

COMPLIANCE COMMITTEE

CHARTER

The Securities and Exchange Commission has stressed that “it is critically important for funds and advisers to have strong systems of controls in place to prevent violations of the federal securities laws and to protect the interests of shareholders and clients.”^{*} In light of the critical role of compliance in fund governance, the Insurance Cluster’s Board of Directors has designated the Compliance Committee as the liaison between the Board and the Funds’ Chief Compliance Officer (CCO). In its role as liaison, the Compliance Committee shall assist the Board in the manner set forth below and as otherwise requested by the Board. The Compliance Committee will undertake its responsibility without derogation of any of the Board’s duties or responsibilities to approve and review the Funds’ compliance policies and procedures and to review the CCO’s administration of those policies and procedures.

Responsibilities

The responsibilities of the Compliance Committee include, but are not limited to:

Compliance Matters

- Serving as a liaison between the Board and the Funds’ CCO.
- Considering, in consultation with the Board Chair and outside counsel, any material compliance matters that are identified and reported by the CCO to the Committee between Board meetings.
- Considering, when requested by the CCO, the CCO’s recommendations regarding the materiality of compliance matters to be reported to the Board.
- Reviewing, in its discretion, any compliance matters that the Committee determines warrant review between Board meetings.
- Authorizing and receiving reports on any investigations into matters within the Committee’s scope of responsibilities.

^{*} Compliance Programs of Investment Companies and Investment Advisers, Investment Company Act Release No. 26299 (December 17, 2003).

Compliance Administration

- Coordinating with the CCO regarding the appropriate format for communications to the Board regarding compliance matters and other matters within the Committee's purview.
- Periodically reviewing the CCO's development of internal testing capabilities and internal testing plans.
- When the CCO wishes to engage an independent third party to perform compliance-related work at the Funds' expense, evaluating with the CCO which third party to recommend to the Board as well as the appropriate scope of the work to be performed and the fees associated with the work.
- Considering, periodically, the formats for the CCO's reports to the Board, including the annual report.
- Periodically reviewing and, as appropriate, recommending changes to its Charter.

CCO Matters

- Coordinating the CCO's annual performance review and the Board's annual consideration of the CCO's compensation.
- When necessary, leading the Board's evaluation of CCO candidates and recommending to the Board the retention of an individual to serve as CCO.

Miscellaneous

- Considering any other matters as requested by the Board.

Continuing Education Responsibilities. Each Compliance Committee member, other than ex-officio members, shall attend at least one educational seminar, conference or similar meeting related to compliance issues each year.