

FEDERAL RESERVE BANK OF CHICAGO

CODE OF CONDUCT

As revised November 30, 2017

**CODE OF CONDUCT
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APPENDIX A

Detailed Provisions Regarding Disqualifying Interests and Seeking Other Employment

APPENDIX B

Provisions Applicable to Employees with Banking Supervision and Examination Responsibilities

CODE OF CONDUCT

1. Basic Obligation

It is indispensable to the proper functioning of, and the maintenance of public confidence in, the Federal Reserve Bank of Chicago ("Bank") and the Federal Reserve System ("System") that every employee perform his or her duties with honesty, integrity and impartiality, and without improper preferential treatment of any person. Each employee has a responsibility to the Bank and to the System to avoid conduct which places private gain above his or her duties to the Bank, which gives rise to an actual or apparent conflict of interest, or which might result in a question being raised regarding the independence of the employee's judgment or the employee's ability to perform the duties of his or her position satisfactorily. Each employee should conduct his or her financial affairs with integrity and honesty. To ensure the foregoing, each employee, including all Bank officers, shall respect and comply with the principles and standards of conduct contained in this Code. An employee who needs assistance in interpreting the provisions of the Code or who desires additional information should contact the Bank's Ethics Officer.

2. Employee Conduct

2.1 Gambling and Lotteries

An employee shall not participate in any gambling or illegal lottery activity, for money or anything of value, while on Bank premises.

2.2 Alcoholic Beverages

Except at Bank approved functions, the Bank prohibits the sale or consumption of beer, wine or other alcoholic beverages by anyone on the Bank's premises. The Bank prohibits an employee from reporting to work or performing job duties if, as a result of consuming alcoholic beverages, the employee is under the influence of alcohol--*i.e.*, the employee's physical or mental abilities are impaired.

2.3 Illegal Drugs

An employee shall not possess, use, sell, distribute, or be under the influence of, any unauthorized substance on Bank premises or while conducting business on behalf of the Bank. An unauthorized substance is any illegal drug or illegal controlled substance, or any drug which has been legally obtained but is not being used in the prescribed dosage for prescribed purposes.

2.4 Firearms/Hazardous Materials

The possession or use of firearms or other lethal weapons, ammunition, explosives or hazardous materials by an employee on Bank premises is prohibited. This restriction does not apply to items that are owned by the Bank and used by a Bank employee in the conduct of Bank business.

3. Bank Property and Information

3.1 Bank Property

An employee has a duty to protect and conserve Bank property and ensure its use for proper purposes.

3.2 Bank Information

Bank information should be released or used only as authorized by Bank policy. Bank examination and other bank or bank holding company supervisory information is the property of the Board of Governors of the Federal Reserve System ("Board") and may be disclosed only in accordance with Board procedures.

Information maintained as fiscal agent for any federal agency may be disclosed only in accordance with that agency's procedures.

In the course of working at the Bank, an employee may have access to non-public information. Non-public information is information that the employee knows, or reasonably should know and:

- (a) has not been made available to the general public;
- (b) is designated as confidential, private or proprietary; or
- (c) is routinely treated by the Bank as confidential.

This may include information related to the Bank, the System, the Federal Open Market Committee ("FOMC"), or another person or institution (such as a banking organization, a vendor, an employee or former employee of the Bank, or a federal agency). An employee must strictly preserve the confidentiality of such information. It can be disclosed only as required for Bank purposes and only as authorized.

3.3 Use of Non-public Information for Private Gain

An employee is prohibited from using non-public information for any purpose other than Bank business. In addition, an employee may not engage, directly or indirectly, in any financial transaction as a result of, or in reliance on, non-public information, whether such information relates to the Bank or any other person or institution. An employee may not allow the improper use of such non-public information to further the employee's own private interest or that of another person, whether through advice, recommendation, or a knowing, unauthorized disclosure.

