

CODE OF ETHICS AND BUSINESS CONDUCT

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CODE OF ETHICS AND BUSINESS CONDUCT

I. **Purpose:**

The purpose of this Code of Ethics and Business Conduct of the Federal Home Loan Bank of Boston (the “Code”) is to provide specific guidance to our employees and directors about the standards for conduct of the Bank’s business. Integrity and respect are values of the Bank that are foundational qualities expected of every employee. Maintaining the highest standards of honesty, integrity, impartiality, and conduct is essential if employees and directors are to perform their duties properly and ensure that the Bank’s members and the general public have confidence in the Bank and the Federal Home Loan Bank System. Accordingly, it is important that employees and directors conduct themselves in a manner which avoids even the appearance of a conflict of interest or other form of impropriety. The Code establishes the policies and procedures of the Bank with regard to the ethical and other standards of conduct and responsibilities for employees and directors of the Bank.

II. **Scope:**

This Code applies to decisions and actions throughout the Bank. It goes to the heart of our culture and should be the cornerstone of our business way of life.

This Code applies to all employees and directors of the Bank. Some provisions are clearly more pertinent to employees than directors, as can be inferred from the particular context. For directors of the Bank, the Code supplements the Bank’s Corporate Governance Principles and Conflicts of Interest Policy for Bank Directors.

III. **Policy Statement: Standards of Ethical Conduct and Other Responsibilities**

A. **Our “Ten Commitments”**

This Code is built on ten fundamental duties that apply to each one of us, and to which we each commit as employees or directors of the Bank:

- (1) *Obey the Law:* We believe in compliance everywhere and in voluntarily going beyond what the law requires. Our corporate behavior should be beyond reproach.
- (2) *Respect our Members and Employees:* We believe that our employees and our members deserve fair, impartial and nondiscriminatory treatment.
- (3) *Avoid Conflicts of Interest:* Our obligations to our members and to the public require that we avoid even the appearance of placing our personal interests ahead of the Bank’s interests.
- (4) *Maintain Confidentiality:* Private information is our stock in trade. We must never use or disclose confidential, non-public information unless specifically authorized to do so by the Bank’s CEO or Chairman of the Board.

- (5) *Protect Corporate Assets:* We must at all times use Bank assets and resources, including its name and reputation, for legitimate business purposes only and never for personal gain.
- (6) *Make Full and Accurate Public Disclosures:* We must always be complete, accurate, fair and timely in our public disclosures.
- (7) *Maintain Accurate Financial Reporting:* We must at all times strive for 100% accuracy in our financial records.
- (8) *Cooperate Fully in Audits and Investigations:* We must never mislead, or destroy or alter records required by, auditors, examiners or investigators, or interfere with disclosure of accurate information.
- (9) *Avoid Conflicts of Interest With Respect to the Affordable Housing Program.*
- (10) *Report Violations of the Code:* This Code is only as strong as our commitment to enforcing it. Each of us has a duty to report violations to the Ethics Officer immediately.

These commitments form the underpinning of the Code and are embodied in the rules and policies that follow.

B. Familiarize Yourself With this Code

Each Employee and director is responsible for being familiar with this Code, as well as other policies of the Bank; for recognizing potential compliance issues applicable to their duties; and for appropriately seeking advice regarding those issues. This Code may be modified or amended from time to time, at the Bank's discretion. Nothing in this Code is intended to establish a contract of employment for any particular time, or to impair the at will status of Bank employees' employment. Each Employee and director shall receive a copy of the Code upon joining the Bank and when it is modified, and each Employee and director shall, upon initial employment or election and annually thereafter, verify that he/she has read, understands and has complied with the requirements contained herein.

Our Code is a living, breathing document and we need the support of everyone to make it the guiding force behind our business conduct.

C. It is Important for You to Ask Questions About this Code

If you are not sure what a provision means, or whether it applies to you, ASK. There is no substitute for good judgment and common sense. If an Employee or director is unsure whether certain conduct is appropriate, the matter should be discussed with the Bank's Ethics Officer. An Employee may also discuss the matter with his or her Supervisor. If in doubt, Employees and directors should err on the side of caution.

D. Our General Rule: Maintain the Highest Standards of Ethical Behavior and Avoid Even the Appearance of a Conflict of Interest

(1) Maintain the Highest Standards:

In order to maintain public confidence in the Bank, all employees and directors are expected to maintain high standards of honesty, integrity, impartiality and conduct in and out of the workplace and to avoid conflicts of interest, or the appearance of conflicts of interest.

(2) Act in the Bank's Best Interest:

No Employee or director shall engage in any action, whether or not specifically prohibited by these rules, which might result in, or create the appearance of:

- (a) Using your position for private gain or advantage;
- (b) Giving unfair preferential treatment to any Person;
- (c) Losing independence or impartiality;
- (d) Making a Bank decision outside official channels; or
- (e) Adversely affecting the public's confidence in the integrity of the Bank.

It is incumbent upon each of us to view our own actions and intentions objectively in order to assure that no observer would have grounds to believe that irregularity in conduct exists.

(3) Do Not Take Advantage of the Bank's Opportunities:

We all owe a duty to the Bank to advance its legitimate interests when the opportunity to do so arises. You are prohibited from taking for yourself personally opportunities that are discovered through the use of the Bank's property or information or your position at the Bank, without the consent of the Ethics Officer in the case of Employees, or the Audit Committee in the case of directors. Similarly, you may not use the Bank's property, information or your position for personal gain, nor may you compete with the Bank.

