

# NCIA POLICIES AND PROCEDURES

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**NCIA Reference:** NCIA-CHARTER-3002  
**Title:** Compliance, Risk and Ethics Committee Charter  
**Chapter:** CIO-Approved  
**Current Effective Date:** January 1, 2026  
**Original Effective Date:** January 1, 2026

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## **I. STATEMENT OF PURPOSE**

The Compliance, Risk, and Ethics Committee (“CRE Committee”) shall provide assistance to the Chief Investment Officer to enable the North Carolina Investment Authority (“NCIA”) to operate according to the highest ethical standards and in accordance with applicable laws and regulations.

## **II. MEMBERSHIP**

The Committee shall consist of the following four regular members:

1. General Counsel (Co-Chair)
2. Chief Risk & Operating Officer (Co-Chair)
3. Compliance Counsel (appointed by the General Counsel for at least annual terms)
4. Compliance Officer (Secretary)

Other legal, compliance, and risk staff may be included in one or more of the Committee’s meetings on an ad hoc basis. In addition to the above listed members, other staff may receive meeting invites and meeting materials as “participating persons” including subject matter expert representatives from the HR, IT/IS, and Accounting functions. Such participating persons may attend meetings and engage in discussions.

## **III. COMMITTEE MEMBER DUTIES**

All Committee members shall proactively discharge the following duties in accordance with the applicable fiduciary standards of care as described in N.C.G.S. § 147-70.76:

1. Provide independent technical advice within their areas of expertise and span of control
2. Understand, evaluate, and advise on statutory, regulatory, policy, and investment compliance, enterprise risk management, and ethical behavior matters issues
3. Engage in constructive, fair, open, and critical deliberations within the Committee
4. Engage in a collaborative and cooperative consensus-building process that promotes excellence in the NCIA’s programs

## **IV. RESPONSIBILITIES**

The Committee’s responsibility is to provide oversight and advice on statutory, regulatory, policy, and investment compliance, enterprise risk management, and ethical behavior matters.

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The Committee may delegate its duties to Employees of NCIA, seek input from subject matter experts or other advisors within NCIA, and utilize third-party consultants as the Committee deems appropriate and necessary to fulfill its duties and obligations. To assist it in carrying out its responsibilities, the Committee may also form and delegate authority to subcommittees consisting of one or more members when appropriate.

The Committee shall perform oversight functions to ensure, on an ongoing basis, that NCIA employees take the following actions, as appropriate:

1. Facilitate the development, implementation, and operation of an effective compliance, enterprise risk management, and ethics program; resolve issues of interpretation regarding that program; and promote a culture that encourages law-abiding and ethical conduct.
2. Monitor adherence to NCIA compliance, enterprise risk management, and ethics policies and procedures and implement corrective action as needed to prevent the occurrence of unlawful or unethical behavior and develop and implement appropriate solutions for compliance issues.
3. Develop and provide oversight for programs that assess the risks of non-compliance with applicable laws or regulations and of unethical conduct by employees, and, as appropriate, suppliers, stakeholders, or constituents.
4. Assess the development and appropriateness of policies and procedures for the NCIA as requested by the Chief Investment Officer. If the Committee concludes, after analyzing particular policies or risks, that policies or procedures need to be further developed, it will delegate that responsibility and evaluate the new proposed policies or procedures at a later meeting.
5. Review NCIA insurance policies, as needed.
6. Conduct periodic meetings (at least once quarterly) that specifically focus on IT risks and concerns with input from the IT and Information Security Officer representatives as needed.
7. Increase employee, and as appropriate, supplier, stakeholder, and constituent awareness of compliance and ethics-related policies and procedures through training, distribution of codes of conduct, notifications regarding reporting methods available for possible violations, and other compliance communications.
8. Assess sufficiency of resources to ensure operating units have appropriate authority and support to fulfill their responsibilities relating to the compliance, enterprise risk management, and ethics programs.

As required by various policies, the Committee shall review and advise on the following:

1. Employees' Internal SEI forms and Transaction Reports;
2. Restricted List add/deletes;

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3. Employees' potential Conflict of Interests and, if a conflict is identified, specify what mitigation measures are required to address and mitigate the conflict; and
4. Requested waivers to the Ethics and Conduct Policy, after which the Committee shall provide a recommendation to the Chief Investment Officer.

