



# North Carolina Retirement Systems

NC 401(k) & NC 457 Plans

## MEMORANDUM

TO: Supplemental Retirement Board of Trustees

FROM: Reid Chisholm, Assistant General Counsel

DATE: February 26, 2026

SUBJECT: Revised Governance Policies

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The Investment Modernization Act (North Carolina Session Law 2025-6) transferred the investment responsibilities of the Treasurer of the State of North Carolina (Treasurer) to a new agency, the North Carolina Investment Authority (NCIA). The Department of State Treasurer (DST), which administers the Supplemental Retirement Plans (SRP) jointly with the Supplemental Retirement Board of Trustees (Board), provided investment staff to support SRP. With the transfer of investment duties from the Treasurer to NCIA, in December the Board requested that NCIA provide the investment support that was previously provided by DST, and the request was approved by the NCIA Board of Directors. NCIA's support for SRP is documented in the revised Statement of Investment Policy for the NC 401(k) and NC 457 Plans, which was approved by the Board in December.

Staff updated the following Governance Policies to reflect the change from DST's Investment Management Division to NCIA, as well as several other minor edits:

1. Board Charter;
2. Investment Transaction Disclosure Policy; and
3. Proxy Voting Policy.

The proposed changes are tracked in the attached policies.

### Recommendation

Staff recommends the Board approve the revised policies in the attachments.

# CHARTER

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## NORTH CAROLINA SUPPLEMENTAL RETIREMENT BOARD OF TRUSTEES

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### I. Purpose and Authority

The North Carolina Supplemental Retirement Board of Trustees (the “Board”), in conjunction with the North Carolina Department of State Treasurer (the “Department”), administers the Supplemental Retirement Income Plan of North Carolina (the “NC 401(k) Plan”) and the North Carolina Public Employee Deferred Compensation Plan (the “NC 457 Plan”). The NC 401(k) and NC 457 Plans are referred to as the “Plans”). In addition, the North Carolina Investment Authority (“NCIA”) provides monitoring, evaluation, reporting, and other support for the Plans’ investments.

The Board has a fiduciary duty to establish, manage, and oversee all aspects of the Plans for the exclusive benefit of participants and their beneficiaries. This Charter establishes the general structure of the Board in discharging these duties and is always subject to the North Carolina General Statutes. N.C.G.S. §§ 135-91(a), 135-91(c), 135-91(d), 135-96, and 143B-426.24.

### II. Composition

The composition of the Board and the terms of its members are established by N.C.G.S. § 135-96. The Board consists of nine members, who serve staggered terms. All members are voting members.

#### A. Membership

The Treasurer of the State of North Carolina serves *ex officio*. N.C.G.S. § 135-96(b)(4). The Treasurer may designate a member of the Department to act at any meeting of the Board from which the Treasurer is absent. The Treasurer’s designee may act to the same extent that the Treasurer could act if in attendance at such meeting. An ongoing designation – versus a designation for a single meeting – by the Treasurer must be in writing and filed with the Board. N.C.G.S. § 135-96(d).

Six members serve by appointment of the Governor. All six appointees must have experience in finance and investments, with one appointee being a State employee and one being a retired State or local governmental employee. These members serve at will and can be removed at any time and for any reason, upon written notice from the Governor. N.C.G.S. § 135-96(b)(1).

One member serves by appointment of the General Assembly, upon the recommendation of the Speaker of the House of Representatives. N.C.G.S. § 135-96(b)(2).

One member serves by appointment of the General Assembly, upon the recommendation of the President Pro Tempore of the Senate. N.C.G.S. § 135-96(b)(3).

## B. Terms

The Treasurer, as an *ex officio* member, serves for as long as he or she holds office. N.C.G.S. § 135-96(b)(4).

The eight appointed members of the Board serve three-year terms.

An appointed member shall continue to serve on the Board until the member's successor is appointed, but such holdover does not affect the expiration date of the successor's term. N.C.G.S. § 135-96(c1).

No appointed member of the Board may serve longer than any of the following (collectively, the "Term Limits"): (1) two consecutive three-year terms; (2) three consecutive terms of any length; or (3) eight consecutive years, regardless of term lengths. N.C.G.S. § 135-96(c1). The first of the three limits in the preceding sentence that applies to a member is referred to as the "Member's Term Limit."

Notwithstanding the foregoing, the Board acknowledges:

1. An appointing authority may fail to appoint a successor prior to the end of a Member's Term Limit;
2. The Board is not legally authorized to appoint a replacement in the absence of action by the appointing authority;
3. N.C.G.S. § 135-96(c1) permits a member to serve on the Board until the member's successor is appointed;
4. N.C.G.S. § 128-7 states that "[a]ll officers shall continue in their respective offices until their successors are elected or appointed, and duly qualified;" and
5. North Carolina Constitution Art. VI, Sec. 10 states that "[i]n the absence of any contrary provision, all officers in this State, whether appointed or elected, shall hold their positions until other appointments are made or, if the offices are elective, until their successors are chosen and qualified."

Therefore, the Board:

- a. Directs Departmental staff to provide a written request to the appointing authority to appoint a replacement upon the expiration of a Member's Term Limit and every six months thereafter; and
- b. Permits a member to remain on the Board pending the appointment of a replacement by the appointing authority, notwithstanding the Term Limits.