E. Financial Interests and Financial Relationships

(1) Financial Interests in Members. No Employee may have a Financial Interest (as defined in Article VIII) in any member of the Bank, except as provided in clause (a) or (b) below, or as provided in paragraph III.P(6)(a) or III.P(6)(b) of this Code.

- (a) *Mutual funds*

An Employee may have an interest in securities or other Financial Interests of a member of the Bank that arises solely through ownership of shares or other investment units of one or more diversified mutual funds (as defined in section 5(a) and (b)(1) of the Investment Company Act of 1940, as amended, 15 U.S.C. §§ 80a-5(a), (b)(1)) that has invested in the member, so long as the Employee may not contribute to investment decisions of the fund. This provision also applies to Financial Interests in entities doing business or seeking to do business with the Bank.

(b) *Financial interests acquired prior to employment*

If a Financial Interest in a member acquired by an Employee prior to his or her employment with the Bank will not unduly interfere with the performance of the Employee's duties, then the Employee may retain such Financial Interest. Such interests must be disclosed in writing to the Ethics Officer. Employees with a Financial Interest in a member shall not participate in any Bank decision affecting the member.

(2) Financial Relationships With Members. No Employee may have a Financial Relationship (as defined in Article VIII) with a member of the Bank that, to the Employee's knowledge:

- (a) Is not transacted in the ordinary course of business of the member and on substantially the same terms, including premiums, fees, interest rates and collateral, where applicable, as those prevailing at the time for comparable transactions by the member with other persons who are not employees of the Bank; and
- (b) In the case of a loan or extension of credit by a member, involves more than the normal risk of repayment or contains other unusual terms and conditions that increase the risk of loss to the member.

(3) Financial Interests in Entities Doing Business with the Bank (other than members).

- (a) An Employee may have a Financial Interest in an entity doing business or seeking to do business with the Bank (other than a member) so long as the Employee promptly discloses the Financial Interest to the Ethics Officer in writing and does not participate in any Bank decision affecting that entity. It is the affirmative responsibility of the Employee to disclose all such interests prior to the Bank doing business with the entity, to the extent that the Employee is aware of the proposed business relationship.

The foregoing disclosure and recusal requirement does not apply to such Financial Interest unless it exceeds either \$10,000 or one percent of the issued or outstanding shares of that entity.

- (b) In addition, an Employee may have a Financial Interest in an entity doing business or seeking to do business with the Bank as set forth in Section III.E(1)(a) above.
- (4) Annual Disclosure: All new employees (at the time of hire) and all employees (annually) shall disclose to the Ethics Officer all Financial Interests with respect to members (see paragraph III.E(1)). Such disclosure statement will also include a certification that the employee does not have a Financial Relationship with any member in violation of the prohibition set forth in Section III.E(2) above.
 - (a) *Confidentiality of your disclosure statements.*

Disclosure statements shall be held in confidence by the Bank. Statements shall be received, reviewed and retained in the office of the Ethics Officer, who shall be responsible for maintaining the statements in confidence for such time as is established under applicable records retention policies of the Bank. The Ethics Officer shall not allow access to, or allow information to be disclosed from, a statement without the Employee's consent, except (i) to administer and carry out the purpose of this section of the Code, (ii) to respond to inquiries from the Bank's internal and external auditors, or (iii) as the President, or the Chairman of the Board in the case of Directors, may determine for good cause shown.

- (b) *Review of disclosure statements.*

Disclosure statements submitted under this section will be reviewed by the Ethics Officer no later than 45 days following the submission of the statements.

- (c) *In Cases of Possible Conflicts:*

Whenever a statement or other information indicates a possible conflict between the interest of an Employee (other than the President) and the performance of his or her service to the Bank:

- (i) The Ethics Officer shall investigate and attempt to resolve the matter, allowing the Employee a reasonable opportunity, orally and in writing, to explain why he or she does not believe a conflict or appearance of a conflict exists; and

- (ii) If the matter cannot be resolved within 60 days, the information concerning the conflict or the appearance of a conflict shall be reported to the President for resolution.

Whenever a statement or other information indicates a possible conflict between the interest of a director or the President and the performance of his or her service to the Bank, the Ethics Officer shall report the matter to the Chair of the Governance Committee for resolution.

- (d) The disclosure statements required of Employees are in addition to, and not in substitution for or in derogation of, any similar requirement imposed by law or regulation.

F. Compliance with Laws, Audits and Examinations, Preservation of Records and Disclosure

(1) Compliance.

In addition to adhering to the standards of conduct in this Code, employees and directors must comply with all applicable laws, rules and regulations. An Employee with questions about any of these items or how they apply to a particular situation should request assistance from either the Bank's compliance officer or its Legal Department.

(2) The Duty to Cooperate:

- (a) You must cooperate in any audit, examination, or investigation being conducted by the Bank's examiners, or internal or external auditors.
- (b) You may not take any action to fraudulently influence, coerce, manipulate or mislead any examiner, internal or external auditor (including, but not limited to, any independent public or certified public accountant) engaged in the performance of any audit, examination or investigation (including, but not limited to, audits of the financial statements of the Bank).

