BOARD OF DIRECTORS' OPERATING GUIDELINES

September 26, 2025

Policy Information

Document Title:	**Board of Directors' Operating Guidelines**
Content Owner:	**Chief Mission Officer / Chief Legal Officer (CMO/CLO)**
Certification of Compliance Contact:	**N/A**
Policy Category:	**FHLBank Policy**
FHLBank-Level Approver:	**President and Chief Executive Officer (President)**
Board-Level Approver:	**Full Board (Mission & Governance)**
Review Frequency:	**Annually**
Initial Effective Date:	**09/22/2006**
Last President Approval Date:	**08/28/2025**
Next Review Date:	**09/2026**

Introduction

This FHLBank Policy (Policy), governed by the board of directors (board), is established to provide guidance to the board, individual directors, and the President of the Federal Home Loan Bank of Topeka (FHLBank), on their responsibilities and roles with respect to the management of FHLBank and the operations of the board established by the Federal Home Loan Bank Act (Act) and Federal Housing Finance Agency (FHFA) regulations.

Purpose

These Board of Directors' Operating Guidelines (Operating Guidelines) are intended to assist the board and the President by outlining their respective responsibilities as well as the general operations and structure of the board.

Scope

The board and FHLBank's executive and senior management teams should be familiar with and abide by these Operating Guidelines.

Operating Procedures

1) Board, Director and President Responsibilities.

   a) Board Responsibilities. The board is vested with the management of FHLBank and that responsibility may not be delegated to the President. The board has the following specific responsibilities:

      i) Establish FHLBank's mission, vision and long-term goals.

      ii) Establish comprehensive policies governing the operations of FHLBank.

      iii) Oversee audits of FHLBank's operations and financial information for policy compliance and the existence of appropriate controls.

      iv) Hire, evaluate and motivate the President and elect FHLBank's other officers.

      v) Review, modify as appropriate and approve tactical strategies and operations proposed by the President.

      vi) Monitor and take appropriate actions to help maintain the safety and soundness of FHLBank.

      vii) Review the efficiency of FHLBank operations to help provide a reasonable return on equity.

      viii) Ensure earnings are distributed so as to offer stockholders a reasonable return on their investment in FHLBank.

      ix) Determine whether indemnification of officers, directors, business partners and agents of FHLBank is proper in the circumstances in accordance with the procedures set forth in FHLBank's Bylaws.

   b) Director Responsibilities. Each director should be familiar with the board's responsibilities as well as their individual responsibilities as a director, as set forth in the Act, the regulations and guidance of the FHFA, the Bylaws and these Guidelines. Each director has an ongoing obligation to contribute to the effective functioning of the board and to carry out their responsibilities in accordance with the fiduciary duties of care and loyalty to FHLBank and its members. Directors should be knowledgeable of general management, banking, finance, and audit principles. Directors should strive to enhance their knowledge of FHLBank's operations to better assist the board in fulfilling its responsibilities. The Mission and Governance committee, in consultation with

the board chair and President, will evaluate development needs of the board and, if appropriate, individual directors, on an ongoing basis and ensure that FHLBank provides appropriate development opportunities.

c) Fiduciary Duties. Each director has the obligation to carry out their duties in good faith, in a manner such director believes to be in the best interests of FHLBank by exercising such director's duty of care to make decisions on an informed rational basis after diligently reviewing all available information and by exercising such director's duty of loyalty to put the interest of FHLBank ahead of any self-interest;

d) President Responsibilities. The President is responsible for assisting the board in the fulfillment of its responsibilities and operating FHLBank within legal and policy limits in a manner that effectively and efficiently achieves FHLBank's long-term goals.

2) Roles.

a) Board. The board's role is to set strategic direction and provide oversight to FHLBank's operations. While the execution of strategy and compliance with policy should be monitored by the board, it is the President's responsibility to conduct the operations of FHLBank.

b) President. The board retains the President to direct FHLBank's operations within the policy guidance provided by the board and subject to the board's general oversight. Other than the election of officers, subject to the policies of FHLBank and excluding FHLBank's Chief Audit Executive, the President is delegated with the authority to retain, compensate and dismiss all officers and other business partners of FHLBank and to fully direct the operations of FHLBank. Notwithstanding the foregoing, the Chief Risk Officer may be removed only with the approval of the Risk Oversight committee.

c) Chief Audit Executive. To preserve the independence of the audit function, the Chief Audit Executive will report to the Audit committee and the board and operate independently of the President. As set forth in its charter, the Audit committee is responsible for hiring, evaluating, establishing the compensation of, and dismissing the Chief Audit Executive.

