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**Federal Home Loan Bank of Des Moines  
2021 Board of Directors Election Process  
General Information  
June 16, 2021**

**About the Bank**

The Federal Home Loan Bank of Des Moines (FHLB Des Moines or Bank) is a member-owned cooperative that provides funding solutions and liquidity to more than 1,300 members to support mortgage lending, economic development and affordable housing in the communities they serve. Members include community and commercial banks, credit unions, insurance companies, thrifts and community development financial institutions. The FHLB Des Moines district includes Alaska, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming, the U.S. Pacific territories of American Samoa and Guam and the Commonwealth of the Northern Mariana Islands.

FHLB Des Moines is one of 11 regional banks in the Federal Home Loan Bank (FHLB) System. Established by Congress in 1932, the mission of the FHLB System is to provide a stable source of funding for nearly 6,700 member financial institutions to support housing finance and community investment. Regulated by the Federal Housing Finance Agency (Finance Agency), the FHLBs are cooperatively owned by their members, operate independently with their own boards of directors and are registered with the U.S. Securities and Exchange Commission (SEC).

As of December 31, 2020, FHLB Des Moines had 952 commercial banks, 38 thrifts, 256 credit unions, 72 insurance companies, and six community development financial institutions (CDFI). For the 2021 election, the total number of eligible voting institutions for the FHLB Des Moines district will include 1,324 member institutions.

**FHLB Des Moines Board of Directors**

The Bank has its own board of directors, management and employees. The FHLB Des Moines Board of Directors provides oversight and strategic guidance to the Bank's management and is responsible for defining and advancing the mission and activities of the Bank and for addressing the interests of its constituencies. The Board adopts, reviews and oversees the implementation of policies governing FHLB Des Moines business activities, including risk management policies to ensure the Bank operates in a safe and sound manner.

*Board Meetings, Composition & Structure*

The Bank's Board is comprised of member directors elected by its member institutions on a state-by-state basis, and independent directors elected by all members in the Bank's

district. Member and independent directorships are allocated annually by the FHFA. The Bank's Board currently includes 13 member director seats, one allocated to each state in the Bank's district, and nine independent directors, two of whom serve as 'public interest' independent directors (PIDs). No member of Bank management may serve as a director of any FHLB.

The Board currently has nine standing committees: Executive and Governance; Audit; Technology; Housing and Community Investment; Human Resources and Compensation; Member; Finance; Regulatory; and Risk and Compliance. The committees report to the full Board of Directors and make recommendations to the Board on certain matters requiring full Board approval. Board committee members are appointed on an annual basis.

On an annual basis, the Bank's Board of Directors holds a minimum of six in-person meetings as well as several telephonic meetings. In-person board meetings are held in various locations throughout the Bank's district, but typically take place in Des Moines, IA, Seattle, WA, and Minneapolis, MN. Due to COVID-19 precautions, all board meetings since March 2020 have been held virtually.

#### *Director Compensation*

Each FHLB, within certain general guidelines and regulations of the Finance Agency, establishes its own compensation structure and reimbursement of expenses for Federal Home Loan Bank directors. More information about director compensation and reimbursement of expenses is available by accessing the Bank's [2020 Annual Report](#) filed with the SEC.

#### **Director Eligibility Requirements**

Both member and independent directors serve four-year terms, and are term-limited to three consecutive full terms on the Board. Member directors are required by statute and regulation to meet certain eligibility requirements to serve as a director. All Bank directors are expected, at the time of election or within a reasonable time thereafter, to 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. To qualify as a member director an individual must be: (i) an officer or director of a member institution in compliance with its minimum regulatory capital requirements and located in the state in which there is an open directorship, and (ii) a U.S. citizen.

In order to be eligible to serve as an independent director on the Bank's Board, an individual must be a U.S. citizen and maintain a principal residence within the Bank's district (or own or lease a residence in the district and be employed in the district). In addition, the individual may not be an officer of any FHLBank or a director, officer or employee of any Bank member institution or of any recipient of Bank advances. Each independent director must have 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. Each PID must have more than four years of experience in representing consumer or community interests in banking services, credit needs, housing or consumer financial protection.

#### *Desired Director Attributes*

The Board of Directors has identified certain skills and experience that one or more of its members ideally possess to help ensure the Board as a whole is able to effectively carry out

its oversight responsibilities. These skills are set forth in the Bank's Board-approved [Corporate Governance Principles](#).