(3) The Duty to Preserve Records:

- (a) When you become aware that documents or records of any type may be required in connection with an audit, examination, bankruptcy, lawsuit or government investigation, you must preserve all possibly relevant documents.
- (b) You may not knowingly alter, destroy, mutilate, conceal, cover up, falsify or make a false entry in any record or document with the intent to impede, obstruct or influence an audit, examination, investigation or litigation.

- (4) The Duty of Full Disclosure:
- (a) You should take steps, consistent with your roles and responsibilities at the Bank, to ensure that the Bank makes full, fair, accurate, timely, and understandable disclosure in reports and documents that the Bank files with, or submits to, any Appropriate Regulatory Agency, including the Securities and Exchange Commission, and in other public communications made by the Bank.
 - (b) The executive officers of the Bank shall promptly disclose to the Audit Committee of the Board of Directors any information that they may have concerning:
 - (i) Any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are likely to adversely affect the Bank's ability to record, process, summarize, and report financial data; or
 - (ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Bank's internal control over financial reporting.

G. Prohibited Acceptance of Things of Monetary Value

- (1) General Prohibition. Except as provided in paragraph III.G(2) below, employees may not solicit or knowingly accept, nor may any of their Immediate Family Members solicit or knowingly accept, directly or indirectly, any gift, gratuity, favor, honorarium, entertainment or any other thing of monetary value, from a member or from a Person who:
- (a) Has, or is seeking to obtain, contractual or other business or Financial Relationships with the Bank;
 - (b) Has interests that may be substantially affected by the performance or non-performance of your official duties; or
 - (c) Is an officer, director, employee, or agent of a member, or of a trade organization comprised of members that represents their financial services, credit, housing or financial needs.
- (2) Some Limited Exceptions: Paragraph III.G(1) of this section shall not apply provided:
- (a) The acceptance of such things of monetary value is motivated by obvious family, employment or personal relationships, unrelated to your official Bank duties, rather than the business of the persons concerned;

- (b) The things of monetary value accepted are unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, seasonal gifts of nominal value or other similar things of nominal value;
- (c) The things of monetary value accepted are food and accompanying entertainment accepted on infrequent occasions in the ordinary course of a conference, meeting or other working session where such things are incidental to the activity performed and the costs of which are not in excess of what is considered reasonable, customary, and accepted business practices;
- (d) With respect to members of senior management only (at the level of Senior Vice President and above), the things of monetary value are entertainment or hospitality, the costs of which are not in excess of what is considered reasonable, customary, and accepted business practices; or
- (e) With respect to other employees:
 - (i) the things of monetary value are entertainment or hospitality, the costs of which are not in excess of what is considered reasonable, customary, and accepted business practices; and
 - (ii) the acceptance of such entertainment or hospitality is approved in advance by the President or other Management Committee member responsible for the Employee's department in the Bank.
- (f) The things of monetary value accepted are non-cash honoraria of nominal value where the gifts are intended as tokens of appreciation for the Employee's or director's willingness to speak before the group.

H. The Duty to Preserve the Bank's Confidential Information

(1) General.

The Bank's business requires all Bank employees and directors to deal with information of a highly confidential nature pertaining to the business of member institutions, their customers and clients, as well as confidential, nonpublic information regarding the Bank. Employees and directors (including those directors who are also employees or directors of members) must maintain the confidentiality of the information entrusted to them by the Bank or its members, except when disclosure is authorized or legally mandated. The misuse of material nonpublic or proprietary information (i.e., any use of that information for other than the Bank's necessary purposes) may violate Federal and state banking and/or securities laws and other legal and regulatory requirements.

(2) You cannot use the Bank's information for your private gain.

You may not, directly or indirectly, use or allow the use of information which is obtained as a result of your relationship with the Bank but which is not available to the general public, including but not limited to information contained in examination reports received from state or federal regulatory agencies, in order to engage in any financial transaction or to further a private interest.

(3) Insider Trading is Absolutely Prohibited.

In particular, you may not engage in any transaction in securities (including debt and equity securities) issued by a member (including a member's parent holding company) or any other Company (including the Bank), when in the possession of material information about the issuer that has not been made public, which information came to you through your relationship with the Bank.

(a) *The Definition of "Material Information."*

Information is generally regarded as material if there is a substantial likelihood that a reasonable investor would consider the information important in deciding whether to purchase, sell or hold a security. It includes information that if publicly disclosed is reasonably likely to affect the market value of a security. In most cases, information concerning the following events should be presumed to be "material:"

- Increases or decreases in dividends;
- Declarations of stock splits and stock dividends;
- Changes in the Bank's approach to the repurchase of excess stock;
- Changes in the retained earnings target;
- Changes in previously disclosed financial information;
- Changes in the Bank's ratings or in the ratings of the FHLBank System debt securities from a nationally recognized statistical rating organization;
- Financial forecasts, especially estimates of earnings;
- Mergers, acquisitions or takeovers;
- Proposed issuances of new securities or proposed modification of rights of outstanding securities;
- Significant changes in operations;
- Significant new products to be introduced;

- Extraordinary borrowings;
- Major litigation including government investigations;
- Financial liquidity problems;
- Any failure to satisfy regulatory ratio requirements;
- Any change in capital classification under the FHFA’s capital classification and prompt corrective action regulations;
- Significant changes in management, particularly changes involving the appointment or departure of the Bank’s principal executive, financial, operating or accounting officers or any other “named executive officer” as identified by the Bank’s latest annual report on Form 10-K;
- The election, appointment or resignation of a director;
- The purchase or sale of substantial assets;
- Disagreements with auditors;
- Changes in auditors;
- Any determination that previously issued financial statements should no longer be relied upon because of an error in such financial statements;
- Entering into or terminating a “material definitive agreement” (within the meaning of regulations issued by the SEC);
- Bankruptcy, conservatorship, receivership or other forms of insolvency;
- Regulatory examination results, whether presented formally or informally; or
- Regulatory supervisory actions.