3) Board Operations.

a) Board Composition and Elections. Under the Act and FHFA regulations, directors are divided into two classes: (1) those who are officers or directors of a member institution that is located in the district in which FHLBank is located and who represent members located in a particular state ("member directors"); and (2) those who are elected by a plurality of the votes of the members of FHLBank at large from among eligible persons nominated by the board after consultation with the Affordable Housing Advisory Council of FHLBank ("independent directors"). Independent directors must comprise not fewer than 2/5 of the members of the board, and at least two independent directors must also qualify as public interest directors. The number of member and independent directors is determined by the FHFA pursuant to the Act, FHFA regulations and the proportionate amount of required capital stock held by members in each state as of December 31. Annually, the President shall submit to the board through the Mission and Governance committee a proposed schedule for director elections to be conducted in the following year. In the event of electing an independent director, such schedule shall necessarily incorporate an assessment of the potential director's skills and experiences. FHLBank staff, under the direction of the President, shall conduct the election process in accordance with the approved schedule. All applicable procedures set forth in FHLBank's Bylaws and the results will be reported to the board.

b) Independence of Directors. The Act and FHFA regulations address director independence as minimum standards for avoiding conflicts of interest with FHLBank directors. FHFA regulations also define independence standards for directors serving on the Audit committee of the board. In addition, the board has selected the independence standards of The NASDAQ Stock Market, Inc. ("NASDAQ") to apply to all of its directors for purposes of disclosure requirements under rules of the Securities and Exchange Commission.

i) Under FHLBank's Code of Ethics, and consistent with the conflicts of interest provisions of FHFA regulations, no officer of FHLBank may serve as one of its directors. In addition, an independent director may not serve as an officer of any FHLBank or serve as an employee, officer or director of any member or of any recipient of advances of FHLBank. Finally, consistent with the Act and FHFA regulations, directors may only support the nomination or election of a potential member director in their personal capacity. However, directors may support the candidacy of any individual nominated by the board for election to an independent directorship in their capacity as a director of FHLBank, including stating that their views represent the views of FHLBank.

ii) In accordance with the independence standards of NASDAQ, the board annually will make an affirmative determination as to the independence of each member of the board. In finding that a director is independent, the board must determine that the director has no relationship which, in the opinion of the board, would interfere with the exercise of independent judgment in carrying out the responsibilities of the director.

To assist the board in making a determination of the independence of each director under the NASDAQ standards, the board has adopted categorical standards (the "Categorical Standards"), consistent with those under the NASDAQ standards, which preclude a finding of independence. Under the Categorical Standards, the board may not consider the following persons independent:

(1) a director who is, or at any time during the past three years was, employed by FHLBank;

(2) a director who accepted or who has a Family Member who accepted any payments from FHLBank in excess of $120,000 during the current or any of the past three fiscal years, other than the following:

(a) compensation for board or board committee service;

(b) payments arising solely from investments in FHLBank's securities;

(c) compensation paid to a Family Member who is a non-executive employee of FHLBank;

(d) benefits under a tax-qualified retirement plan, or non-discretionary compensation; or

(e) loans permitted under Section 13(k) of the Exchange Act of 1934.

(3) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by FHLBank as an executive officer;

(4) a director who is, or has a Family Member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which FHLBank made, or from which FHLBank received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more, other than the following:

(a) payments arising solely from investments in FHLBank's securities; or

(b) payments under non-discretionary charitable contribution matching programs.

(5) a director of FHLBank who is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of FHLBank serve on the compensation committee of such other entity; or

(6) a director who is, or has a Family Member who is, a current partner of FHLBank's outside auditor, or was a partner or employee of FHLBank's outside auditor who worked on FHLBank's audit at any time during any of the past three years.