The Committee functions as the NCIA EEO Committee and the responsibilities of the Committee in this capacity include, but are not limited to:

1. Assisting in the development and implementation of the EEO plan and program;
2. Maintaining an appropriate workforce for the NCIA; assisting in the establishment of program objectives;
3. Providing a work environment and management practices which support equal opportunity in all terms and conditions of employment; and
4. Assisting the EEO Officer, as appointed by the Chief Investment Officer, in periodic evaluations to determine the effectiveness of the EEO Program.

The Committee may be involved to varying degrees in the investigation of alleged improper activities as more fully described in Appendix 1.

## V. MEETINGS AND ACCOUNTABILITY

The Committee shall meet in person or through an available remote platform, generally on a quarterly basis and may meet more frequently when deemed appropriate by the members. The Committee may meet in executive session outside the presence of employees not on the Committee and the Co-Chairs can meet as a subcommittee in executive session at any time. At least annually, the Committee will meet in executive session with the Chief Investment Officer. The Co-Chairs are responsible for maintaining a register of all activities undertaken by the Committee.

The Co-chairs shall periodically provide progress reports to the NCIA Operating Committee and are responsible to escalate any lack of consensus within the CRE Committee to the Chief Investment Officer.

## REVIEW/REVISION HISTORY

Version	Date Approved	Description of Changes
1.0	1/1/2026	New Charter

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## Appendix 1: Investigation of Alleged Improper Activities Procedures

Generally, an employee should report alleged improper activity within the NCIA to his or her supervisor or any of the following: Compliance Officer, General Counsel, or Chief Investment Officer. However, if circumstances make such reporting difficult or problematic, such reports may be made to the NCIA Ethics Hotline. Employees are encouraged to report evidence of improper activity by NCIA, any NCIA Employee, or Vendor including but not limited to:

1. A violation of State or federal law, rule, or regulation;
2. A violation of a provision of NCIA policy;
3. Fraud, waste, or abuse;
4. Misappropriation or misuse of State resources;
5. Performance of a job-related act that is a substantial and specific danger to public health and safety; or
6. Gross mismanagement, gross waste of money, or gross abuse of authority.

Upon receipt of a report, the General Counsel shall expeditiously determine whether a reasonable basis exists for commencing a formal investigation into the report (“Preliminary Fact-Finding”). If the General Counsel is unable or unavailable to lead this Preliminary Fact-Finding exercise, the Chief Investment Officer may appoint internal Compliance Counsel, external counsel, or other entities to lead and/or assist. In making a determination of whether to conduct a formal investigation, the General Counsel may enlist the assistance of other appropriate parties based on their oversight, responsibility, or expertise, including the CRE Committee as the General Counsel deems necessary.

The investigation of reports of alleged improper governmental activities shall be prompt. To the extent permitted by applicable law, all reports of alleged improper activities within the NCIA will be handled in a confidential manner pursuant to this Policy.

At the conclusion of the Preliminary Fact-Finding exercise:

1. If the General Counsel determines that there is not enough evidence to indicate a violation has occurred, the complainant should be notified in writing. The CRE Committee should be advised of the closure of the matter at its next regular meeting, while maintaining appropriate confidentiality. The matter should be added to the Committee register.
2. If the General Counsel determines that the Preliminary Fact-Finding results indicate that a formal investigation is warranted, the following steps should be followed:
  - The General Counsel will lead the investigation, unless the Chief Investment Officer appoints internal Compliance Counsel, external counsel, or other entities to lead (“Investigator”);
  - The Investigator is responsible for gathering and documenting objective information through interviews and other means, maintaining appropriate confidentiality, and

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consulting with the CRE Committee, or an ad hoc subcommittee, as reasonable under the circumstances;

- The Investigator will prepare a draft Final Report to include a summary of the complaint, issues investigated, witnesses and summary of interviews, findings, any remedial actions commenced, and recommendations;
  - The Chief Investment Officer will receive the draft Final Report and may direct the CRE Committee or an ad hoc subcommittee to opine on the findings and recommended actions;
  - The Chief Investment Officer is responsible for working with NCIA management to make final determinations of disciplinary and corrective actions and implement measures to prevent future issues and provide education to prevent reoccurrence.
  - The CRE Committee should be advised of the closure of the matter at its next regular meeting, while maintaining appropriate confidentiality. The matter should be added to the Committee register.
3. If the Chief Investment Officer reasonably concludes exigent circumstances exist, then he or she is authorized to waive any of the above process requirements and direct the use of alternative approaches to achieve the same goals and objectives.