(b) *The Definition of “Nonpublic” Information.*

Information is presumed to be nonpublic unless and until two business days have elapsed since it has been broadly disseminated or made widely available to the general public, such as by means of a publication via the Internet, by a press release carried over a major news service, by being the subject of a major news story, or by being described in a public filing with a regulatory agency or in materials sent to shareholders or potential investors. When in doubt, the information involved should be presumed to be both material and not to have been disclosed to the public.

(c) *Never Pass on Securities “Tips” to Others.*

- (i) You may not disclose (“tip”) material, nonpublic information concerning the issuer of securities (whether the issuer is a member or otherwise), which information was obtained through your relationship with the Bank, to another Person who may subsequently use that information to his or her profit.
- (ii) To reduce the chances of inadvertent tipping of material nonpublic information, no such information is to be discussed with anyone except Bank personnel who have a valid business reason for receiving such information (i.e., who have a “need to know” the information in order to serve the business purposes of the Bank).
- (iii) Such information should be regarded as particularly sensitive, confidential information and the Bank’s policies for safeguarding such information should be strictly observed.

(4) Misuse of Confidential Information may be a Crime.

An Employee or director who uses or allows the use of information obtained as a result of his or her relationship with the Bank but which is not available to the general public in order to engage in any financial transaction or to further a private interest may be subject to criminal prosecution under federal or state banking and/or securities laws.

(5) Bank’s Access to Personal Brokerage Documents.

The Bank reserves the right to require Employees to provide copies of personal brokerage documents to the Ethics Officer in order to monitor compliance with this section.

(6) Prohibition on Trading in FHLBank Consolidated Obligations Listed on the Luxembourg Exchange.

Directors, officers at the level of senior vice president and above, officers in the Bank’s Treasury department at the level of vice president and above, and members of each such person’s immediate family may not engage in any trading activity with respect to FHLBank Consolidated Obligations listed on the Luxembourg Exchange.

(7) Do Not Violate the Privacy Act.

You may not maintain, disclose or otherwise use personal information in a manner which violates the Privacy Act, 5 U.S.C. § 552a, or Part 1204 of the Bank System regulations.

(8) Comply with the Bank’s Electronic Communication and Use Policy, Information Security Policy, and Regulation FD Policy.

Each of us must conform fully and completely to the requirements of the Bank's Electronic Communication and Use Policy, which governs the manner in which we use our intranet, internet, voice and other electronic communications media, including confidentiality issues; the Bank's Information Security Policy, which establishes principles and control standards that protect the Bank's information and information assets; and the Bank's Regulation FD Policy, which applies to the disclosure of material nonpublic information about the Bank, its members and former members, and other FHLBanks.

I. The Cornerstone of Respect: Equal Employment Opportunity, Non-Discrimination and the Avoidance of Harassment in Employment

(1) General.

Respect is one of the Bank's foundational values; we treat everyone with dignity and respect and place high value of diversity in background and perspectives. In addition, each Employee of the Bank is covered by the Bank's Equal Employment Opportunity Policy, as well as the Bank's Harassment Free Workplace Policy, both of which are part of the Bank's Employee Policy Handbook. In summary, these policies prohibit discrimination in employment decisions based on race, color, religion, sex, age, national origin, ancestry, disability, sexual orientation, veteran status, genetic information, gender identity, or any other applicable protected status. Moreover, these policies prohibit harassment (whether or not unlawful), sexual or otherwise, of any of the Bank's Employees by anyone, including any fellow employee, vendor, client, customer or other third party. Every Employee and director has a duty to become familiar with these policies and to abide by them on a daily basis.

(2) Romantic Relationships at Work.

In order to avoid situations which could lead to conflicts of interest, no Supervisor may engage in romantic relations, including dating, with his or her subordinates. In general, officers and directors are discouraged from becoming involved in romantic relations with employees. Individuals who have questions about this policy should immediately consult the Ethics Officer.

J. Lectures, Speeches, and Manuscripts

(1) Do Not Disclose Confidential Information When Lecturing.

You may not use in any teaching, lecturing, speaking or writing engagement information obtained as a result of your position with the Bank unless the information is available to the general public, or the Office of the President (or, in the case of directors, the Chairman of the Board) gives authorization of the

use, upon the determination that the use of the information is in the public interest.

(2) Payment for Speeches is Generally Prohibited.

Except to the extent allowed under paragraph III.G(2)(f) of this Code, you may not receive any compensation or other thing of monetary value for any speech, lecture, publication or similar engagement, the subject matter of which either relates substantially to matters involving the Bank or contains information that is not otherwise available to the general public.