### III. Officers

#### A. Chair

The Treasurer serves as Chair of the Board *ex officio*. N.C.G.S. § 135-96(b)(4). The Chair's duties and authority include, without limitation, the following: (1) conducting meetings of the Board; (2) calling special and emergency meetings of the Board; (3) appointing members and chairs of the Board's subcommittees (subject to the Board's ratification); (4) enforcing the policies of the Board; and (5) recommending the appointment or removal of members. The Chair may delegate his or her duties to another member of the Board or the Department during the Chair's absence.

#### B. Secretary

The Department's Director of the Supplemental Retirement Plans serves as Secretary of the Board unless the Treasurer appoints a member of the Board or another member of the Department's staff. The Secretary is responsible for the following: (1) assisting the Chair in conducting meetings in an efficient and effective manner and in compliance with applicable laws and policies; (2) maintaining a current list of Board members, with their contact information and Board terms; (3) providing a meeting agenda and materials to Board members in advance of each meeting; (4) assisting the Board in scheduling meetings; (5) notifying members of the public of meetings in compliance with North Carolina's open meetings law (N.C.G.S. Chap. 143, Art. 33C, the "Open Meetings Law"); (6) accepting service of process on behalf of the Board; and (7) other duties as assigned by the Chair or the Board.

### IV. Meetings

#### A. Schedule

The Board shall establish an annual schedule of at least quarterly meetings of the Board. Special or emergency meetings of the Board may be called by the Chair or a majority of the current members of the Board.

#### B. Notices and materials

The Board's and its subcommittees' annual schedule and all meeting notices shall be posted on the Department's website and shall be posted as otherwise required by the Open Meetings Law. The Board and its subcommittees shall post their agendas and materials on the Department's website.

#### C. Open meetings

All meetings shall be conducted in compliance with the Open Meetings Law, which applies to meetings of the Board or a subcommittee at which a quorum is present. All

meetings shall be open to the public, unless closed by vote of the Board or subcommittee in compliance with the Open Meetings Law. Members of the public shall be permitted to speak at all meetings. The Board Chair or subcommittee chair may reasonably limit the time for public comment.

D. Minutes

Departmental staff shall take the official minutes of all meetings. The minutes are subject to approval by the Board.

E. Quorum and voting

Any action by the Board or a subcommittee requires a majority vote of the members in attendance, provided that a quorum exists at the time the vote is taken. A quorum of the Board or a subcommittee requires a majority of the members currently serving on the Board or the subcommittee. All members of the Board or a subcommittee are voting members and are permitted to make motions.

F. Attendance

Each member is expected to attend all Board meetings and if a member serves on a subcommittee, all subcommittee meetings. Members may attend meetings in person, by phone, or by videoconference.

V. Duties

A. Standard of care

Members of the Board shall act at all times:

1. Solely in the best interests of participants and beneficiaries and for the exclusive purpose of providing their benefits; and
2. With the care, skill, and prudence exercised by reasonable trustees in similar situations.

B. Responsibility

The Board is responsible at all times for the administration of the Plans, including plan design, investment managers and vendors, plan documents, fees, and policies. The Board may delegate primary administrative responsibilities to Departmental staff, Board subcommittees, [NCIA staff](#), and vendors but shall always remain responsible for the Plans and for the oversight of such delegees.

C. Plan design

The Board is responsible for selecting, monitoring, and (as necessary) replacing the investment options and features of the Plans, including any asset allocation model or target-date fund.

D. Investment managers and vendors

The Board shall select, monitor, and replace investment managers and funds and the recordkeeper, custodian, auditor, investment consultant, and any other key vendor, as determined by the Board.

E. Plan documents, fees, and policies

The Board is responsible for establishing, monitoring, and revising the plan documents, administrative fees, policies, and rules for the administration of the Plans.

F. Delegation

The Board may delegate primary responsibility for the following matters to [NCIA staff](#), Departmental staff, a subcommittee of the Board, an investment consultant, and/or another entity or person retained by the Board: (1) selection of non-key vendors; (2) contracting with investment managers and funds and other vendors; (3) day-to-day compliance, monitoring, operations, management, and legal affairs; (4) performance and cost monitoring and reporting; (5) plan design monitoring and reporting; (6) recommendations regarding investment options, managers, funds, and plan features; (7) preparation of financial statements and auditing; and (8) communications and marketing. As noted above, the Board remains ultimately responsible at all times for the Plans and for the oversight of any delegees.

G. Ethics and training

Board members shall file all disclosures and complete all ethics training that are required by the North Carolina State Ethics Commission or state law. Board members shall complete orientation training within 90 days of joining the Board and shall complete fiduciary training on an annual basis. The orientation and fiduciary training shall be provided by Departmental staff.

**VI. Subcommittees**

The Board has one standing subcommittee – the Audit Subcommittee. In addition, the Board may appoint ad hoc subcommittees as needed to address specific issues of limited scope. Subcommittees consist of at least three but not more than four Board members. Members and chairs of subcommittees are appointed by the Board Chair and ratified by

Board Members. The chair of a subcommittee may delegate his or her duties to another member of the subcommittee or the Department during the chair's absence.