An employee with knowledge of Class I FOMC information should avoid engaging in any financial transaction the timing of which could create the appearance of acting on inside information concerning Federal Reserve deliberations and actions. In order to avoid even the appearance of acting on confidential information, an FOMC staff officer or an employee who has knowledge of information that is classified as “Class I FOMC – Restricted Controlled (FR)” and that is related to the previous or upcoming FOMC meeting should not knowingly:

- a) purchase or sell any security (including any interest in the Thrift Plan for Employees of the Federal Reserve System, but not including shares of a money market mutual fund) during the period that begins at the start of the second Saturday (midnight) Eastern Time before the beginning of the meeting¹ and ends at midnight Eastern Time on the last day of the meeting; or
- b) hold any security for less than 30 days, other than shares of a money market mutual fund.

This purchase or sale restriction does not apply if the transaction is authorized before the period described in section 3.3(a) begins (for example, through directions given to a broker). An FOMC staff officer or an employee with knowledge of information that is classified as “Class I FOMC – Restricted Controlled (FR)” and that is related to the previous or upcoming FOMC meeting also should make every effort to ensure that the financial transactions of his or her spouse and dependent children comply with these restrictions. In unusual circumstances, after consultation with the Ethics Officer, these restrictions may be waived.

4. Use of Position

4.1 For Private Gain

An employee may not, directly or indirectly, use the employee's position for his or her own private gain or that of any other person.

4.2 Endorsements

An employee shall not use or permit the use of his or her position or title, or any authority associated with his or her office, to endorse any product, service or enterprise except in connection with Bank products and services or as otherwise authorized by the Bank.

5. Conflicts of Interest

5.1 General Standard

An employee should avoid any situation that might give rise to an actual conflict of interest or even the appearance of a conflict of interest. An employee who routinely represents the Bank in dealing with the public must be particularly careful in this regard. Where the circumstances might cause a reasonable person to question the employee's impartiality or otherwise give rise to an appearance of

¹ In the event that the second Friday before the FOMC meeting is a federal holiday, the restricted period will begin at the start of that Friday.

a conflict of interest, the employee should not participate in a matter unless he or she has informed the Bank of the situation and received authorization from the Bank's Ethics Officer.

Example

A conflict of interest, or the appearance of a conflict of interest, may arise where an employee is working on a matter involving a potential contract award and the employee's sibling or close friend works for one of the bidders. As a result, the employee should consult with the Bank's Ethics Officer before participating in the matter.

5.2 Statutory Prohibition on Conflicts

A. *Background.* The rules in this section are derived from provisions of the federal criminal conflict of interest statute and related regulations. Key portions of the regulations, modified as appropriate for the Bank's use, are contained in Appendix A and are part of this Code. In light of the serious consequences of violating this criminal statute, each employee is strongly urged to read Appendix A in its entirety. An employee who has any questions about the prohibitions contained in this section should contact the Bank's Ethics Officer.

B. *General Statutory Prohibition.* Notwithstanding the provisions of Section 5.3(B), an employee may not participate personally and substantially in an official capacity in any particular matter in which, to the employee's knowledge, the employee or certain related parties listed in Section 5.2(C) have a financial interest if the particular matter will have a direct and predictable effect on that interest. Participation in a particular matter includes making a decision or recommendation, providing advice, or taking part in an investigation.

C. *Imputed Interests.* The financial interests of the following individuals and entities are imputed to the employee and will disqualify the employee from participating in a matter:

- (1) the employee's spouse;
- (2) the employee's minor children;
- (3) the employee's general partner(s);
- (4) an organization or entity for which the employee is an officer, director, trustee, general partner or employee (regardless of the nonprofit status of the organization or whether the employee is paid); and
- (5) a person or entity with whom the employee is negotiating for employment or has an arrangement concerning prospective employment. (See Section 6 for more detail.)

Example

An employee whose job is to participate in the review of bank holding company applications also serves, without compensation, on the board of directors of a fraternal organization. At a meeting of its board of directors, the employee discovers

that the organization, as part of its investment portfolio, owns stock in Bank A. After this meeting takes place, the employee is asked to review an application of Bank Holding Company B to acquire Bank A and to recommend whether the application should be approved. Even though the employee's personal financial interests will not be affected by the approval or denial of the application, the employee should not review the application. The approval or denial of the application will affect the value of Bank A stock, a financial interest of the organization. The organization's financial interests are attributed to the employee as a member of its board of directors.