K. Employment by the Bank of Relatives and Affiliated Persons

(1) A Bank Employee or Director may not:

- (a) Appoint, employ, promote or advance any Relative or Affiliated Person to a position at the Bank;
- (b) Advocate a Relative's or Affiliated Person's appointment, employment, promotion or advancement at the Bank; or
- (c) Appoint, employ, promote, or advance a Relative or Affiliated Person of another Bank Employee or Director if that Bank Employee or Director has advocated his or her Relative's or Affiliated Person's appointment, employment, promotion or advancement.

Forwarding a resume, without advocacy, and responding to factual questions about a Relative or an Affiliated Person, is not a violation of this provision.

(2) When Relatives or Affiliated Person are Employed at the Bank

- (a) It is contrary to Bank policy for an Employee to be a Supervisor of any Relative or Affiliated Person.
- (b) Whenever a Relative or Affiliated Person of any Employee becomes an Employee of the Bank, any Employee becomes a Supervisor of a Relative or Affiliated Person, or an Employee develops an "Affiliated Person" relationship with another Employee of the Bank, the Employee shall report such fact in writing to the Ethics Officer.
- (c) In the case of a Supervisor, the Ethics Officer, in consultation with the President, and/or any other appropriate officer, designated by the President shall determine whether the Relative's or Affiliated Person's position may be removed from the scope of the Supervisor's authority, or whether the official interaction between the Employees should be adjusted, taking into consideration the nature of the Employees'

positions, the operational needs of the Bank and the potential for conflicts of interest or the appearance thereof.

- (d) If it is determined that it is not feasible to remove the Relative or Affiliated Person's position from the scope of the Supervisor's authority, or otherwise adjust the Employees' official interaction, the Ethics Officer, in consultation with the President, and/or any appropriate officer designated by the President, shall determine whether the Relative or Affiliated Person may be assigned to another position at the Bank which is outside the scope of the Supervisor's authority, or whether other appropriate action should be taken with regard to the individuals involved.

L. Employment of Immediate Family Members or Affiliated Persons by Members

- (1) In order to avoid a conflict of interest or the appearance of a conflict, employees shall report to the Ethics Officer if an Immediate Family Member or Affiliated Person of the Employee becomes employed by a member or an Affiliate of a member. Such employment shall be reported within 30 days of the commencement of employment of the Immediate Family Member or Affiliated Person, and annually in the disclosure statement submitted by the Employee pursuant to Section III.E(4) of this Code.
- (2) Generally employees will not be assigned to any matter involving the applicable member or Affiliate unless the President or his/her designee, in consultation with the Ethics Officer, makes the prior determination that the nature of the Immediate Family Member's or Affiliated Person's employment makes it unlikely that the Employee's services to the Bank will be affected by participation in the matter.
- (3) In making determinations under this section, significant weight shall be given to the policy-making character of the Immediate Family Member's or Affiliated Person's position. Under most circumstances, positions which are clerical or lacking policy-making character would not require disqualification.

M. Protect the Bank's Property

We all have a positive duty to protect and conserve Bank property, including equipment, supplies and other property entrusted or issued to us.

N. Personal Financial Conduct

- (1) Indebtedness.
 - (a) An Employee shall pay his or her just financial obligations in a manner such that the Bank will not be asked to assist in the collection of the obligations.

- (b) For the purpose of this section, a “just financial obligation” is one acknowledged by an Employee or reduced to judgment by a court or one imposed by law such as Federal, state, or local taxes.
- (c) An Employee who has difficulty in meeting his or her financial obligations may seek counseling with the Bank’s Executive Director of Human Resources. This does not require the Bank to determine the validity or amount of any debt that is the subject of dispute between the Employee and an alleged creditor.

(2) Gambling.

An Employee shall not participate in any gambling activity, including gambling devices, lotteries, pools, games for money or property, or numbers tickets, while on property owned or leased by the Bank or while on duty for the Bank.

(3) Prohibited Loans and Extension of Credit.

Employees, directors and Immediate Family Members of Employees and directors may not accept loans or extensions of credit from the Bank.

O. Doing Business With the Bank

Neither an Employee or director, nor an Employee’s or director’s Immediate Family Member or Affiliated Person, shall, directly or indirectly, provide any goods or services for compensation to the Bank unless the Ethics Officer, after consultation with the President, determines that it is in the best interest of the Bank to acquire goods or services from such a Person. For the purpose of this section, the term “services” does not include services as required by the Employee’s or director’s position with the Bank.

P. Rules About Outside Employment, Future Employment and Other Activity

(1) Prohibited Service With Members:

An Employee may not serve, with or without compensation, as an organizer, incorporator, corporator, director, officer, trustee, or representative of, or advisor or consultant to, or in any other capacity with, any member or any Affiliate, other than providing advice or consultation within the scope of the Employee’s employment responsibilities to the Bank.

(2) Incompatible Outside Employment:

- (a) An Employee shall not engage in employment or other activity outside the scope of his or her Bank employment, which is not compatible with

the full and proper discharge of the Employee's duties and responsibilities to the Bank.

- (b) Employment or activity which is not compatible with the Employee's duties and responsibilities to the Bank includes, but is not limited to that which:
 - (i) results in, or creates an appearance of, a conflict of interest; or
 - (ii) impairs the Employee's physical or mental capacity to perform the duties and responsibilities of his or her position with the Bank.
- (c) This section would not preclude an Employee from participating in the activities of charitable, religious, professional, social, fraternal, nonprofit educational and recreational, public service or civic organizations, unless these activities were incompatible with the Employee's duties and responsibilities to the Bank, as described above.