The Audit Subcommittee oversees the audit process for the NC 401(k) and NC 457 Plans, discusses audit-related issues with the external auditor, accepts the financial statements of the NC 401(k) and NC 457 Plans, and reports to the Board following the subcommittee's meetings. The subcommittee also ensures Departmental and vendor accountability on internal controls, including following up on any management letter comments from the previous year. The subcommittee has two regularly-scheduled meetings – an initial meeting with the external auditor in February and a meeting in July to hear the auditor's report and accept the financial statements.

The primary responsibility for monitoring investment options, managers, and policies rests with the full Board, instead of a separate investment subcommittee. The duties of the investment subcommittee, as described in the Plans' investment policy statement, are consolidated with the functions of the full Board. However, the Board may create an investment subcommittee on a temporary or ad hoc basis as necessary to address specific investment-related issues. In discharging its duties, the Board or an investment subcommittee shall obtain the assistance of an investment consultant, NCIA staff, and/or Departmental staff and any other parties as determined by the Board or the subcommittee.

## **VII. Staff**

The Treasurer may appoint members of the Department and NCIA to serve as staff to the Board and its subcommittees, subject to removal or replacement by the Board. The Board and its subcommittees may request legal, compliance, operational, communications, and/or other assistance from staff.

Adopted by the Board, this 26<sup>th</sup>22<sup>nd</sup> day of May-February, 20265.

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Bradford B. Briner  
North Carolina State Treasurer  
Chair, North Carolina Supplemental Retirement Board of Trustees

**NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS  
INVESTMENT TRANSACTION DISCLOSURE POLICY**

Revised ~~effective January 1, 2026~~ August 21, 2025

**I. Purpose**

- A. Background.** The North Carolina Department of State Treasurer (the “Department”) and the North Carolina Supplemental Retirement Board of Trustees (the “Board”) serve as fiduciaries and administrators of the Supplemental Retirement Income Plan of North Carolina (the “NC 401(k) Plan”) and the North Carolina Public Employee Deferred Compensation Plan (the “NC 457 Plan,” and with the NC 401(k) Plan, the “Plans”). The Board and the Department create investment options for the Plans’ participants and retain Investment Managers (as defined in Section VIII) to manage the assets in the investment options. In addition, the North Carolina Investment Authority (“NCIA”) provides monitoring, evaluation, reporting, and other support for the Plans’ investments.
- B. Goals of this Policy.** This *Investment Transaction Disclosure Policy* (this “Policy”) promotes transparency and high ethical standards in identifying, evaluating, negotiating, and entering into Investment Transactions (as defined Section II.A), including the selection of Investment Managers. This Policy helps the Board and the Department to identify the sources of Investment Transactions and potential conflicts of interest in the Investment Transaction process.

**II. Application**

- A. Generally.** This Policy applies to (1) agreements between the Board and the Department and an Investment Manager to invest, commit to invest, manage, or transition the Plans’ assets; and (2) Substantive Amendments (as defined in Section VIII) to such agreements ((1) and (2) collectively, “Investment Transactions”).
- B. Transition Management.** For transition management services, this Policy applies to the original transition management agreement governing the relationship with the transition manager and Substantive Amendments to such agreement. This Policy does not apply to a scope of services for each transition handled by the transition manager.
- C. Manager of Managers.** This Policy applies to an Investment Manager that selects and manages underlying Investment Managers on behalf of the Board and the Department in a fund-of-funds structure (a “Manager of Managers”). This Policy does not apply to the underlying Investment Managers retained by a Manager of Managers or to insurance companies for the NC Stable Value Fund. Only the Manager of Managers must provide disclosures in regards to the Board and the Department.

### III. Disclosures

- A. Disclosure Form.** Prior to entering into an Investment Transaction, an Investment Manager shall complete and sign the Disclosure Form attached to this Policy. The Compliance Counsel (as defined in Section VIII) may request additional disclosures from the Investment Manager or a person or entity named by the Investment Manager on the Disclosure Form, including a person or entity who meets the definition of a Placement Agent. For a Substantive Amendment, an Investment Manager shall complete the Disclosure Form based on the circumstances surrounding the Substantive Amendment, not the original Investment Agreement (as defined in Section VIII). In completing the Disclosure Form, an Investment Manager may rely on the names of Key ~~Plan Departmental~~ Members (as defined in Section VIII) provided by the Department. During the discussion of the Investment Transaction and the term of any Investment Agreement, the Investment Manager shall update the Disclosure Form as needed to maintain the accuracy and completeness of the Investment Manager's responses to Question 6 and 7 on the Disclosure Form.
- B. ~~NCAIMD~~.** ~~NCAIMD~~ staff shall disclose to the Compliance Counsel and the Chief Investment Officer the name(s) of the person(s) who presented the Investment Transaction to ~~NCAIMD~~ (i.e., the source) or the Investment Consultant and the person(s) who communicated with ~~NCAIMD~~ staff or the Investment Consultant on behalf of the Investment Manager regarding the Investment Transaction. In addition, if ~~NCAIMD~~ staff makes an initial contact to a Placement Agent or recommends that the Investment Manager use a Placement Agent, such contact or recommendation must be disclosed to the Compliance Counsel and the Chief Investment Officer. ~~NCAIMD~~ staff shall provide the disclosures required by this section in (i) the investment recommendation memorandum required by the Manager Selection Policy (the "IRM"); or (ii) in an email or other writing sent to the Compliance Counsel and the Chief Investment Officer.
- C. Investment Agreement.** The Investment Agreement shall include a representation by the Investment Manager that the Disclosure Form is complete and accurate.
- D. Transparency.** Disclosure Forms are public records under N.C. Gen. Stat. Chap. 132 (the "Public Records Act"), and the Department may post Disclosure Forms on its public website. The Investment Manager and the people and entities who provide additional disclosures pursuant to this Policy understand and acknowledge that in order for information provided to the Department to be eligible for the "trade secret" exception to the Public Records Act in N.C.G.S. § 132-1.2(1), the information must (i) constitute a trade secret as defined in N.C.G.S. § 66-152(3); and (ii) be marked or designated as "confidential" or as a "trade secret" at the time of its initial disclosure to the Treasurer. Furthermore, the Investment Manager and