D. Particular Matter. The term "particular matter" includes a supervisory matter involving a depository institution or its affiliate, rule-making that is focused on a discrete class, an application, enforcement action, examination, request for ruling or other determination, an acquisition or sale (*e.g.*, securities, foreign exchange or real estate), formation of contracts, and the provision of priced and non-priced services.

E. Direct and Predictable Effect. In order for a particular matter to have a direct effect on a financial interest, there must be a close causal link between any decision or action to be taken in the matter and any expected effect of the matter on the financial interest. An effect may be direct even though it does not occur immediately. A particular matter that has an effect on a financial interest only as a consequence of its effect on the general economy does not have a direct effect within the meaning of this rule.

A matter will have a predictable effect on a financial interest if there is a real, as opposed to a speculative, possibility that the particular matter will affect the financial interest.

Example 1

An employee in data processing is asked to serve on a technical evaluation panel to review proposals for a new computer system. ABC Computer Corp. ("ABC") has submitted a proposal. The employee owns ABC stock. The award of the systems contract to ABC or to any other company that bids will have a direct and predictable effect on the value of the ABC stock. The fact that the gain or loss cannot be measured and that the value of the gain or loss may be extremely small is irrelevant. The employee may not serve on the evaluation panel unless an exemption is applicable [see Section 5.2(F)] or the employee receives a waiver [see Section 5.2(G)].

Example 2

An employee in the Check Processing Department is asked to buy a new software program. The employee has a choice between purchasing the software program designed by XYZ Computer Corp. or the software program designed by Mammoth Co. The employee's spouse works for Mammoth Co. and participates in Mammoth Co.'s stock option plan. Through that plan, the employee's spouse receives shares of Mammoth Co. The purchase or non-purchase of Mammoth Co.'s software program

will have a direct and predictable effect on the value of Mammoth Co.'s stock and thus the spouse's financial interest. The spouse's interest is imputed to the employee and, therefore, the employee may not decide which software program to purchase unless an exemption is applicable [see Section 5.2(F)] or the employee receives a written waiver [see Section 5.2 (G)]. The fact that the potential gain or loss is immeasurable is immaterial.

Example 3

If, on the other hand, the employee's spouse was a salaried employee of Mammoth Co. and had no ownership interest in Mammoth Co., the employee could decide which software program to purchase, assuming that the purchase or non-purchase of Mammoth Co's software program would have no effect on the spouse's salary or employment. While the employee would not be prohibited by the criminal conflict-of-interest statute from participating in this decision, the employee's participation could still give rise to an appearance of a conflict of interest suggesting the employee's disqualification should be considered under Section 5.1. Therefore, an employee in this situation should not participate in the matter without first obtaining authorization of the Bank's Ethics Officer.

F. *Exempt Financial Interests.* Under regulations issued by the Office of Government Ethics (“OGE”), which are set forth in part in Appendix A, a number of financial interests are exempt, and therefore an employee may participate in a particular matter that will affect those interests.

1. The following interests are exempt:

- (a) investments held through a diversified non-sector mutual fund or unit investment trust;
- (b) an employee's interest in any System retirement and/or thrift plan; and,
- (c) short-term federal government securities (maturity of one year or less) and U.S. Savings Bonds.

2. The OGE regulations also provide additional exemptions relating to financial interests:

- (a) in certain employee benefit plans;
- (b) in publicly traded securities, municipal securities, sector mutual funds, and long-term federal government securities where the aggregate fair market value of the securities owned by the employee and his or her spouse and any minor child is below a certain amount;
- (c) of certain tax-exempt organizations whose interests are imputed to the employee because of his or her association with the organization; and
- (d) of an employee's general partner.

The OGE regulations also provide for exemptions in addition to those summarized in this Section. The primary exemptions for the various financial interests, which are set forth in Part II of Appendix A, are complex. An employee who has such an interest or to whom such an interest is imputed from a family member or other related person should carefully read Part II of Appendix A to see whether his or her participation in a particular matter affecting the interest is allowable.