(3) Disclose Outside Employment to Your Supervisor.

Any Employee who engages in, or intends to engage in, outside employment or activity for which the Employee will be compensated has the responsibility to disclose to his Supervisor any such employment or activity.

(4) Executives' Disclosure to the Governance Committee.

Any executive officer who engages in, or intends to engage in, outside employment or activity for which the executive officer will be compensated has the responsibility to disclose in writing to the Governance Committee any such employment or activity and obtain the prior written approval of the Governance Committee.

(5) When to Consult the Ethics Officer.

Supervisors should consult with the Ethics Officer if there are any concerns that an Employee's outside employment or activity may result in or create an appearance of a conflict of interest with an Employee's duties and responsibilities.

(6) Rules About Negotiating for New Employment.

So long as such activities do not otherwise violate any of the provisions herein, Bank employees intending to terminate employment with the Bank are not prohibited from seeking or negotiating other employment, even if a prospective employer is a member, or has other dealings with the Bank, or from accepting reimbursement for reasonable expenses associated with interviews with a prospective employer such as meals and travel related expenses.

- (a) A Bank Employee who is negotiating or has any arrangement concerning future employment is considered to have a Financial Interest in the prospective employer and is therefore disqualified from taking any official act or participating in any particular matter, which may directly or indirectly affect the prospective employer.
- (b) Bank Employees involved in or having responsibility for matters involving a prospective employer should consult with their Supervisor or the Ethics Officer and should remove themselves from any participation in the matter(s) and take appropriate steps to insulate themselves from influencing the outcome of any such matter(s).

Q. Avoiding Other Conflicts of Interest: Ask If You Are Not Sure

Whenever you believe that your conduct or relationships with other employees, directors, relatives, members or Affiliated Persons has created a conflict of interest or the appearance thereof, you should immediately disclose the pertinent facts to the Ethics Officer, in the case of an Employee, and to the Chairman of the Audit Committee, in the case of a director, and seek guidance concerning appropriate resolution of the situation.

R. Prohibition on Actions to Influence Director Elections

- (1) Except as provided in paragraph III.R(2) of this section, an Employee or director may not:
 - (a) Communicate in any manner that a director, officer, attorney, Employee or agent of the Bank, directly or indirectly, supports or opposes the nomination or election of a particular individual for a directorship on the Bank's Board of Directors; or
 - (b) Take any other action to influence the voting with respect to any particular individual.
- (2) Exception.
 - (a) A Bank director, officer, attorney, Employee, or agent, acting in his or her personal capacity, may support the nomination or election of any individual for a member directorship, provided that no such individual shall purport to represent the views of the Bank or its board of directors in doing so.
 - (b) Notwithstanding paragraph III.R(1)(a) above, a Bank Director, officer, Employee and the Advisory Council of the Bank may support the candidacy of a Person nominated by the Board of Directors for election to an independent directorship.

S. Affordable Housing Program Conflicts of Interest Policy

The following policy applies regarding conflicts of interest in conjunction with the operations of the Bank's Affordable Housing Program and Equity Builder Program (collectively, the "AHP") and other subsidy and grant programs offered under Part 1292 of the FHFA's regulations ("CICA" programs). This policy shall apply to directors and employees of the Bank, and members of the Bank's Advisory Council, as well as to Immediate Family Members of the foregoing individuals.

- (1) It is the policy of the Bank, with respect to a project that is the subject of a pending or approved Bank AHP application or modification thereof, or a pending or approved CICA subsidy or grant, that no Bank director or Bank Employee shall participate in or attempt to influence decisions by the Bank regarding the evaluation, approval, funding, monitoring or any remedial process for such project, subsidy or grant if such director or Employee, or, to the knowledge of such director or Employee, an Immediate Family Member of such individual, has a Financial Interest in, or is a director, officer or Employee of an organization that is involved in, such project or is the beneficiary or proposed beneficiary of such subsidy or grant.
- (2) It is also the policy of the Bank, with respect to a project that is the subject of a pending or approved Bank AHP application or modification thereof, or a pending or approved CICA subsidy or grant, that no member of the Bank's Advisory Council shall participate in or attempt to influence decisions by the Bank regarding the approval for such project, subsidy or grant if such Advisory Council member, or, to the knowledge of such Advisory Council member, an Immediate Family Member of such individual, has a Financial Interest in, or is the director, officer, or Employee of an organization that is involved in, such project or is the beneficiary of such subsidy or grant.
- (3) Violations of this policy will be reported to the Governance Committee for appropriate remedial action.

T. How To Report Code Violations

(1) Duty to Report Code Violations.

If you believe or become aware that any violation of this Code or any illegal or potentially illegal activity has been engaged in by any Employee, director or third party acting on behalf of the Bank, you must promptly report the violation or illegal activity in person, by telephone or in writing, as follows:

- (a) *For accounting, internal accounting controls, Affordable Housing Program and auditing matters, including fraud or suspected fraudulent activity:*

- (i) The Director of Internal Audit, who will coordinate the review with the Audit Committee of the Board of Directors;
 - (ii) The Bank's Ethics Officer; or
 - (iii) The Bank's toll-free reporting hotline: (866) 294-9558 or reporting web site: www.ethicspoint.com
- (b) *For all other matters:*
- (i) The Bank's Ethics Officer; or
 - (ii) The Bank's toll-free reporting hotline: (866) 294-9558 or reporting web site: www.ethicspoint.com.