people and entities who provide additional disclosures understand and acknowledge that regardless of whether material is marked “confidential” or “trade secret,” it will be exempted from the Public Records Act only to the extent authorized by North Carolina law.

#### **IV. Requirements and Prohibitions**

**A. Compliance with this Policy.** The Board and the Department shall not enter into an Investment Transaction unless the provisions of this Policy have been complied with.

**B. Requirements to Use Placement Agents.** If an Investment Manager uses a Placement Agent to market, promote, or sell an Investment Transaction, the Treasurer shall not enter into such Investment Transaction unless the following criteria are met:

1. The Placement Agent is registered with the U.S. Securities and Exchange Commission or the Financial Industry Regulatory Authority, or has a comparable foreign registration;
2. The Placement Agent is in the habitual, systematized business of marketing, promoting, or selling investment opportunities to potential investors;
3. The Placement Agent does not share any of its Compensation with a person or entity that does not meet the criteria of Subsections B.1 and B.2;
4. The Board, the Department, the Fund, and the Plans shall not bear any cost of the Compensation paid to the Placement Agent.

**C. Prohibitions on Use of Placement Agents.**

1. The Board and the Department shall not enter into an Investment Transaction if (A) the Investment Manager pays Compensation to a Placement Agent that is contingent on the participation of the Plans in the specific Investment Transaction; *and* (B) the Investment Manager currently manages an investment by the Plans or NCRS.
2. The Treasurer shall not enter into a Substantive Amendment if the Investment Manager pays Compensation to a Placement Agent that is contingent on the Treasurer’s agreement to the Substantive Amendment.
3. The Treasurer shall not enter into an Investment Transaction if a Placement Agent is Compensated for being a Placement Agent in a prior Investment Transaction, even though the Placement Agent did not serve as a Placement Agent in the current Investment Transaction.

**D. Conduct of Key ~~Plan Departmental~~ Members.** Key ~~Plan Departmental~~ Members shall not:

1. Suggest to an Investment Manager or another Key ~~Plan Departmental~~ Member that a Placement Agent be engaged with respect to an Investment Transaction.

2. Make an initial call to, or contact with, a Placement Agent about an investment opportunity, unless that Placement Agent meets the standards of Subsections B.1 and B.2 and the contact will be disclosed in the IRM or in an email or other writing to the Compliance Counsel and the Chief Investment Officer.

In addition, a Key ~~Plan Departmental~~ Member shall immediately notify the Chief Investment Officer and the Compliance Counsel if such Key ~~Plan Departmental~~ becomes aware that a member of the Key ~~Plan Departmental~~ Member's Immediate Family receives, agrees to receive, or is solicited to receive Compensation or investment management fees with respect to an Investment Transaction from the Fund, the Investment Manager, the Investment Manager's Affiliates, or any of their respective officers, partners, members, principals, employees, or representatives.

**E. Political Contributions.** The Board and the Department shall not enter into an Investment Transaction if one of the following people or entities has made a Political Contribution (i) in violation of North Carolina or federal law; or (ii) that would make it unlawful under 17 C.F.R. 275.206(4)-5 for such person or entity to receive investment management fees or Compensation for services provided to the Board, the Department, or the Plans:

1. An Investment Manager or Affiliate;
2. An officer, partner, member, or principal of an Investment Manager or Affiliate;
3. A member of the Project Team; or
4. A Compensated Person.

## V. Failure to Comply – Remedies

### A. By Investment Managers.

1. In addition to any other available remedies, the Investment Agreement shall include the following remedies, in the Board and the Department's discretion<sup>1</sup>, for a violation of this Policy by the Investment Manager:
  - i. A refund or credit of investment management fees in an amount equal to the greater of (a) two years of the investment management fees paid or payable to the Investment Manager or its Affiliate pursuant to the Investment Agreement; or (b) the amount of Compensation paid or promised to the Project Team and Compensated Persons for the Investment Transaction; and
  - ii. An immediate termination of the Investment Agreement and an orderly transition of the assets to another Investment Manager.