G. *Individual Waiver.* An employee who would otherwise be disqualified may participate in a particular matter if he or she receives a written waiver prior to participating in the matter. If you want to request a waiver, you should consult the Bank's Ethics Officer.

5.3 Prohibited Financial Interests

A. *Prohibition of Certain Debt or Equity Interests.* Notwithstanding anything to the contrary in Section 5.2, an employee may not own or control, directly or indirectly, any debt or equity interest in a depository institution or an affiliate of a depository institution. A "depository institution" means a bank, a trust company, or any institution that accepts deposits, including a bank chartered under the laws of a foreign country. In addition, an employee with regular and ongoing access to Class I FOMC information may not own or control, directly or indirectly, any debt or equity interest in a primary government securities dealer or an entity that directly or indirectly controls a primary dealer. The employee is regarded as controlling any debt or equity interest held by the employee's spouse or minor child.

B. *Exceptions.* The following are not prohibited debt or equity interests within the meaning of Section 5.3(A):

- (1) an interest in a publicly traded money market fund or other mutual fund (including a fund that is an affiliate of a depository institution or primary dealer of government securities), provided that: (a) the fund does not have a policy of concentrating its investments in the financial services industry; and (b) neither the employee nor the employee's spouse has the ability to exercise control over the financial interests held in the fund;
- (2) an interest acquired by the employee's spouse or minor child (other than from the employee);
 - (i) prior to the marriage; or
 - (ii) prior to the employee's being employed by the Bank; or
 - (iii) as compensation or a fringe benefit in connection with his or her employment, or as "qualifying shares" as a condition of service as a director or employee;
- (3) a future interest created by someone other than the employee; his or her spouse or child;
- (4) an interest of an employee, spouse or minor child as a beneficiary of an estate where the interest has not been distributed by the estate's legal representative;

- (5) an interest in a widely held, diversified pension or other retirement fund that is administered by a trustee independent from the employee and the employee's spouse;
- (6) an interest in a publicly-traded holding company that is not predominantly engaged in the banking or thrift business, is not supervised by the System, and does not control a state member bank, a foreign bank with U.S. operations or a federally insured U.S. office, or a "bank" within the meaning of the Bank Holding Company Act; and
- (7) for those employees prohibited from owning stock of a primary dealer or its affiliate, an interest in a publicly-traded holding company that owns a primary dealer provided that the holding company is not predominately engaged in the banking, thrift, or securities business.

An employee who is required to file a disclosure statement pursuant to Section 9 must report an interest that the employee or the employee's spouse or minor child holds pursuant to any of the foregoing exceptions. Also, it is important to understand that the ability to retain an otherwise prohibited interest pursuant to one of the exceptions does not constitute a waiver for purposes of the general statutory prohibition on conflicts of interest that is described in Section 5.2.

C. Definition of Debt or Equity Interest. For purposes of this section, the term "debt or equity interest" includes secured and unsecured bonds, debentures, notes, securitized assets, commercial paper, preferred and common stock, short positions, instruments convertible into the above, as well as options, rights or warrants to acquire such instruments, but does not include a deposit, credit union shares, insurance policy or annuity. Although excluded from the definition of a "debt or equity interest," insurance policies and annuities may be financial interests and may result in conflicts of interest under Section 5.2.

D. Divestiture. In addition to any appropriate disciplinary action, an employee who violates this section may be required to divest the prohibited interest. Divestiture also may be required if the ownership or control of an interest, though permissible under this section, would likely disqualify an employee from handling matters to an extent that substantially interferes with the employee's ability to perform his or her job.

Whenever the Bank directs divestiture, the employee will be given a reasonable period of time to divest, considering the nature of the employee's particular duties and the nature and marketability of the interest. Except in cases of unusual hardship, as determined by the Bank, a reasonable period ordinarily will not exceed 90 days from the date divestiture is directed.

