority and subject to the by-laws, 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.