FHLBank ATLANTA
A FEDERAL HOME LOAN BANK

Federal Home Loan Bank of Atlanta
Governance Principles

The Board of Directors (the "Board") of the Federal Home Loan Bank of Atlanta (the "Bank") has adopted the following Governance Principles to provide shareholders and other constituents with an overview of the Bank's governance structure and to assist the Board in the exercise of its responsibilities to the Bank and its members. The Bank's governance framework is established by the Federal Home Loan Bank Act (the "Bank Act") and applicable regulations. These Governance Principles are intended to describe and supplement that framework, and they should be considered and interpreted in the context of the Bank's restated organization certificate, bylaws, Board committee charters, policies, codes, other governance documents, and applicable laws and regulations. The Board may modify these Governance Principles and deviate from them from time to time as it deems appropriate and to the extent permitted or required by applicable laws or regulations.

1. Board and Director Responsibilities

The Board is responsible for overseeing the management of the Bank and its affairs. In carrying out these responsibilities, directors owe duties of loyalty and care to the Bank and its shareholders. Each Bank director is required to:

- 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 an ordinarily prudent person in a like position would use under similar circumstances.
- Administer the affairs of the Bank fairly and impartially and without discrimination in favor of or against any member.
- 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 internal and external auditors.
- Direct the operations of the Bank in conformity with the requirements set forth in the Bank Act and applicable regulations.
- Adopt and maintain in effect at all times bylaws governing the manner in which the Bank administers its affairs. Such bylaws shall be consistent with applicable laws and regulations

administered by the FHFA, and with the body of law designated for the Bank's corporate governance practices and procedures in accordance with § 1239.3(b).

The responsibilities of the board of directors include having in place adequate policies to assure its oversight of, among other matters, the following:

- The risk management and compensation programs of the Bank;
- The processes for providing accurate financial reporting and other disclosures, and communications with shareholders; and
- The responsiveness of executive officers in providing accurate and timely reports to FHFA and in addressing all supervisory concerns of FHFA in a timely and appropriate manner.

The board also is responsible for promoting high ethical standards and a culture of adherence to systems of internal controls.

The Board has established the following committees, each of which has specific oversight responsibilities as provided in the respective committee charter:

- Audit Committee
- Credit and Member Services Committee
- Enterprise Risk and Operations Committee
- Executive Committee
- Finance Committee
- Governance and Compensation Committee
- Housing and Community Investment Committee.

2. Board Composition; Directorship Nomination and Election; Term

The composition of the Board is governed by the Bank Act and applicable regulations. Annually, the Federal Housing Finance Agency ("Finance Agency") determines the number of directorships that exist on the Board. The Finance Agency designates at least a majority of the directorships as member directorships and not less than forty percent of the directorships as independent directorships. A list of directors is available on the Bank's website.

The Bank holds elections each year to fill all member directorships and independent directorships designated by the Finance Agency as commencing on January 1 of the calendar year immediately following the year such election commences. The Board determines how many, if any, of such designated independent directorships will be public interest directorships, ensuring that at all times the Bank will have at least two public interest independent directorships. Member directorships are elected by vote of the members of a state located in the Bank's district from among eligible persons nominated by a member institution within that state. Independent directorships are elected by vote of the members of the Bank at large from among eligible persons nominated by the Board after consultation with the Affordable Housing Advisory Council. Directorship vacancies are filled by vote of the Board in accordance with applicable law.

Directors generally serve four-year terms, except as adjusted by the Finance Agency to ensure that the terms of all directors are staggered with approximately one-fourth of the terms expiring each year.

3. Director Eligibility and Qualification

Eligibility for election to a member directorship or independent directorship on the Board and continuing service on the Board is determined by the Bank Act and applicable regulations.

Each member director must:

- Be a citizen of the United States
- Be an officer or director of a member institution that (a) is located in the state represented by the member directorship, and (b) meets all minimum capital requirements established by its appropriate federal banking agency or appropriate state regulator
- Comply with any applicable term limitations.

Each independent director must:

- Be a citizen of the United States
- Be a bona fide resident of the Bank's district
- Not serve as an officer of any Federal Home Loan Bank and not be a director, officer, or employee of a member of the Bank or of any recipient of advances or other extensions of credit from the Bank, including bond, repurchase agreement, or letter of credit transactions
- Meet any applicable qualification requirement (described below)
- Comply with any applicable term limitations.

Each independent director (other than a public interest director) must have demonstrated 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. Such independent director's knowledge or experience must be commensurate with that needed to oversee a financial institution with a size and complexity that is comparable to that of the Bank. Each public interest director must have more than four years experience representing consumer or community interests in banking services, credit needs, housing, or consumer financial protections.

Upon determination that a director no longer satisfies the eligibility requirements set forth by the Bank Act or applicable regulations or has failed to comply with regulatory reporting requirements, his or her directorship immediately becomes vacant.

4. Director Access to Management and Independent Advisors

Directors have full and free access to the Bank's senior management, senior risk personnel, other key management personnel, and outside advisors. In addition, the Bank provides opportunities for directors to observe and become acquainted with key management personnel by arranging for such personnel to report periodically to the Board or its committees. In discharging their duties, directors may retain outside counsel, accountants, auditors, and other advisors.

Bank staff providing services to the board of directors or any committee of the board may be required by the board of directors or such committee to report directly to the board or such committee, as appropriate.

5. Director Compensation

The Bank Act and applicable regulations permit the Bank to pay reasonable compensation to directors subject to approval of the Director of the Finance Agency. The Board has adopted a director compensation policy pursuant to which the Bank pays a cash fee to directors for attendance at official Board and committee meetings. In addition, the Bank reimburses directors for certain expenses. The Bank does not advance attendance fees or pay retainer fees to directors. The Bank Act does not permit directors to own stock or stock options in the Bank.

6. Director Orientation and Continuing Education

The Bank offers an orientation program for new directors. The orientation helps familiarize new directors with the Bank's business and may include aspects of the Bank's strategic plan, financial drivers, significant accounting policies, key risk measures, conflicts of interest, Code of Conduct and Ethics for Directors, and other key policies and practices. As part of new director orientation, directors meet with members of the Bank's senior management.

The Board recognizes the importance of continuing education for its directors. In this regard, the Bank's management provides or arranges for presentations from time to time on various topics of interest. These presentations may occur during or outside of regular Board meetings. Directors also are encouraged to participate in other continuing director education programs.

7. Periodic Board Evaluation

Periodically, the Board will conduct a self-evaluation which may measure its performance, processes, overall effectiveness, or other matters determined by the Board. The Bank's Legal or Internal Audit departments will conduct periodic reviews of each Board committee's work in relation to such committee's charter. The results of the Board and committee evaluations are reported to the Board.

8. Management Selection and Succession

The Board is responsible for hiring the President and Chief Executive Officer (CEO) and electing all officers reporting directly to the CEO at the level of Senior Vice President and higher, and ensuring that members of senior management and senior risk personnel are appropriately trained and competent to oversee the functions for which they have responsibility. The Board also is responsible for monitoring, in collaboration with the CEO, a management succession plan that identifies potential successors to the CEO and to other critical managers of the Bank. The CEO reviews this plan periodically with the Board's Governance and Compensation Committee.