E. Waiver. The Bank's Ethics Officer, in consultation with the officer with responsibility for the department in which the employee works, may grant a written waiver permitting an employee to own or control a debt or equity interest prohibited by paragraph A of this section if extenuating circumstances exist and if any required disqualification from a particular matter(s) due to the financial interest would not unduly interfere with the full performance of the employee's duties. Examples of extenuating circumstances are:

(1) ownership or control of the interest (including a preemptive right or option) was acquired before Federal Reserve employment; or

(2) ownership or control of the interest was acquired through inheritance, gift, stock split, stock dividend, merger, acquisition, or other change in corporate structure, or otherwise without specific intent on the part of the employee to acquire the interest.

5.4 Gifts, Meals, and Entertainment from Outsiders

A. Gifts, Meals and Entertainment.

1. General Prohibition. Except as permitted below, an employee may not solicit or accept, directly or indirectly, any gift, meal, favor, service, entertainment or other thing of monetary value ("gift") from a person or institution that does, or seeks to do, business with the Bank or is supervised by the System, or has interests that are substantially affected by the employee's duties at the Bank ("covered sources"), or from an organization, a majority of whose members are covered sources. A gift received by an employee's spouse or child, or given to a person or entity at the specific direction of the employee, is considered to be received by the employee.

An employee who is offered a prohibited gift should decline to accept it. If an employee receives a prohibited gift, arrangements should be made to return or dispose of the gift, and the source should be advised of the Bank's policy.

2. Exceptions. (a) A gift that otherwise would be prohibited is permitted if the employee clearly can establish that the gift:

(i) has a de minimis market value (*i.e.*, \$20 or less), provided the number of times the employee has received a de minimis gift from the same covered source is infrequent;

(ii) is a reduced or waived admission fee to attend, or a meal provided in connection with, a widely attended conference or gathering which is in furtherance of the employee's duties at the Bank;

(iii) is given or offered under circumstances that indicate it is motivated by a personal relationship that exists independently of his or her employment with the Bank;

(iv) results from his or her spouse's employment and has not been offered or enhanced because of the employee's position with the Bank;

(v) results from his or her outside employment or business activities and has not been offered or enhanced because of the employee's position with the Bank;

(vi) is a meal provided in connection with a charitable or civic function or organization in which the employee is a participant;

(vii) is a meal authorized in writing in advance by the Bank's Ethics Officer based on a determination that:

- (a) special circumstances exist which make the acceptance of the meal appropriate in furtherance of Bank business;
- (b) payment by the employee is not feasible; and
- (c) acceptance of the meal will not create a conflict of interest; or

(viii) is a discount or benefit available to the general public and is not offered to the employee or enhanced because of his or her employment with the Bank.

Even when permissible under an exception listed above, an employee always may decline a gift offered by a covered source.

(b) With the Bank's prior approval, an employee may accept a bona fide award given for achievement, provided:

- (i) that the award is made as part of an established program of recognition under which awards have been made on a regular basis or which is funded, wholly or in part, to ensure its continuation on a regular basis; and
- (ii) that the program selects recipients pursuant to established standards.

B. *Examiners.* The exceptions described in Section 5.4 (A)(2) do not apply to a gift or a meal offered to an examiner by an institution that the examiner examines, has examined or has authority to examine. Furthermore, an examiner may never accept a meal or gift pursuant to the "de minimis" exception of Section 5.4 (A)(2)(a)(i) from an institution for which the System is the primary federal regulator. An examiner should consult Appendix B, Part I, paragraph 4.

C. *Gift from Foreign Governmental Source.* An employee may not accept a gift from a foreign government, including a foreign central bank, unless the gift is valued at \$375 or less and is offered and received as a souvenir or mark of courtesy. An employee may accept a gift from a foreign government valued above \$375 under certain limited circumstances. An employee should consult with the Bank's Ethics Officer to determine whether the employee may accept such a gift.

D. *Treasury Borrowing Advisory Committee.* An employee may not accept any gift from the Treasury Borrowing Advisory Committee of the Public Securities Association or any member of the advisory committee.

6. Seeking Other Employment

An employee is prohibited from personally and substantially participating in an official capacity in any matter that will have a direct and predictable effect upon the financial interest of any entity with which the employee is seeking employment or has an arrangement for future employment. Under some circumstances such participation may violate the federal criminal conflict of interest statute. Refer to Part III of Appendix A for more information on this prohibition. The following examples illustrate when an employee is seeking employment for purposes of this prohibition.

