

Risk Policy and Capital Committee Charter

1. *Purpose of the Committee and Duties to Conservator.* The purpose of the Risk Policy and Capital Committee (the “Committee”) shall be to assist the Board of Directors of Fannie Mae (the “Board”) in overseeing Fannie Mae’s Enterprise Risk Management Program (as defined below in 3 i.) and the alignment of the Enterprise Risk Management Program with Fannie Mae’s mission and safety and soundness objectives. The Board members of Fannie Mae serve on behalf of the Federal Housing Finance Agency (“FHFA”), as Conservator of Fannie Mae, and shall exercise authority as directed by the Conservator. The Committee shall consult with and obtain approval of the Conservator before retaining outside legal counsel to advise the Committee, as specified in Section 6 below.
2. *Members.* The Committee shall consist of at least three Board members, including an independent chair, appointed by the Board upon recommendation by the Nominating and Corporate Governance Committee of the Board.

Further, in accordance with the requirements of 12 C.F.R. 1239.11(b) and the status of Fannie Mae in Conservatorship the Committee shall:

- i. Be chaired by a Board member not serving in a management capacity at Fannie Mae;
 - ii. Have at least one member with risk management experience that is commensurate with Fannie Mae’s inherent risks, capital structure, risk appetite, complexity, activities, size, and other appropriate risk-related factors; and
 - iii. Have Committee members that have, or that will acquire within a reasonable time after being elected to the committee, a practical understanding of risk management principles and practices relevant to Fannie Mae.
3. *Risk and Capital Management Oversight Duties and Responsibilities of the Committee.* The Committee shall carry out its risk and capital management oversight by:
 - i. Recommending for Board approval the enterprise risk management program establishing Fannie Mae’s risk policies, risk appetite, aligning the risk appetite with Fannie Mae’s strategies and objectives, addressing Fannie Mae’s exposure to credit risk (including mortgage default and counterparty risks), market risk (including interest rate, currency, prepayment, funding liquidity and market liquidity risks), operational risk (including process, design, execution, third party, environment, technology, model and cybersecurity risks), strategic, reputational and compliance risk and any other emerging risks, establishing appropriate policies and limits for Board approval to address these risks, in each case, consistent with any applicable Conservator directives, 12 CFR sec 1239.11(b)(2) and Fannie Mae’s capital structure, complexity, activities and size (the “Enterprise Risk Management Program”);

- ii. Overseeing and periodically reviewing the Board-approved Enterprise Risk Management Program and making recommendations to the Board for approval of changes to the Enterprise Risk Management Program as appropriate, including any recommended changes to enterprise risk policies, the enterprise risk appetite, or the Board-level risk limits;
 - iii. Overseeing a periodic review of the aggregated risks of the Company to provide the Committee with a view of credit, market and operational risk and strategic, reputational and compliance risks as addressed by the Enterprise Risk Management Program. A number of these risks are primarily overseen by either the Board (strategic and reputational risk) and other Committees of the Board (e.g., compliance) so, where another Committee of the Board has primary oversight of an area of risk, the Committee will at least annually reviews with such other Committee the scope of that Committee's risk oversight to confirm ongoing appropriateness and adequacy;
 - iv. Overseeing development of capital management policies which may be directed by the Conservator and may address current and projected capital levels and capital allocation, and which shall comply with any applicable Conservator requirements regarding capital;
 - v. Overseeing the Chief Risk Officer ("CRO"), the CRO shall report directly to the Chief Executive Officer and independently to the Committee, and the Committee shall approve all decisions regarding the appointment or removal of the CRO, and shall consult with the Compensation Committee of the Board regarding the compensation of the CRO, and:
 - a. The CRO shall report regularly to the Committee on significant risk exposures and related controls, proposed changes to the risk appetite or Board-level risk limits, risk management strategies, results of risk management reviews, and emerging risks; and
 - b. The CRO shall also report regularly on Fannie Mae's compliance with, and the adequacy of, its current risk management policies, and shall recommend to the Committee any adjustments to such policies that he or she considers necessary or appropriate.
 - vi. Reviewing periodically the capabilities for, and adequacy of resources allocated to, Enterprise-wide risk management.
4. *Reports from Management.* The Committee shall participate in discussions and receive periodic reports or analysis covering emerging risks as well as standard risk reports from management on matters relating to risk and capital pursuant to a reporting schedule that the Committee Chair develops in consultation with the CRO and management, which may include the following:
- i. Emerging risk issues as identified by management or the Committee;
 - ii. Enterprise-wide Risk Management Program;

- iii. Enterprise risk exposure and appetite, including risk levels relative to limits;
 - iv. Risk assessments with respect to emerging, evolving and ongoing risks;
 - v. Enterprise capital position and internal economic capital assessment, as appropriate given status in Conservatorship;
 - vi. Stress-testing of cash flows, capital and earnings to risk and macroeconomic scenarios;
 - vii. Compliance with applicable FHFA regulations regarding risk management, capital management and enterprise-wide risk management policies;
 - viii. Aggregated view of enterprise risks, including credit, market and operational risks as well as other risks such as strategic, reputational and compliance;
 - ix. Enterprise risk environment and culture;
 - x. Independent benchmarking of Fannie Mae practices in the area of risk management.
5. *Annual Review.* The Committee will annually evaluate the performance of the Committee and the adequacy of its charter.
6. *Outside advisors.* Subject to the Conservator's approval, the Committee shall have the authority to retain and terminate such outside legal counsel as it determines appropriate to assist it in the full performance of its functions. The Committee shall also have sole authority to retain and terminate such other experts and advisors as it determines appropriate to assist it in the full performance of its functions, and approve any such experts' or advisors' fees and other retention terms. Fannie Mae shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisor retained by the Committee.
7. *Meetings.* The Committee shall develop a calendar for its meetings and devote such time as it deems necessary to fulfill its duties, and shall meet as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically, and at such times and places as the Committee shall determine. The Committee may elect to meet from time to time in executive session with the Chief Executive Officer, Chief Risk Officer, Chief Financial Officer, Chief Compliance Officer, Chief Audit Executive or any other officer, as it deems appropriate. The Committee shall fully document and maintain records of its meetings. The Committee may meet in joint session with another Committee of the Board or with the Board in fulfilling its oversight duties and responsibilities. In addition, where another Committee of the Board has primary oversight of an area of risk, the Committee at least annually shall review with such other Committee the scope of that Committee's risk oversight to confirm ongoing appropriateness and adequacy. The Committee shall report directly to the Board, and shall make regular reports to the Board on its activities, making recommendations for Board action as appropriate. These reports shall generally occur at the Board meetings, after each Committee meeting, or at such other times as the Committee deems appropriate.

8. *Subcommittees.* In its discretion, the Committee may establish and delegate responsibilities to subcommittees consisting of one or more members, who shall report on their activities to the Committee.

Charter Last Approved: January 16, 2020.