In 2021, the Board conducted an assessment of the skills and experience possessed by its members to determine whether the capabilities of the Board as a whole could be enhanced through the addition of individuals with particular areas of expertise. The Executive and Governance Committee of the Board (Committee) conducted the assessment and generally concluded that the skills and expertise of Board members aligned with the desired skills. However, the Committee also determined that director candidates with expertise in the following areas could further strengthen the Board's capabilities:

- Information technology, including technology-based software and hardware; and project development and management of large information technology initiatives;
- Information security architecture, protocols and standards, including cyber security and data loss prevention;
- Enterprise and operational risk management, including risk governance, legal and compliance; and
- Capital markets, capital markets transactions, debt instruments, mortgages and other related investments, and derivatives transactions.

The Des Moines Bank is committed to promoting diversity and inclusion in all its activities and, therefore, encourages members to consider minorities, women and the disabled when nominating or soliciting nominees for positions on the Board.

## **2021 Director Election**

A member institution is eligible to participate in member director elections for the state in which it is located.<sup>1</sup> Member directors are nominated by the members eligible to participate in the election in the relevant state. A member is entitled to cast, for each applicable member directorship, one vote for each share of capital stock it was required to hold as of the end of the previous calendar year, subject to a statutory limitation. Under this limitation, the total number of votes that each member may cast is limited to the average number of shares of FHLB Des Moines capital stock that were required to be held by all members in that state as of the record date for voting.

Independent directors (including PIDs) are nominated by the Bank's Board of Directors after consultation with the Bank's Affordable Housing Advisory Council, and then voted upon by all Bank members. For each independent directorship, a member is entitled to cast the same number of votes as it would for a member directorship.

For the 2021 director election, members in the states of Alaska, Hawaii, Missouri, South Dakota and Utah will each elect an individual to fill the one member director seat in their respective state. One independent director seat will be filled through a district-wide election. The following is a schedule of key events for the 2021 Director Election:

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<sup>1</sup> For voting purposes, member institutions located in the U.S. Pacific territories of Guam, American Samoa and the Commonwealth of the Northern Mariana Islands will vote in the state of Hawaii.

<b>June 16, 2021</b>	Notification to stockholders announcing 2021 Director Election sent to eligible voting member institutions in all states and territories. Nomination certificates and a list of member institutions eligible to participate in the member director election are sent to voting members in Alaska, Hawaii, Missouri, South Dakota and Utah. Independent director application forms sent to eligible voting members in all states and made available on the Bank's website.
<b>July 22, 2021</b>	Member director nomination certificates and independent director application forms must be received by this <b>nomination deadline</b> . Notifications are sent to member director nominees upon receipt of nominating certificate. Independent director application forms are reviewed to confirm eligibility of applicants.
<b>July 28, 2021</b>	Board of Directors and management consult with the Affordable Housing Advisory Council on independent director applications and nominations.
<b>August 9-11, 2021</b>	Board of Directors approves slate of nominees for submission to the Finance Agency.
<b>August 16, 2021</b>	Application forms for approved independent director nominees are submitted to the Finance Agency. All independent director applicants are notified of whether or not they were nominated.
<b>August 24, 2021</b>	Member director candidates must return the completed eligibility certification form to the Bank by this <b>nominee certification form deadline</b> .
<b>September 21, 2021</b>	Electronic ballots sent to eligible member institutions in Alaska, Hawaii, Missouri, South Dakota and Utah for the member director election, and district-wide for the independent director election.
<b>October 29, 2021</b>	Ballots must be received by this <b>voting deadline</b> .
<b>November 2, 2021</b>	Ballots are counted and verified.
<b>November 4, 2021</b>	Board of Directors reviews election results, and Bank declares elected those receiving highest number of votes.
<b>November 5, 2021</b>	Nominees, Finance Agency and all members notified of election results and 8-K filed with SEC.
<b>January 1, 2022</b>	Elected member and independent directors take office.

*Finance Agency regulations permit the Bank to establish a reasonable timeframe to conduct the annual election of directors. If necessary, the above schedule may be revised.*

Pursuant to Finance Agency regulations and additional limitations set by the FHLB Des Moines Board of Directors, during the director election nomination/application process, a Bank director, officer, attorney, employee, or agent ("Bank Representative") may support the nomination of any individual for a member or independent directorship, provided that no such Bank Representative may purport to represent the views of the Bank or the Board of Directors in doing so. During the director election balloting period, no Bank Representative may provide written or other support of any member or independent director candidate during the balloting process, or communicate in any manner his/her opposition to the nomination or election of a particular person.