The Bank's reporting hotline may be used to report perceived ethics questions either by identifying yourself, or acting anonymously. Obviously, when and if a call by you prompts inquiry by the Ethics Officer or Director of Internal Audit, you must realize that it is typically more difficult to act on anonymous information than when the identity of the caller is known. But anonymous calls are a perfectly acceptable means of bringing perceived Code violations to the Bank's attention, and they will be investigated to the extent possible.

(2) Duty to Report Potential Violations of Law.

It is your responsibility to report illegal or potentially illegal acts. Illegal acts or improper conduct may subject the Bank to severe civil and criminal penalties. However, in many cases, if the Bank discovers and reports illegal acts to the appropriate governmental authorities, the Bank may possibly be subject to lesser penalties.

(3) Failing to Report is Itself a Violation of the Code.

Failing to report any Code violation or illegal or potentially illegal activity to those responsible for investigating such activities is a violation of this Code. If you have a question about this Code or whether particular acts or conduct may be illegal or constitute a Code violation, you should contact the Ethics Officer.

(4) When You Report, Be Specific.

You are encouraged to provide as much specific information as possible, including information about names, dates and places; a description of the events that took place; and your perception of why the incident(s) may constitute a violation of this Code or illegal or potentially illegal activity. You may also report your complaints on a confidential or anonymous basis by

telephone or mail. Individuals who choose to identify themselves will receive a reply to their report within 10 working days or as soon as practicable thereafter.

(5) “Need to Know” Confidentiality.

The Bank will keep confidential complaints of violations of this Code or any other misconduct, harassment or discrimination to the fullest extent possible consistent with the Bank’s need to conduct an adequate review.

(6) No Retaliation.

(a) The Bank is committed to promoting ethical business practices and achieving compliance with all applicable laws, including without limitation banking and securities laws and regulations, tax laws, employment laws, and accounting standards, accounting controls and audit practices.

(b) Any form of retaliation is prohibited. No reprisals or disciplinary action will be taken or permitted against individuals for good faith reporting of, or cooperating in the investigation of, illegal or potentially illegal acts or violations of this Code, including any violations of accounting and auditing matters.

U. Sanctions

(1) Individuals found to have violated the standards set forth in this Code may be subject to remedial or disciplinary action, which may be in addition to any penalty prescribed by law, up to and including discharge from employment or removal from the Board of Directors.

(2) Disciplinary action may include, but is not limited to:

(a) oral or written warning;

(b) suspension; or

(c) termination.

(3) Remedial action, when appropriate, may include, but is not limited to, divestment of conflicting interests, changes in assigned duties, or disqualification for a particular assignment or position.

V. Acknowledgement Form

After reading this Code, new employees are required to complete and sign (or e-sign) an Acknowledgement Form in the form required by the Ethics Officer. Such form acknowledges that such employees have reviewed and agree to abide by the Code.

The Bank's Ethics Officer will ensure that such acknowledgments are updated at least yearly by all Employees, along with a statement that such Employees have abided by the Code during the previous year. The Bank's corporate secretary will maintain similar documentation for Bank directors.

IV. Administration:

A. Roles and Responsibilities

- (1) Owner. The Bank's Ethics Officer shall be the owner of this Policy, responsible for maintaining (including reviewing and updating) this Policy.
- (2) Authorized Approver. The Board of Directors (with the recommendation of the Governance Committee) shall be authorized to approve all changes to this Policy.

B. Governance

- (1) Re-Adoption Frequency. The Owner of this Policy will be responsible for presenting this Policy for re-adoption by the Authorized Approver at least annually, whether or not any changes have been made. The Owner will also present this Policy for re-adoption by the Authorized Approver at any time that the Owner determines that a change is appropriate.
- (2) Review Frequency: The Owner of this Policy is expected to review this Policy on at least an annual basis, and to revise/update this policy (for re-adoption by the Authorized Approver) whenever the Owner deems such a revision/update to be necessary or appropriate.

C. Exception Management/Policy Interpretations

- (1) Approval of Exceptions. All exceptions under this Policy (other than exceptions affecting the President or a director) must be approved by the Bank's Ethics Officer or President and reported to the Authorized Approver.
- (2) Responsibility for Interpretations. The Bank's Ethics Officer (or with respect to the President or a director, the Chair of the Board's Governance Committee) is responsible for all interpretations of this Policy.
 - The Ethics Officer is available for consultation and guidance about the meaning and interpretation of this Code, and you should feel free to consult him/her without fear of retaliation or any consequences to your job simply because you asked. It is far better to ask a question than to act and find out later that your conduct violated our Code.

V. **Compliance Monitoring.**

The Bank's Ethics Officer shall be responsible for setting up and maintaining procedures designed to monitor compliance with this Policy.

VI. **Applicable Laws and Regulations:**

The following provisions of the Federal Home Loan Bank Act and FHFA Regulations are applicable to this Policy:

- 12 CFR §1261.11 (Board Conflicts of Interest)
- 12 CFR §1291.10 (AHP Conflicts of Interest)

VII. **Related Policies; Procedures:**

The following Bank policies cover subject matter that is related to this Policy:

- Conflict of Interest Policy
- Corporate Governance Principles
- Insider Trading Policy
- Regulation FD Policy

VIII. **Glossary/Definitions:**

This Code is necessarily detailed and complicated. If you do not understand any aspect of it, please contact the Bank's Ethics Officer for an explanation. DO NOT BE EMBARRASSED IF YOU ARE CONFUSED; CODES OF THIS NATURE ARE OFTEN HARD TO UNDERSTAND AT FIRST GLANCE.

