



Audit Committee Charter

July 17, 2026



OBJECTIVE

The mission of the Audit Committee (“Committee”) is to assist the Board of Directors (“Board”) in fulfilling its fiduciary responsibilities and overseeing the internal and external audit functions. The Committee is responsible for providing oversight relating to the Bank’s compliance with laws, regulations, policies and procedures (including the Code of Conduct), and for determining that the Bank has adequate administrative, operating, and internal controls. In addition, the Committee is responsible for providing reasonable assurance regarding the integrity of financial and other data used by the Board, the Federal Housing Finance Agency (“Finance Agency”), Bank members, stakeholders, and the public. To achieve this objective, the Committee will direct senior management to maintain the reliability and integrity of the accounting policies and financial reporting and disclosure practices of the Bank. The Audit Committee may not be combined with any other committee.

This charter specifies the scope of the Committee’s powers and responsibilities, as well as the Committee’s structure, processes, and membership requirements.

RESPONSIBILITIES

General responsibilities of the Audit Committee include the following:

- Reviewing the basis for the Bank’s financial statements and the independent accountants’ opinion. This includes reviewing the nature and extent of any significant changes in accounting principles, alternate practices and the implications of the application thereof, and obtaining reasonable assurance for disclosure and transparency concerning the Bank’s true financial performance, as well as its governance practices.
- Reviewing and discussing with management and the independent auditor the annual audited financial statements, including disclosures made in management’s discussion and analysis, and recommending inclusion of the audited financial statements in the Bank’s annual report on Form 10-K to the Board.
- Reviewing and discussing with management and the independent auditor the Bank’s quarterly financial statements, including the results of the independent auditor’s review of those financial statements and the disclosures made in the management’s discussion and analysis, prior to approving the filing of its quarterly reports on Form 10-Q.
- Reviewing and discussing with management any earnings releases to be issued by the Bank.



- Reviewing disclosures made by the Bank's CEO and CFO regarding any significant deficiencies or material weaknesses in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Bank's internal controls during the reviews of the Forms 10-K and 10-Q.
- Reviewing the programs and policies of the Bank designed to ensure compliance with applicable laws, regulations, Advisory Bulletins, and policies (including the Code of Conduct), and monitoring the results of these compliance efforts.
- Reviewing policies established by senior management to assess and monitor the implementation of the Bank's strategic business plan and its operating goals and objectives.
- Reviewing the adequacy of the Bank's internal controls and the resolution of identified material weaknesses and significant deficiencies, including the prevention or detection of management override or compromise of the internal control system.
- Obtaining reasonable assurance that senior management maintains the reliability and integrity of the accounting policies and financial reporting and disclosure practices of the Bank.
- Obtaining reasonable assurance that significant findings and recommendations made by the internal auditors, external auditors, and the Finance Agency are received and discussed on a timely basis, including evaluating management's response to the findings and reports.
- Determining that no restrictions are imposed on audit scopes.
- Determining the extent to which internal and external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown.
- Reporting the results of audits, findings, and committee activities to the Board.
- Assessing the impact of new accounting principles, auditing standards, or regulatory policies promulgated by the accounting profession, the Finance Agency, or other governing agencies or bodies.
- Conducting or authorizing investigations into any matters within the Committee's scope or responsibilities. The Committee is empowered to retain independent legal counsel, accountants, consultants, or others to assist in any investigation.
- Considering such other matters in relation to the affairs of the Bank and in relation to the internal and external audit of the Bank as the Committee may, at its discretion, determine to be advisable.



- Facilitating an independent, direct channel of communication between the Board and the Bank's internal and external auditors, who shall have unrestricted access to the Committee and Board without the need for any prior management knowledge or approval.
- Providing an annual self-evaluation of the Committee's performance.
- Receiving, reviewing, and discussing reports from the external auditor on critical accounting policies and practices used, all alternative treatments of financial information within GAAP related to material items that have been discussed with management, ramifications of the use of such alternative treatments, and the treatment preferred by the external auditors.
- Assuring that the Bank has a policy in place to notify the Finance Agency of any accounting treatments or policies identified as having significant legal, reputation, or safety and soundness risk with a focus on accounting treatments or policies that do not employ GAAP or preferred methods.
- Reviewing, at least annually, with appropriate professional assistance the requirements of laws, rules, regulations and guidelines that are applicable to its activities and duties. The Committee will provide the Finance Agency Chief Accountant with materials and procedures employed in such a review.
- Assessing the need, at least every two years, for an independent consultant or accounting firm to conduct an evaluation of one or more accounting policy areas. The current auditor's tenure should be considered in assessing the need for targeted independent reviews. Findings will be reported to the Board, senior management, and the Finance Agency Chief Accountant. If the Committee determines that the results of the assessment warrant a targeted evaluation, the Committee should then consider the appropriate form and scope of the engagement.
- Reviewing the Bank's policies with respect to risk assessment and risk management.
- Reviewing and providing consultation regarding activity warranting investigations under the Bank's Anti-Fraud Policy and notifying the Board of results when necessary.
- Confirming annually that all responsibilities in this Charter have been carried out.
- Overseeing the processes by which issues are reported by Internal Audit, external audit, and others to ensure the issues are promptly addressed and satisfactorily resolved by management.