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<sup>1</sup> All remedial actions for Violations shall be at the Board and the Department's sole discretion, without liability of the Board and the Department to the Investment Manager, and the Department (on behalf of itself and the Board) may choose not to exercise any such remedy if the Department determines that such exercise may not be in the best interest of the Plans.

2. If the Investment Manager violates this Policy, the Board and the Department may impose a ban on future Investment Transactions with the Investment Manager.

**B. By Departmental Personnel.** Failure to comply with this Policy by Departmental personnel (whether employees or contractors) may result in discipline up to and including termination.

## **VI. Submission, Review, and Approval of the Disclosure Form**

**A. Timing.** ~~NCAIMD~~ staff should provide a copy of this Policy to the Investment Manager prior to the negotiation of the Investment Agreement. The completed and signed Disclosure Form should be provided to the Compliance Counsel as soon as reasonably possible prior to the anticipated closing of the Investment Transaction.

**B. Review of the Disclosures.** The Compliance Counsel shall review the Disclosure Form for responsiveness and completeness and shall request additional disclosures from the Investment Manager and/or other people or entities to address any questions or concerns raised by the information in the Disclosure Form. The Compliance Counsel shall address any deficiencies in, or questions or concerns raised by, the Disclosure Form or additional disclosures with ~~NCAIMD~~ staff, the Investment Consultant, the Department's attorney for the Investment Transaction, and/or the Investment Manager.

**C. Review of the Investment Agreement.** The Compliance Counsel shall review a draft of the Investment Agreement for the inclusion of the representations and remedial provisions required by this Policy. The Compliance Counsel shall address any questions or concerns regarding the Investment Agreement with the Department's attorney for the Investment Transaction.

**D. Legal, Policy, and Conflict Review.** Based on the Compliance Counsel's review of the Disclosure Form, any additional disclosures, and the Investment Agreement, as well as any discussion with ~~NCAIMD~~ staff, the Investment Consultant, the Department's attorney for the transaction, and the Investment Manager, the Compliance Counsel shall determine the following:

1. Whether there is a reasonable chance that any aspect of the Investment Transaction's marketing, evaluation, recommendation, negotiation, or approval may violate any law or Departmental policy; and
2. Whether any actual or apparent Conflict of Interest exists.

**E. Resolution of Legal, Policy, and Conflict Concerns.** If the Compliance Counsel has concerns that the standards of Subsection D may not be met, the Compliance Counsel shall discuss and resolve such concerns with the General Counsel and the Chief Investment Officer, with the goals of (1) ensuring compliance with the Board's and the Department's fiduciary duties and applicable laws and policies; and (2) promoting public confidence in the Board's and the Department's discharge

of duties to the Plans. Possible resolutions include (i) recusal of Departmental personnel; and/or (ii) having a neutral third party review, evaluate, recommend, and/or negotiate the Investment Transaction. The Treasurer shall receive a written summary of the concerns and resolution prior to signing the Investment Agreement.

**F. Approval.** The Compliance Counsel shall approve the Disclosure Form, any additional disclosures, and the Investment Agreement, using the Compliance Counsel Review Form required by the Manager Selection Policy. The Compliance Counsel Review Form shall include statements of the reviews and actions conducted pursuant to Subsections B-E.

**VII. Interpretation and Deviation.** Questions concerning the interpretation of this Policy shall be resolved by the Department's General Counsel or designee. Any material deviation from this Policy shall be approved in writing by the General Counsel.

### **VIII. Definitions**

- **Affiliate:** An entity that controls, is controlled by, or is under the common control of the Investment Manager.
- **Compensated Person:** A person or business entity listed in the Investment Manager's response to Question 6 of the Disclosure Form.
- **Compensation / Compensate:** A financial or nonfinancial benefit of any kind, including without limitation a commission, bonus, fixed fee, or contingent fee, provided as a result of an Investment Transaction. "Compensation" does not include investment management fees paid pursuant to the Investment Agreement.
- **Compliance Counsel:** An attorney, whether internal or external to the Department, designated by the Department's General Counsel to conduct the review and approval described by this Policy.
- **Conflict of Interest:** Circumstances that create a material risk that professional judgment or actions regarding the Investment Transaction's evaluation, recommendation, approval, or execution have been or will be unduly influenced by a direct or indirect personal interest.
- **Department:** The North Carolina Department of State Treasurer.
- **Fund:** The separate account, collective investment trust, or other investment vehicle for the Investment Transaction.
- **NCAIMD:** The North Carolina Investment Authority~~Department's Investment Management Division~~.