Example 1

An employee in the Credit and Discount Department receives a call from Bank B asking the employee whether the employee is interested in leaving the Reserve Bank and going to work for Bank B. The employee informs Bank B that she is involved in a project that will be completed by year-end, and that, until the project is completed, she cannot consider leaving the Reserve Bank. After this conversation, Bank B approaches the Reserve Bank for an advance. The employee is typically asked to advise whether an advance should be made. The employee is considered to be seeking employment with Bank B because the employee did not clearly reject Bank B's offer but merely postponed discussion to the foreseeable future. Thus, the employee must refrain from participating in the decision to approve or deny the advance to Bank B.

Example 2

An employee is considered to be seeking employment with a company as soon as she makes an inquiry about employment with the company, unless the inquiry is part of a mass-mailing to a large class of potential employers. If the employee's inquiry to the company is part of a mass-mailing, the employee is not considered to have begun seeking employment unless she receives a response from the company that indicates an interest in employment discussions.

7. Outside Activities

7.1 General

An employee's outside activity, including outside employment, should not bring discredit to the reputation of the Bank or the System, interfere with the full and proper discharge of the employee's duties and responsibilities, or be incompatible with the employee's duties and responsibilities. Incompatible activities include, for example, those which are prohibited by statute, regulation or any provision of this Code, those which create the appearance of a conflict of interest, or those which would require the employee's disqualification from matters so central or critical to the performance of his or her duties and responsibilities that the employee's ability to give satisfactory service to the Bank would be materially impaired.

The financial interests of any organization of which an employee serves as officer, director, trustee, general partner, or employee will be attributed to the employee for purposes of the statutory prohibitions of Section 5.2.

7.2 Teaching, Speaking and Writing

A. General Prohibition. Except as provided in Sections 5.4(A)(2)(a)(i) and (ii), 5.4(A)(2)(b), and Section 5.4(C), an employee may not accept compensation, a gift, or honorarium from any source other than the Bank for teaching, speaking or writing on a subject that relates to the employee's

duties and responsibilities. This restriction precludes acceptance by an employee, but not the Bank, of reimbursement for travel or lodging expenses in connection with an appearance, speech or publication.

B. Exceptions. With the Bank's prior approval, an employee may accept compensation and reimbursement of travel/lodging expenses for:

- (1) teaching a course related to the employee's duties if the course is offered as part of the regularly established curriculum of a school, college, or other educational entity (for example, the American Institute of Banking), or
- (2) preparing an article or other publication utilizing or incorporating information obtained by the employee in the course of or as a result of performing his or her job duties at the Bank, provided the publication is prepared on the employee's own time.

C. Use of Bank Title in Connection with Teaching, Speaking, or Writing. An employee may not use or permit the use of his or her title at the Bank in connection with teaching, speaking, or writing, or to promote any book, seminar, or course when such activities are not part of the employee's Bank duties except:

- (1) as one of several biographical notes when such note is given no more prominence than any other; or
- (2) as part of an article published in a scientific or professional journal, as long as a reasonably prominent disclaimer states that the views expressed in the article do not necessarily represent the views of the Bank.

7.3 Political Activity

A. General. The Federal Reserve Banks have a unique need to protect their independence from the political process. Therefore, although an employee may participate or become involved in issues of general public concern or debate, the employee's association with the Bank must not be publicized in connection with any political activity. Further, an employee may not engage in political activity while on duty or on Bank premises, and must be extremely cautious to avoid any suggestion of Bank sponsorship or support of such activities.

B. Partisan Politics.

1. Non-Officers. An employee, other than an officer, may participate in a partisan political campaign, except that an employee may not run for any partisan political office (federal, state, or local) or solicit or accept political contributions (*i.e.*, anything of value, including personal services) on behalf of any candidate, party or political organization. An employee may hold a position within a political party so long as the position does not otherwise interfere with the employee's performance of Bank duties.