For purposes of this section, "Family Member" means a person's spouse, parents, children and siblings, whether by blood, marriage, or adoption, or anyone residing in such person's home.

c) Director Qualifications. In accordance with the Act and FHFA regulations, each member director must be a United States citizen and an officer or director of a member that is located in the state represented by the directorship. A member director must also represent a member that meets all of its applicable minimum capital requirements as established by its regulatory agency. Member directors must certify annually to FHLBank that they meet and will continue to meet all applicable eligibility requirements. Each independent director must be a United States citizen and a bona fide resident of FHLBank's district. Each independent director who is not a public interest director shall have demonstrated knowledge of, or experience in, auditing and accounting, derivatives, financial management, organizational management, project development, risk management practices, or the law. Independent directors must annually provide, through FHLBank, an eligibility certification to the FHFA. Each independent director who is a public interest director shall have more than four years of experience in representing consumer or community interests on banking services, credit needs, housing, or financial consumer protections.

d) Term Limits. Pursuant to FHFA regulations, member and independent directors serve four-year terms commencing January 1 of the year following their election unless shortened by the FHFA to stagger the board. Directors may serve for up to three consecutive four-year terms.

e) Director Resignation or Retirement. In the event a director makes a determination to resign or retire from the board before the end of that director's term, the director shall promptly notify the Corporate Secretary in writing of such decision. The resignation shall not be deemed effective until receipt by the Corporate Secretary or at a subsequent time specified in the notice of resignation.

f) Chairperson or Vice Chairperson. The officers of the board, and their respective duties, are set forth in FHLBank's Bylaws. If a chair or vice chair needs to be elected for the ensuing calendar year, either because the chair's or vice chair's term will expire or because the director holding such office will cease to be a member of the board, the board will hold an election in December to fill such vacancy. The chair shall seek nominations for the positions to be filled prior to the meeting and will also allow nominations to be made at the meeting. Votes for both offices may be held via voice vote or show of hands unless there is more than one candidate for either office, at which time the directors shall hold a confidential vote. The directors shall hold a vote for chair until such time as one director receives a majority of the votes of the entire board. If no director receives a majority of the votes, the director receiving the least number of votes shall be eliminated from the ballot and the voting process repeated. Following the voting for chair, the board shall hold an election in the same manner for vice chair. A chair or vice chair of the board may be removed as provided in FHLBank's Bylaws.

g) Number and Location of Board Meetings. The board shall conduct six regular meetings per year, composed of four quarterly regular business meetings and two strategic planning meetings. The chair shall designate the date and location of each meeting in consultation with the President. A meeting calendar for the next ensuing year shall be presented to the board no later than September each year. Special meetings may be called as provided in FHLBank's Bylaws. Notice of regular and special meetings shall be given to all directors as provided in FHLBank's Bylaws.

h) Meeting Attendance and Preparation. Directors are expected to attend board meetings and to spend the time needed to discharge their responsibilities as directors. Materials with respect to matters on which action is expected to be taken shall be circulated to the board in writing or electronically at least several days in advance of the meeting whenever possible, and directors are expected to review these materials in advance of the meeting. Financial reports and other background materials shall also be circulated to directors during months when the board is not scheduled to meet.

i) Agenda. The board chair shall set the agenda for each board meeting in consultation with the President.

j) Board Surveys. Directors may be surveyed periodically on their interests and expertise, and shall be surveyed annually on the effectiveness of the board in fulfilling its responsibilities. Surveys shall be conducted for the board, its standing committees (other than the Executive committee) and the board chair.

k) Access to Management and Engagement of Consultants. FHLBank's executive and senior management teams attend board meetings as appropriate to make special presentations and as a discussion resource and are available to board members outside of meetings. In addition, the board may, from time to time, engage external consultants, including legal counsel, to assist the board in carrying out its responsibilities. An outside audit firm, selected by the board upon recommendation of the Audit committee, will be retained at all times.

l) Information. The President shall ensure that the board is regularly provided appropriate information on FHLBank and other matters useful for the board to effectively carry out its responsibilities, including but not limited to all information set forth in the Reporting Requirements. In preparing and providing this information, the President and management shall ensure that the materials distributed are as concise as possible, yet give directors sufficient information to make informed decisions. Notwithstanding, the board recognizes that certain items to be discussed at board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to board meetings may not be appropriate.