Audit Committee responsibilities related to Oversight of the Internal Audit function include the following:



- Reviewing and approving the Charter for the Internal Audit Department at least annually.
- Reviewing the scope of audit services required, significant accounting policies, significant risks and exposures, audit activities and audit findings.
- Approving and evaluating the staffing, budget, and risk-based audit plans of the Internal Audit function.
- Reviewing and approving any significant changes to the Internal Audit plan.
- Reviewing and approving any significant changes to the audit methodology.
- Reviewing the activities and organizational structure of the Internal Audit Department.
- Overseeing the Internal Audit function, including the selection, compensation, and performance evaluation and, where appropriate, the replacement of the Chief Internal Audit Officer. Before appointing the Chief Internal Audit Officer, and at least annually thereafter, the Committee shall confirm and document whether candidates or the Chief Internal Audit Officer have any actual or apparent conflicts of interest, and if any such conflicts exist, develop appropriate limits for the Chief Internal Audit Officer. The Chief Internal Audit Officer shall report directly to the Committee on substantive matters and to the Bank President on administrative matters. The Chief Internal Audit Officer is ultimately accountable to the Committee and Board and may be removed only with the approval of the Committee. The Committee shall confirm and document with the Chief Internal Audit Officer whether he/she has any actual, potential, or apparent conflicts of interest.
- Assuring Internal Audit staff is competent and receives adequate training.
- Approving the Incentive Compensation Plan and awards for the Internal Audit employees.
- Monitoring the accomplishment of the Chief Internal Audit Officer's goals and objectives.
- Reviewing the effectiveness of the Internal Audit function, including conformance with the Global Internal Audit Standards and Topical Requirements of the Institute of Internal Auditors through oversight of an external quality assurance review of the Internal Audit function performed every five years.
- On a regular basis, meeting separately with the Chief Internal Audit Officer to discuss any matters that the Committee or Chief Internal Audit Officer believe should be discussed privately.
- Granting the Chief Internal Audit Officer, and Internal Audit Department staff, unrestricted access to the Committee without the need for any prior management knowledge or approval.



Audit Committee responsibilities related to Oversight of External Audit function include the following:

- Being directly responsible for the appointment, compensation, retention, and oversight of the work of the external auditor.
- Reviewing and approving the external auditors' annual engagement letter.
- Evaluating the external auditors' performance.
- Requiring the external auditor to report directly to the Committee.
- Reviewing and approving audit plans of the external auditors.
- Ensuring that the external auditor provides the required communications in a timely manner to the Committee.
- Reviewing with the external auditor any difficulties the auditor encountered and management's response.
- Participating in the approval of the external audit firm for the FHLBank System by selecting one representative and one alternate to serve on the Audit Committee Chairs' Group.
- Pre-approving audit and non-audit services provided by the auditing firm.
- Compensating for the work of the certified public accounting firm employed by the Bank to audit the financial statements or any other third-party advisers employed by the Committee.
- Assuring that the external auditor submits a formal written statement regarding the relationship and services which may adversely affect independence and discussing with the external auditor any disclosed relationships that may impact objectivity and independence.
- Requiring that the independent auditor rotate the lead audit partner, and the partner responsible for reviewing the audit, at least every five years.
- On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.
- Annually, discuss with the independent auditor its internal quality control procedures. The Committee should obtain and consider the external auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review conducted by the PCAOB or a peer review of the external auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years.
- Ensuring that the Bank has clear hiring policies for employees or former employees of the external auditor.



- Permitting the external auditor unrestricted access to the Committee without the need for any prior management knowledge or approval.