2. Officers. An officer must be particularly vigilant in avoiding any appearance that his or her personal political views reflect the views of the Bank or the System. An officer may participate in partisan politics only as an individual voter, *e.g.*, vote, express a private opinion, or make a contribution. An officer may not take an active role in partisan politics; for example, an officer may not run for any partisan political office; solicit or accept political contributions (*i.e.*, anything of value, including personal services) on behalf of any candidate, party, or political organization; or hold a position (other than general membership) within a political party.

C. *Non-Partisan Public Service*. There are various types of public service activities that do not bring into question the independent and non-partisan character of the Bank, and that are viewed as a community service rather than as political activity, even if the position is one to which an employee is appointed by a partisan public official. Examples are serving as a member of a board of education, a roads and bridges commission, a parks and recreation commission, a planning commission, a board of health, or a university board, provided election or appointment under a party label is not involved. For instance, an employee, including an officer, may accept appointment by the governor of a state to that state's board of education. However, if there is a requirement that the board of education be comprised of a certain number of representatives from each major political party, then the employee may not accept the appointment. If an employee has any question about the propriety of a particular position or activity, the employee should consult the Bank's Ethics Officer.

8. Post-Employment Activities

8.1 Post-Employment Contacts

A. *Post-Employment Contacts With A Former Employee*. An employee who ceases to be employed by the Bank may not contact the Bank concerning a particular matter in which he or she participated while employed at the Bank. If a current employee is contacted by a former employee concerning such a matter, the current employee must not discuss the matter or provide any information to that individual that is not available to the general public, unless authorized to do so by Bank management. In performing his or her duties, a current employee may contact a former employee to obtain information concerning work performed by the former employee while employed at the Bank.

B. *Post-Employment Contacts With A Former Officer*. For one year after leaving a Bank officer position, a former officer who ceases to be employed by the Bank may not appear before or communicate with an employee of any Reserve Bank or the Board with the intent to influence official action on behalf of another person. This restriction will not apply to representations on behalf of the United States (including the Board), a Reserve Bank, a state or local government, an international organization in which the United States participates, an academic institution, a political organization, or a tax-exempt medical organization.

If a current Bank employee is to his or her knowledge contacted by a former Bank officer in violation of this policy, the employee must notify the Bank's Ethics Officer—who must then notify appropriate contacts at the Board—and may not discuss official matters with or provide any information to the former officer that is not available to the general public, unless authorized to do so by Bank management. Current Bank employees are expected to exercise due diligence to confirm a non-employee's status under this policy before engaging in substantive communications

with that individual. In performing his or her duties, a current employee may contact a former Bank officer to obtain information concerning work performed by the former officer while employed at the Bank.

8.2 Non-public Information

An employee's duty to maintain the confidentiality of non-public information (as defined in Section 3.2) continues after his or her employment ends. An employee must leave all Bank documents, files, computer diskettes, reports and records containing non-public information, and all copies of such information, with the Bank when his or her employment ends.

9. Disclosure Statements

In order to obtain information about circumstances that might constitute an actual or potential conflict of interest or a violation of applicable Bank policy or law, the following employees are required to file a disclosure statement as prescribed by the Bank at least annually:

- (a) all officers;
- (b) any employee:
 - (i) whose duties and responsibilities require that he or she participate personally and substantially in any supervisory matter, examination, application, investigation, etc., concerning a depository institution or any affiliate or subsidiary of a depository institution;
 - (ii) whose duties and responsibilities require that he or she participate personally and substantially through decision making or the exercise of significant judgment in taking action regarding contracting or procurement;
 - (iii) who has authority to make an exception to established operating or internal control procedures; or
 - (iv) who has access to Class I FOMC information;
- (c) any manager or supervisor in a valuables handling area; and
- (d) any other employee upon request of the Bank's Ethics Officer.

10. Violations

10.1 Reporting

Employees are encouraged to report violations of this Code to the Bank's Ethics Officer. A violation that involves corruption, fraud, or theft, also should be reported to the Bank's General Auditor.

10.2 Disciplinary Action

Any employee who violates any provision of this Code is subject to disciplinary action up to and including termination of employment.