m) Director Compensation. The board shall establish a director compensation policy covering compensation matters and rules for reimbursement of expenses, subject to any required review by the FHFA.

n) Meetings. Except as otherwise determined by the board chair, meetings should be conducted in conformance with Robert's Rules of Order (procedure in small boards).

o) Executive Sessions. Directors meet in executive session on a regularly scheduled basis. The executive session discussions shall include such topics as the directors determine.

p) Orientation and Continuing Education. New directors shall participate in an orientation program, which is generally conducted within the first few months of their term, to assist in familiarizing them with FHLBank's business and their responsibilities as directors. FHLBank supports directors' periodic participation in continuing education programs offered by the FHFA or the Council of Federal Home Loan Banks. In addition, FHLBank shall conduct, directly or through third parties, in-house director education programs on relevant topics identified by the Mission and Governance committee.

4) President Performance Evaluation and Compensation. The Compensation and People committee (CPC), with feedback from other directors, shall annually measure the President's performance against the President and CEO Core Competencies and any other goals or objectives established by the CPC. The CPC shall also make recommendations to the board regarding any adjustments to the compensation level of the President.

5) Board Committees.

a) Standing Committees. The board shall have the following standing committees: Executive; CPC; Audit; Risk Oversight; Operations; and Mission and Governance. The responsibilities of each committee and any membership requirements are contained in FHLBank's Bylaws and, if appropriate, the charter of each committee.

b) Ad Hoc Committees. The board may, from time to time, designate ad hoc committees to address such issues and topics as the board may assign.

c) Committee Assignments. The board chair, in consultation with the President and with members of the board and considering the experience, knowledge and interests of each director, shall designate directors to serve on committees and shall designate the chair of each committee.

d) Special Rules for Committee Assignments.

i) Executive Committee. The Executive committee shall be chaired by the board chair and shall be composed of the vice chair of the board and the chair of each standing committee.

ii) Audit and Risk Oversight Committees. The chair of the Audit committee shall serve as a member of the Risk Oversight committee and the chair of the Risk Oversight committee shall serve as a member of the Audit committee.

e) Management Liaison. The President shall designate a management liaison for each standing or ad hoc committee who will be responsible for working with the committee chair to schedule meetings and set the agenda for each meeting. The liaison, or such other person as determined by the liaison, shall serve as secretary to the committee and provide written minutes of each committee meeting at the direction of the committee chair.

f) Chair Ex Officio. The chair of the board is an ex officio member of all committees. The chair has the right to vote at each committee meeting attended, and their vote shall be counted toward the majority vote requirement for the transaction of business.

g) Quorum. A quorum for committee meetings is defined as one-half of the committee members being present. The chair, as an ex officio member, will only be counted in the quorum if needed to meet the quorum requirement.

h) Meetings. Except as otherwise determined by the committee chair, meetings should be conducted in conformance with Robert's Rules of Order (procedure in small boards).

i) Special Meetings. Unless otherwise provided in FHLBank's Bylaws, special meetings of committees may be called by its chairperson, the President, or on the written request of three members of the committee. Special meetings of the Audit and Risk Oversight committees may also be called by their respective management liaisons. Special meetings shall be conducted in accordance with this Section 5. Notice of special meetings

must be sent at least five business days prior to the meeting if by overnight delivery or three business days prior if by electronic mail or facsimile transmission.

6) Board Advisors.

a) Affordable Housing Advisory Council. The board shall appoint an affordable housing advisory council of not less than seven nor more than 15 members who reside in FHLBank's district and are drawn from community and not-for-profit organizations that are actively involved in providing or promoting low- and moderate-income housing, and community and not-for-profit organizations that are actively involved in providing or promoting community lending, in FHLBank's district. The responsibilities of the council, all procedural aspects thereof and any membership requirements shall be contained in the charter of the council.

Exceptions/Violations

The board may make exceptions to any of the Operating Guidelines or amend the Operating Guidelines at any time.

Policy Review

These Operating Guidelines shall be reviewed annually and revised as needed by the CMO/CLO. Following such review, the Operating Guidelines shall be submitted for review by the Executive Team and approval by the President. In the event of any revisions to the Operating Guidelines, such revisions shall be submitted for review and approval by the Mission and Governance committee and the board.