To help you understand various terms used in this Code, we have provided some definitions for your use:

- (1) *Affiliate.* Any Person or Company, which Controls, is Controlled by, or is under common Control with, a member, including any bank holding company or savings and loan holding Company, any subsidiary, or any service corporation of a member.
- (2) *Affiliated Person.* An individual, not a Relative, with whom an Employee or director has a close personal, business or other relationship, such that their interaction as agents of the Bank or otherwise could affect the judgment or objectivity of either Person or create the appearance of a conflict of interest.
- (3) *Appropriate Regulatory Agency.* The appropriate federal banking agency as defined in section 3(q) of the Federal Deposit Insurance Act, as amended (12

U.S.C. § 1813(q)), or other federal or state regulatory agency with jurisdiction over the institution for institutions not governed by such section.

- (4) *Company.* Any corporation, partnership, trust (business or otherwise), joint-stock Company, joint venture, pool syndicate, sole proprietorship, unincorporated organization, or similar organization, or any other form of business entity not specifically listed in this section.
- (5) *Control.* The power to exercise a controlling influence over the management or policies of a Company. Any Person who owns beneficially, either directly or through one or more controlled companies, ten (10) percent or more of the voting securities of a Company shall be presumed to control such Company.
- (6) *Employee.* Any officer or Employee of the bank, including temporary employees and contracted employees. The Ethics Officer may, in his discretion, require consultants or others doing business with the Bank to sign Acknowledgements of this Code as a condition of performing services for the Bank.
- (7) *Financial Interest.* A Financial Interest of an Employee or director means the ownership or Control, directly or indirectly, by the Employee or director, his or her Immediate Family Members or any Related Interests of such Employee or director, of:
 - (a) Any shares of common or preferred capital stock;
 - (b) Any other equity security; or
 - (c) Any debt security or obligation (except deposit or savings accounts), including subordinated debt or trust preferred securities.

In addition, an Employee who is negotiating or has any arrangement concerning future employment with another entity is deemed to have a Financial Interest in that entity, as set forth in paragraph 6(a) and 6(b) of Section III.P.

- (8) *Financial Relationship.* A Financial Relationship of an Employee or director means any of the following relationships or activities of the Employee or director, his or her Immediate Family Members or a Related Interests of any of them:
 - (a) Any type of deposit or savings account;
 - (b) Any type of loan or extension of credit;
 - (c) Any type of insurance policy; or

- (d) A relationship involving payments to, or the receipt of payments from, a member for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such member's (or such Related Interest's) consolidated gross revenues.
- (9) *Governance Committee.* The Governance/Government Relations Committee of the Board of Directors.
- (10) *Immediate Family Member.* An individual's spouse, parent, child, sibling, or dependent, or any Relative sharing the same residence as the individual.
- (11) *Member.* An institution admitted to membership in the Federal Home Loan Bank of Boston. For purposes of this Code, the term "member" shall be deemed also to include an institution certified by the Bank as a housing associate pursuant to the regulations of the Federal Housing Finance Agency, or any successor thereto.
- (12) *Person.* An individual or a Company.
- (13) *Related Interest.* A Company that is Controlled by an Employee or director or by his or her Immediate Family Members.
- (14) *Relative.* Any Person related to a Bank Employee or director such as his or her parent, step-parent, child, step-child, brother, sister, step-brother, step-sister, half-brother, half-sister, spouse, uncle, aunt, first cousin, nephew, niece, father-in-law, mother-in-law, son-in-law, daughter-in-law; brother-in-law or sister-in-law
- (15) *Supervisor.* Any Employee whose position requires independent judgment to appoint, employ, promote, advance, assign, direct, reward, transfer, suspend, discipline, remove, adjust grievances or furlough any Person or to recommend any such action.

IX. Policy History Log:

Date Approved	Purpose	Author	Approved by
12-17-10	Amending language regarding accepting meals and entertainment from members and others	Carol Pratt	Governance Committee and Full Board of Directors
12-16-11	Editorial Cleanup, adding revision history log	Carol Pratt	Governance Committee and Full Board of Directors
6-29-12	Re-format to conform to Bank-wide formatting style (with some text moved to accommodate the new format)	Carol Pratt	Governance Committee and Full Board of Directors

Date Approved	Purpose	Author	Approved by
12-20-13	Annual review by Owner; editorial clean up	Carol Pratt	Governance Committee and Full Board of Directors
10-24-14	Annual review by Owner; minor clean-up and clarification.	Carol Pratt	Governance Committee and Full Board of Directors
10-23-15	Annual review by Owner; minor clean-up clarification, and conforming to other policies	Carol Pratt	Governance Committee and Full Board of Directors
10-28-2016	Annual review by Owner; add references to Bank Values of Integrity and Respect; simplified annual disclosure requirement.	Carol Pratt	Governance Committee and Full Board of Directors
10-27-2017	Annual review by Owner; added ban on trading consolidated obligations listed on Luxembourg exchange.	Carol Pratt	Governance Committee and Full Board of Directors