- **Immediate Family:** (1) Parent, sibling, spouse, aunt, or uncle; (2) child of a sibling, aunt, or uncle; (3) grandparents and other lineal ascendants; and (4) grandchildren and other lineal descendants. The relationship in the previous sentence may be by birth, marriage, engagement to be married, or domestic partnership.
- **Investment Agreement:** The contract between the Board and the Department and the Investment Manager with respect to an Investment Transaction, including without limitation an investment management agreement.
- **Investment Manager:** An entity or a person (other than Departmental employees) given the authority or discretion by the Board and the Department to make decisions regarding the investment of the Plans' assets, including without limitation investment management or transition management services.
- **Investment Transaction:** Defined in Section II.A.
- **Key ~~Plan Departmental~~ Members:** The Key ~~Plan Departmental~~ Members are the following personnel (whether employee or contractor) at the Department:
  - Treasurer of the State of North Carolina
  - Chief of Staff for the Department
  - Chief Investment Officer for NCIA
  - Chief Risk and Operating Officer for NCIA
  - General Counsel for the Department
  - Attorney(s) involved in the Investment Transaction
  - ~~NCIA~~ Director, if any, involved in the Investment Transaction
  - ~~NCIA~~ Portfolio Manager(s) involved in the Investment Transaction
  - Members of the ~~Board Investment Advisory Committee~~ (Note: The members' names are posted on myNCRetirement.com under Governance / Boards of Trustees and Committees / Supplemental Retirement Board of Trustees ~~www.netreasurer.com under Divisions / Investment Management / Investment Governance.~~)
- **Manager of Managers:** Defined in Section II.C.
- **Manager Selection Policy:** The *Policy and Procedures for Investment Transactions and Investment Manager Selection*.
- **NCRS:** The North Carolina Retirement Systems and other funds administered by the Treasurer.
- **Paid Affiliate:** An Affiliate of the Investment Manager that receives part or all of the investment management fee payable pursuant to the Investment Agreement, even if such payments are passed through to other entities and/or people.

- **Placement Agent:** A person or entity retained or Compensated by an Investment Manager or Affiliate to market, promote, or sell an investment opportunity to a potential investor, including marketing, promoting, or selling an Investment Transaction to the Treasurer or Key ~~Plan Departmental~~ Members. However, “Placement Agent” does not include:
  - An Affiliate of the Investment Manager;
  - An employee of the Investment Manager or Affiliate;
- **Policy:** Defined in Section I.B.
- **Project Team:** The people listed in the Investment Manager’s responses to Questions 2, 3, and 4 in the Disclosure Form.
- **Political Contribution:** A “contribution” as defined by 17 C.F.R. 275.206(4)-5(f)(1) or N.C. Gen. Stat. § 163-278.6(13).
- **Public Records Act:** Defined in Section III.D.
- **State Officials:** (1) Current members of the North Carolina General Assembly; (2) current and former Speakers of the North Carolina House of Representatives Presidents Pro Tempore of the North Carolina Senate; and (3) the North Carolina Council of State. The Council of State consists of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, Superintendent of Public Instruction, Commissioner of Labor, Commissioner of Insurance, Commissioner of Agriculture, and Attorney General.
- **Substantive Amendment:** An amendment to an Investment Agreement that increases the investment management fees, expenses, or other compensation paid to the Investment Manager; or (4) otherwise substantively and negatively changes the Board’s and the Department’s rights or obligations (e.g., restrictions on the right to withdraw assets from a Fund or terminate the Investment Agreement). For clarity, Substantive Amendments do not include the following:
  - Change a Fund’s investment guidelines;
  - Increase the assets allocated to an existing Investment Manager;
- **Treasurer:** Defined in Section I.A.

## IX. Revision/Review History

Version	Effective Date	Description of Changes
1.0	September 1, 2014	Original version

2.0	March 23, 2017	Revised definitions of “Placement Agent” and “Effective Date.” Increased prohibitions and disclosures. Clarified application. Other clarifications and revisions.
3.0	June 21, 2018	Clarified application of Policy to transition management. Clarified items on the Form Disclosure Letters.
4.0	June 20, 2019	Required disclosures regarding manager of managers. Clarified application of Policy to guaranteed investment contracts. Clarified items on the Form Disclosure Letters.
4.1	August 27, 2020	Updated references to Department’s ethics policies.
5.0	August 24, 2023	Major revisions to, and renaming of, <i>Placement Agent, Political Contribution, and Connection Disclosure Policy</i> . Shortened policy and updated the scope and type of disclosures.
6.0	August 21, 2025	Updated the required disclosures. Disclosure form is required only from Investment Manager, but Compliance Counsel may request disclosure from Placement Agent if necessary. Policy no longer applies to the underlying managers selected by a Manager of Managers. Made other clarifications and updates.
<u>6.1</u>	<u>January 1, 2026</u>	<u>Updated for the change from the Department’s Investment Management Division to the North Carolina Investment Authority.</u>

**X. Appendix – Disclosure Form**

**Attachment to Investment Transaction Disclosure Policy  
Disclosure Form for Investment Managers  
North Carolina Supplemental Retirement Plans**

When completing this Disclosure Form, please note the following:

- The term “Action” means an actual or threatened (or settlement in lieu thereof) (1) civil lawsuit, criminal prosecution, regulatory action, investigation, or non-routine inquiry by a federal, state, local, or foreign governmental or self-regulatory body; (2) civil lawsuit regarding federal, state, or foreign securities law, campaign finance, ethics (e.g., gifts to public officials), or law related to the registration or regulation of placement agents.
- The term “Compensation,” as defined in the Policy, does **NOT** include investment management fees payable pursuant to the Investment Agreement.
- The term “Compensated Person” means any person or business entity listed in the Investment Manager’s response to Question 6.
- The term “Fund” means the separate account, collective investment trust, or other investment vehicle for the Investment Transaction.
- The term “Paid Affiliate” means an Affiliate of the Investment Manager that receives part or all of the investment management fee payable pursuant to the Investment Agreement, even if such payments are passed through to other entities and/or people.
- The term “Project Team” means the people listed in the Investment Manager’s responses to Questions 2, 3, and 4.
- Capitalized terms not otherwise defined in this Disclosure Form have the same meanings as in the Policy.
- The Key ~~Plan Departmental~~ Members are the following:
  - Bradford B. Briner, Treasurer of the State of North Carolina
  - Eric Naisbitt, Chief of Staff for the Department
  - Kevin SigRist, Chief Investment Officer for NCIA
  - Chris Morris, Chief Risk and Operating Officer for NCIA
  - ~~Benjamin Garner~~, General Counsel for the Department
  - Jeff Hancock, Director, Supplemental Retirement Plans
  - Kristopher Byrd, Portfolio Manager, NCIA Supplemental Retirement Plans
  - ~~Reid Chisholm~~, Assistant General Counsel
  - Members of the Supplemental Retirement Board of Trustees (Note: The members’ names are posted on myNCRetirement.com under Governance / Boards of Trustees and Committees / Supplemental Retirement Board of Trustees.)

Name of the Investment Manager: \_\_\_\_\_

Name of the Fund: \_\_\_\_\_

Reason for submitting this Disclosure Form (check one):

- The Investment Manager is entering into a new Investment Agreement for the NC 401(k) and NC 457 Plans.
- The Investment Manager's current Investment Agreement is being amended.
- The Investment Manager is updating a prior Disclosure Form.

**Prior or Current Management**

1. Has the Investment Manager or an Affiliate managed an investment by the NC 401(k) and NC 457 Plans or NCRS within the past two years (including currently managing)?

- Yes       No

If "yes," provide the name of the fund(s) or separate account(s):

\_\_\_\_\_

**Project Team**

2. Who has communicated with the NCIA, the Department, or the Investment Consultant on behalf of the Investment Manager or an Affiliate regarding the Investment Transaction?

Name / Title / Employer: \_\_\_\_\_

Name / Title / Employer: \_\_\_\_\_

Name / Title / Employer: \_\_\_\_\_

3. Who is expected to interact directly with the NCIA, the Department, or the Investment Consultant on a regular basis regarding the Investment Transaction?

Name / Title / Employer: \_\_\_\_\_

Name / Title / Employer: \_\_\_\_\_

Name / Title / Employer: \_\_\_\_\_

4. **If** the Investment Manager or an Affiliate **currently** manages an investment by the NC 401(k) and NC 457 Plans or NCRS, who interacts directly with the NCIA or the Department on a regular basis regarding the current investment?

Name / Title / Employer: \_\_\_\_\_

Name / Title / Employer: \_\_\_\_\_

Name / Title / Employer: \_\_\_\_\_

5. Are any members of the Project Team employed by an entity other than the Investment Manager or an Affiliate?

- Yes       No

If "yes," attach a brief description.

**Compensated Persons**

6. Is any person or business entity entitled to Compensation based on whether the NC 401(k) and NC 457 Plans invest in the Investment Transaction? This includes (a) Affiliates of the Investment Manager; (b) members of the Project Team; and (c) the officers, partners, members, and principals of any business entity.

- Yes       No

If “yes,” attach a brief description, including (1) names of each person and each business entity; (2) the title and employer of each person; (3) whether each person and each business entity holds all required securities licenses; and (4) whether each person and each business entity is in the habitual, systematized business of marketing, promoting, or selling investment opportunities to potential investors.

7. Will any of the Compensation identified in the response to Question 6 be paid by or from the NC 401(k) and NC 457 Plans?

Yes       No

If “yes,” attach a brief description. Note: Compensation paid to a Placement Agent must be used to offset investment management fees payable pursuant to the Investment Agreement, and the payment and offset must be included in the response to this question. See Section IV.B.4 of the Policy.

### **Misconduct**

8. Has (a) the Investment Manager; (b) a Paid Affiliate; (c) an officer, partner, member, or principal of the Investment Manager or a Paid Affiliate; (d) a member of the Project Team; or (e) a Compensated Person been the subject of an Action within the past 10 years, or is an Action pending against such person or business entity?

Yes       No

If “yes,” attach a brief description of the Action(s).

### **Connections: Project Team**

9. Are any members of the Project Team also one of the following?

- A person with a current or prior business relationship with a Key ~~Plan Departmental~~ Member (excluding the management of assets for the NC 401(k) and NC 457 Plans or NCRS).
- A member of the Immediate Family of a Key ~~Plan Departmental~~ Member or a State Official.
- A person who is subject to registration as a lobbyist in the State of North Carolina.
- A person who has made a Political Contribution to, or for the benefit of, the current Treasurer within two years of when the Treasurer took office?
- A person who has ever given a gift of any value to a Key ~~Plan Departmental~~ Member or made a charitable donation at the request of a Key ~~Plan Departmental~~ Member?

Yes       No

If “yes,” attach a brief description.

10. Did any members of the Project Team discuss the Investment Transaction with a State Official?

Yes       No

If “yes,” attach a brief description.

