# Position Description: Member of Board of Directors

## Summary:

The Board oversees the business and affairs of FHLBank Boston. It is responsible for: determining the strategic direction of the Bank, formulating policies and monitoring their faithful execution, ensuring that the Bank has competent management, and overseeing the conduct of FHLBank Boston’s affairs and management’s implementation of the policies and strategic plans adopted by the Board. The Board’s oversight includes a broad range of subjects, such as the Bank’s strategic business plan and operating budget, capital plan, financial and risk management policies, affordable housing programs, compensation philosophies, diversity, equity and inclusion program, and other matters.

The Board maintains six standing committees to support its oversight function: Audit, Risk, Finance,
HR & Compensation, Housing & Community Development, and Governance/Government Relations.

## Duties and Responsibilities:

Each member of the Board of Directors is expected to:

1. Carry out his or her duties as director in good faith, in a manner such director believes to be in the best interests of the Bank, and with such care, including reasonable inquiry, as is required under Massachusetts Law (the body of law that FHLBank Boston’s board of directors has chosen to follow for its corporate governance and indemnification practices and procedures);
2. Administer the affairs of the Bank fairly and impartially and without discrimination in favor of or against any member;
3. At the time of election, or within a reasonable time thereafter, have a working familiarity with basic finance and accounting practices, including the ability to read and understand the Bank’s balance sheet and income statement and to ask substantive questions of management and the institution’s internal and external auditors;
4. Direct the operations of the Bank in conformity with the requirements of the FHLBank Act, the Safety and Soundness Act, and the regulations of the Federal Housing Finance Agency (FHFA); and
5. Adopt and maintain in effect at all times bylaws governing the manner in which the Bank administers its affairs (consistent with applicable laws, regulations and the Massachusetts Business Corporation Act).

## Board Knowledge/Skills:

The Board as a whole is expected to have experience in, or understanding of, the following areas of knowledge represented among its members, at a level at least sufficient to enable one or more directors to be able to participate meaningfully in a discussion and/or to ask relevant questions regarding such matters. Each director is not expected to have knowledge/skills in each of these areas:

* Capital markets transactions, including debt instruments, mortgage-backed securities, other types of investments, and/or derivatives transactions.
* Financial institution asset/liability management, including methods of managing income sensitivity to interest rates.
* Corporate information technology (IT), information security (IS), and/or business continuity systems, policies, or project management.
* Financial institution (in particular Federal Home Loan Bank) products and pricing strategies.
* Credit risk management principles and practices with respect to complex financial institutions, and the ability to assess the general application of such principles and practices.
* Market risk management principles and practices with respect to complex financial institutions, and the ability to assess the general application of such principles and practices.
* Operations risk management principles and practices with respect to complex financial institutions, and the ability to assess the general application of such principles and practices.
* Affordable housing and/or community/economic development.
* Operating in a heavily regulated industry, and/or experience supervising or maintaining a regulatory compliance program.
* Human resources management, including compensation, benefit administration, hiring and retention, and succession planning.
* Internal audit and/or external audit management.
* Corporate governance activities, including fiduciary duties of corporate directors, implementation of codes of ethics and/or conflict of interest policies, and/or corporate secretary responsibilities.
* Corporate strategic planning activities
* Insurance company business strategies, risks, and liquidity management;
* Diversity, equity and inclusion, including:
* Understanding of equal opportunity principles.
* Ability to assess whether management (i) seeks to promote DE&I, (ii) is able to develop and manage diversity programs and initiatives, and (iii) is able to lead organizational development and corporate communication and outreach
* Strategic Leadership in adopting and communicating DE&I objectives

## 2022 Priorities

The Committee has prioritized the following skills/competencies for the non-public interest director position: cybersecurity/ information technology; auditing (internal and external) and accounting; and insurance company business/finance. For the public interest director position, the Committee is seeking affordable housing expertise.

## Experience:

The Board values prior executive leadership experience as well as prior board service for a public company or cooperative. Similarly, the Board values experience and expertise in the following areas: fintech, mortgage finance, secondary market, private mortgage insurance, capital markets, treasury functions, housing development, cybersecurity, strategic planning, human resources, legal, regulatory and government relations. The Board believes individuals who have experience in a highly regulated business that has evolved can add value in the boardroom on an array of decisions affecting the Bank’s future strategy.

## Eligibility Requirements:

*Independent Directors.* The Board has independent directors who are nominated by the Board after consultation with the Bank’s Affordable Housing Advisory Council. Each independent director must be a citizen of the United States, a “bona fide” resident of one of the six New England states, and have either (or both) of the following qualifications:

1. Experience in, or knowledge of, one or more of the following areas: auditing and accounting, derivatives, financial management, organizational management, project development, risk management practices, and the law; or
2. More than four years of experience in representing consumer or community interests in banking services, credit needs, housing, or financial consumer protections (a “public interest director”).

An individual may not serve as an independent director if he or she (or his or her spouse) is an officer or employee of any Federal Home Loan Bank or a director, officer, or employee of any Bank member or recipient of Bank advances.

*Member Directors.* The Board has member directors who are nominated by the Bank’s members in each New England state. Each member director must be a director or officer of a member of the Bank that is in compliance with its regulatory capital requirements. Member directors must also be citizens of the United States.