

WHISTLEBLOWER POLICY

Federal Home Loan Bank of Seattle Policy

Maintained by: Internal Audit

Reviewed by: Internal Audit

Approved by: Audit and Compliance Committee

Review Cycle: Annual

OVERVIEW

The Federal Home Loan Bank of Seattle (Seattle Bank) is committed to complying with all applicable laws, regulations, accounting standards, internal accounting controls, and audit practices. The Seattle Bank has adopted this Whistleblower Policy (policy) in order to:

- Encourage disclosure and investigation of improprieties before they can disrupt the business or operations of the Seattle Bank or lead to serious loss.
- Promote a climate of accountability with respect to Seattle Bank resources.
- Ensure that no employee should feel at a disadvantage in lawfully raising legitimate concerns.

The Audit Committee of the Seattle Bank's Board of Directors is responsible for establishing procedures for the receipt, retention, and treatment of complaints received by the Seattle Bank regarding accounting, internal accounting controls, or auditing matters.

Individuals are encouraged to report concerns regarding questionable accounting, internal accounting controls, auditing matters, and other matters as outlined in this policy. Any person may submit a good faith complaint, report, or concern regarding such matters without fear of dismissal or retaliation of any kind.

SCOPE OF POLICY

This policy relates to complaints, reports, and concerns about questionable accounting, internal accounting controls, or auditing matters, including, but not limited to:

- Fraud or error in the preparation, evaluation, review, communication, or audit of any financial statement of the Seattle Bank
- Fraud or error in the recording and maintaining of financial records of the Seattle Bank
- Deficiencies in or noncompliance with the Seattle Bank's internal accounting controls
- Misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports (including discussions in quarterly and annual reports), or audit reports of the Seattle Bank
- Deviation from full and fair reporting of the Seattle Bank's financial condition

This policy also relates to reports of violations, including violations of:

- Applicable laws, rules, and regulations
- The Seattle Bank's Code of Ethics
- Any other code, policy, or procedure established by the Seattle Bank. This policy is not intended to address employment relations issues involving employee grievances and related complaints, such as complaints regarding harassment or discrimination, that are normally handled by the Seattle Bank's Human Resources area. Those issues should be reported and addressed in accordance with the *Employee Handbook*.

REPORTING PROCESS

The Seattle Bank has retained a third-party provider, Ethicspoint, to accept, verify, and log any complaints received. Any individual with concerns regarding questionable accounting, internal accounting controls, or auditing matters can anonymously report a complaint through Ethicspoint by telephone or the Internet at:

- Telephone Number: 866.384.4277
- Internet Address: www.ethicspoint.com

Alternatively, any person wishing to communicate directly with an individual at the Seattle Bank to register a complaint may contact the Seattle Bank's Director of Auditing by phone at 800.973.6223 or by mail at 1501 Fourth Avenue, Suite 1800, Seattle, WA 98101. If a complaint involves either the Director of Auditing or any member of the Audit Committee, the complaint can be reported directly to the Seattle Bank's Chief Counsel.

The reporting individual should provide names, dates, places, and other details sufficient to facilitate an effective investigation.

CONFIDENTIALITY

To help facilitate an effective investigation, the Seattle Bank encourages individuals to identify themselves when making a complaint. However, any person who does not want to be identified is entitled to register a complaint anonymously.

The Seattle Bank will treat all complaints in a confidential manner. If a person has identified himself or herself when making a complaint in good faith, the Seattle Bank will exercise particular care to keep the person's identity confidential until a formal investigation is launched. Thereafter, the identity of the person who registered the complaint will be kept confidential unless disclosure is necessary to complete a fair investigation or for another overriding reason, or as required by law or regulation.

HANDLING OF COMPLAINTS

Upon receiving a complaint under this policy, Ethicspoint will notify the Director of Auditing, the Chair of the Audit Committee of the Seattle Bank's Board of Directors, and an additional Audit Committee member designated by the Chair of the Audit Committee that a complaint has been received. If the Director of Auditing receives a complaint directly, he or she will notify the Chair of the Audit Committee and the designated Audit Committee member. No person who is the subject of a complaint will receive such a notification.

Upon receiving notice of a complaint, the Internal Audit Department will undertake a preliminary investigation on behalf of the Audit Committee to determine if the information can be substantiated. Upon receiving the results of the preliminary investigation, the Chair of the Audit Committee and his or her designee will determine any further action required to follow up on the complaint. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.

The Internal Audit Department will maintain a log of all complaints reported to Ethicspoint, tracking their receipt, investigation, and resolution. A periodic summary report will be provided to the Audit Committee for all registered complaints.

NO RETALIATION

The Seattle Bank will not permit any negative or adverse actions to be taken against any employee or individual because that person has registered a complaint in good faith about questionable accounting, internal accounting controls, auditing matters, or other matters, even if the complaint was mistaken. Retaliation, in any form, will not be tolerated. Any act of alleged retaliation should be reported immediately and will be promptly investigated.

DOCUMENT HISTORY

Last Reviewed/Amended: July 13, 2011

First Approved: June 24, 2004