### **Connections: Investment Manager, Paid Affiliates, and Compensated Persons**

Answer Questions 11 and 12 with respect to the (a) the Investment Manager; (b) Paid Affiliates; (c) officers, partners, members, and principals of the Investment Manager and Paid

Affiliates; and (d) Compensated Persons. Questions 10 and 11 may be answered to the **best of the Investment Manager’s knowledge**, provided that the Investment Manager and Paid Affiliates have policies requiring the disclosure of potential conflicts of interest by their officers, partners, members, and principals.

11. To the best of the Investment Manager’s knowledge, are any of the people or business entities listed above also one of the following?

- A person or business entity with a current or prior business relationship with a Key ~~Plan Departmental~~ Member (excluding the management of assets for the NC 401(k) and NC 457 Plans or NCRS).
- A member of the Immediate Family of a Key ~~Plan Departmental~~ Member or a State Official.
- A person or business entity that is subject to registration as a lobbyist in the State of North Carolina.
- A person or business entity that has made a Political Contribution to, or for the benefit of, the current Treasurer within two years of when the Treasurer took office.
- A person or business entity that has ever given a gift of any value to a Key ~~Plan Departmental~~ Member or made a charitable donation at the request of a Key ~~Plan Departmental~~ Member?

Yes       No

If “yes,” attach a brief description.

12. To the best of the Investment Manager’s knowledge, did any of the people listed above discuss the Investment Transaction with a State Official?

Yes       No

If “yes,” attach a brief description.

### Payments to Certain Individuals

13. Will any Key ~~Plan Departmental~~ Members or State Officials or a member of their Immediate Family receive any financial benefit from the Investment Transaction?

Yes       No

If “yes,” attach a brief description.

The person signing below certifies the following:

- Such person has the authority to provide the responses in this Disclosure Form on behalf of the Investment Manager;
- Such person has used best efforts to obtain the information requested by this Disclosure Form;
- To such person’s knowledge, the responses in this Disclosure Form are accurate and complete; and
- Such person will promptly update the responses in the Disclosure Form to maintain the accuracy and completeness of such responses during the term of any contract involving the Investment Transaction.

On behalf of the Investment Manager named above:

Signature: \_\_\_\_\_

Printed name: \_\_\_\_\_

Title: \_\_\_\_\_

Employer: \_\_\_\_\_

Date: \_\_\_\_\_

**NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS  
PROXY VOTING POLICY**

Revised ~~effective January 1, 2026~~ August 21, 2025

**I. Purpose**

The North Carolina Supplemental Retirement Board of Trustees (the “Board”) and the North Carolina Department of State Treasurer (the “Department”) administer, and are charged with a fiduciary duty to manage all aspects of, the Supplemental Retirement Income Plan of North Carolina (the “NC 401(k) Plan”) and the North Carolina Public Employee Deferred Compensation Plan (the “NC 457 Plan” and with the NC 401(k) Plan, the “Plans”). The responsibilities of the Board and the Department include prudent oversight of the Plans’ assets for the sole benefit of the Plans’ participants and their beneficiaries, and this Policy describes the Board’s approach and process for voting proxies associated with the Plans’ assets. In addition, the North Carolina Investment Authority (“NCIA”) provides monitoring, evaluation, reporting, and other support for the Plans’ investments.

**II. Scope and Application**

This policy applies to the proxies associated with the publicly-traded equity securities held by the Plans, whether directly in a separate account or indirectly through units of a collective trust fund (“CTF”); however, this policy does not apply to a CTF that does not permit its investors to vote proxies.

**III. Statement of Policy**

The Department will vote the Plans’ proxies according to the Proxy Voting Policy adopted by the ~~NCIA Treasurer of the State of North Carolina~~ for the North Carolina Retirement Systems (the “NCRS Policy”), a copy of which is attached to this policy.

As required by the NCRS Policy, ~~NCIA the Treasurer~~ will review the NCRS Policy annually or as otherwise deemed prudent. Updates to the NCRS Policy will be incorporated into this policy without further action by the Board; however, the Department will notify the Board of material changes to the NCRS Policy at the Board meeting immediately following ~~NCIA’s the Treasurer’s~~ adoption of such changes.

The Department will provide the Board with an annual report on the Plans’ proxy votes and will provide additional reporting as requested by the Board.

The Board may amend this policy at any time.

**IV. Revision History and Effective Dates**

<b>Version</b>	<b>Effective Date</b>	<b>Description of Changes</b>
1.0	December 14, 2017	Original version. Adopted the Treasurer’s Proxy Voting Policy for NCRS, which utilized voting administration and standard guidelines from Glass Lewis.

2.0	August 21, 2025	Reaffirmed the adoption of the Treasurer’s Proxy Voting Policy for NCRS, which was significantly revised for the first time since 2017. The revised policy includes the following: (1) the legal considerations and investment principles that inform the policy are updated; (2) certain proposals are designated as Material Proposals; (3) Material Proposals will be voted by Glass Lewis using its standard guidelines; and (4) the Treasurer will abstain from voting on non-Material Proposals.
<u>2.1</u>	<u>January 1, 2026</u>	<u>Updated for the change from the Department’s Investment Management Division to the North Carolina Investment Authority.</u>

**ATTACHMENT**

**PROXY VOTING POLICY FOR THE NORTH CAROLINA RETIREMENT SYSTEMS**