Audit Committee responsibilities related to Special Investigations and the Whistleblower Mechanism:

- Retaining independent legal counsel, accountants, or other specialists to advise the Committee or assist in the conduct of an investigation as the Committee deems appropriate.
- Ensuring the creation and maintenance of an appropriate whistleblower mechanism for reporting of financial statement fraud, other fraud and inappropriate activities.
- Reviewing the process for communicating the Code of Conduct to Bank personnel, and for monitoring compliance therewith.
- Establishing procedures for the receipt, retention, and treatment of complaints received by the Bank regarding accounting, internal accounting controls, or auditing matters, and for the confidential, anonymous submission by employees of the Bank of concerns regarding questionable accounting or auditing matters.

The above responsibilities of the Committee will be discharged through review of audit reports and discussions with the internal and external auditors and Bank management.

COMMITTEE MEMBERSHIP

The Committee should consist of five or more directors of the Board, each of whom shall meet the independence criteria set forth below, in addition to the Board Chair as an ex officio voting member. The directorship terms of Committee members shall be appropriately staggered so as to provide for continuity of service and be in compliance with the Finance Agency regulations. Each of the members should meet the following criteria and represent a balance between community financial institutions and other members and independent directors and member directors.

- All members should have a working familiarity with basic finance and accounting practices. Committee members may enhance their competency by participating in educational programs conducted by the Bank or outside consultants.
- At least one member of the Committee must have extensive accounting or financial management experience and be designated as the “financial expert”.



- The Board should encourage selection and retention of diligent and knowledgeable Committee members who are dedicated to and interested in the job and willing to devote the commitment of time and energy to the responsibilities of the Committee in addition to Board responsibilities.

CRITERIA FOR INDEPENDENCE

Members of the Committee will be considered sufficiently independent if they have no relationship with the Bank that may interfere with the exercise of their independent judgment from management. Examples of such relationships include, but are not limited, to the following:

- Being employed by the Bank for the current year or any of the past five years.
- Accepting any compensation from the Bank other than compensation for Board service.
- Serving or having served in any of the past five years as a consultant, advisor, promoter, underwriter, legal counsel, or trustee of or to the Bank.
- Being an immediate family member of an individual who is, or has been in any of the past five years, employed as an executive officer of the Bank. An “immediate family member” is a parent, sibling, spouse, child, dependent, or any relative sharing the same address.

In addition, pursuant to the Housing and Economic Recovery Act of 2008 Section 1112, a director cannot, through her or his own institution, own 10% or more of Bank stock and serve on the Committee.

COMMITTEE MEETINGS

The Committee shall hold at least four meetings annually, as scheduled by the Committee Chair, Chief Internal Audit Officer, the President-CEO or the Corporate Secretary with advance notice to each member. Meetings may be held in person or via any method permitting all participants to hear or be heard by others. The Committee shall meet separately, from time to time, by itself, with management, the independent auditors, and/or the Chief Internal Audit Officer, and may meet separately with any other person so requested by the Committee. A quorum shall be comprised of a majority of the Committee members, and the Committee may establish its own rules of procedure.

The Chief Internal Audit Officer shall serve as the Secretary to the Committee. Written minutes shall be prepared for each meeting and shall be prepared, distributed, reviewed, and approved in a timely manner, but in no event later than (i) two months



from the date of the meeting or (ii) the date of the next Committee meeting, whichever is later. A copy of the minutes shall be provided to the Finance Agency once reviewed and approved by the Committee.

APPROPRIATE FUNDING

The Committee shall ensure the Bank makes available appropriate funding, as determined by the Committee, for the payment of compensation to the external auditor, to any independent advisors or legal counsel engaged by the Committee, and for the payment of ordinary administrative expenses that are necessary or appropriate for the Committee to carry out its duties.

CHARTER REVIEW

The Committee will review and assess the adequacy of this Charter at least annually and recommend for Board approval any amendments to the Charter that the Committee believes to be appropriate. The Board will review and assess the adequacy of the Charter annually, will adopt amendments to the Charter at any time, and will reapprove the Charter no less often than once every three years.

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This charter was reviewed and approved by resolution of the Board of Directors at its July 17, 2026, meeting, and shall be effective until amended or rescinded by the Board of Directors.

Buchanan, Jacqueline
Jul 20, 2026 9:03 PM EDT

(Jacqueline L. Buchanan - Audit Committee Chair)

Mills, Jeff
Jul 21, 2026 10:23 AM EDT

(Jeffrey D. Mills - SVP, General Counsel)

Greg McKee
Jul 20, 2026 10:00 AM EDT

(Gregory J. McKee - SVP, Chief Internal Audit Officer)