

# Corporate Compliance Officer Charter

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The Advisory Services Group of NAVEX Global authored this Corporate Compliance Officer Charter in January 2017.

## A. PURPOSE

The purpose of this charter is to establish and define the responsibilities and authorities of the position of Vice President/Corporate Compliance Officer (“CCO”) at ACME (“ACME”). The Company has established the position of CCO to direct, develop, implement, review and revise a Compliance and Ethics Program that is consistent with the organization’s risk profile and business strategies and meets the expectations of the United States Federal Sentencing Guidelines for Organizations, industry standards, regulatory agencies and industry best practices. The purpose of the Compliance and Ethics Program is to prevent, detect and correct any violations of applicable laws, regulations, ACME’s Code of Ethics and associated policies or procedures.

## B. SCOPE OF RESPONSIBILITIES

The CCO’s responsibilities include, but are not limited to the following.

### 1. Risk Assessment

- A. Identify potential areas of compliance vulnerability and risk on an ongoing basis; develop/implement corrective action plans for resolution of problematic issues, and provide general guidance on how to avoid or address similar situations in the future.
- B. Actively participate in the conduct and periodic update of the Company’s compliance and ethics related risk assessment.
- C. In conjunction with the Compliance and Ethics Committee, drive planning and execution of annual compliance and ethics projects and initiatives based on the Company’s risk assessment; the Federal Sentencing Guidelines for Organizations (FSGs); industry guidance or standards, and best practices.

### 2. Organizational Structure

- A. Report to the ACME CEO/President and the Chairman of the ACME Board of Directors.
- B. Provide direction and guidance to those performing compliance and ethics related responsibilities for ACME including any direct reports.
- C. Serve as the ACME Compliance and Ethics Committee chair, develop the regular meeting agendas and chair the Committee meetings.
- D. Develop and deliver reports on program status, changes to risk profile, Help Line calls, ongoing monitoring activities, accomplishments and metrics to senior management, the Compliance and Ethics Committee, and the Board of Directors or designated ACME Board Committee, at least semi-annually. Meet at least quarterly in executive session with the Audit Committee of the Board of Directors to discuss matters such as sufficiency of Program funding and staff to perform required responsibilities fully.

### 3. Policies and Procedures

- A. Maintain, review, update, and issue the ACME Code of Conduct. Revisions shall be made as deemed appropriate with input from executive management and the Compliance and Ethics Committee. Notifications of changes shall be communicated to all employees.
- B. Conduct a yearly mandatory certification of compliance with the Code of Conduct for all employees. The CCO is responsible for managing this process and maintaining the certification records.
- C. Oversee and coordinate the development, revision, communication, tracking and attestation of policies and procedures as needed to meet the Company's risk profile. Ensure that the organization has a policy management process or system for tracking and management.
- D. Develop, review and revise policies and procedures as needed for the general operation of the Compliance and Ethics Program and its related activities to prevent illegal, unethical, or improper conduct. Such policies shall reflect appropriate guidance from applicable regulatory agencies and include topics such as Management Sanctions for Failure to Detect Noncompliance, Duty to Report and Reporting without Fear of Retaliation. Updates and changes shall be communicated, as appropriate, to all affected employees.

### 4. Communications and Training

- A. Develop and implement a compliance and ethics communications and training strategy and ongoing 2-3 year plan that incorporates various communication and training mechanisms based on the organization's risk assessment and risk profile. Such education shall include promoting (1) use of the Help Line and other resources for reporting or questions; (2) heightened awareness of the Code of Conduct; (3) understanding of ACME's new and existing compliance risks, issues, and related policies; and (4) awareness of consequences of misconduct and/or failing to take appropriate action. Where relevant, education efforts should target specific roles and responsibilities of the audience.
- B. Ensure that relevant training is up-to-date and implemented on an ongoing basis for new and current employees, directors and officers, contractors and other appropriate third parties.
- C. Maintain appropriate records related to training and communications.

### 5. Reporting, Investigations and Discipline

- A. Establish and maintain a confidential, anonymous reporting system for ACME personnel to report violations of law, policy and the ACME Code of Ethics.
- B. Establish an escalation process/policy for allegations related to financial matters and for allegations against a member of senior management, including the CCO, or an allegation which, if found to be true, would indicate a material fraud or result in a misstatement of financial statements or significant reputational damage. The policy will require notifications within 24-48 hours and include formal approval by the Board of Directors.
- C. Implement and manage a case management system for tracking and reporting of compliance and ethics cases. All investigations overseen by the CCO should be included in the case management system including assigned investigators, results of investigations and any corrective actions taken. Cases assigned to other organizational functions for investigation should be followed up, documented and closed in the case management system.

- D. Receive, document, and monitor reports of alleged non-compliance or ethics violations via the Help Line or by other various means. All cases shall be tracked to final and appropriate resolution even if referred to other departments for investigation.
- E. Coordinate the timely, confidential investigation and effective management of all matters referred to the Corporate Compliance Office via the Help Line and other intake mechanisms.
- F. Assign responsible party (e.g. HR, Legal, etc.) to drive case to closure in a timely basis.
- G. If needed, take active role in investigations, resolution and follow-up of matters, particularly those of a sensitive nature.
- H. Ensure that any documents and/or evidence relevant to an investigation are secured from destruction or tampering.
- I. Identify and report trends, significant matters, and compliance issues to senior management and the Board of Directors.
- J. Participate with management, HR and, where necessary, Legal in decision-making on discipline and other corrective action to ensure consistency and fairness.

## **6. Audits, Monitoring and Remediation**

- A. Oversee implementation of monitoring and remediation plans for compliance and ethics risks and violations.
- B. In collaboration with legal counsel, determine if notification of the appropriate government agency is required if a violation of law or regulation is substantiated.
- C. Periodically review the effectiveness of remediation measures.
- D. Meet at least annually with the Director of Internal Audit to assist in the development of a list and schedule of audits for upcoming periods based on issues raised, observed trends, and identified risk areas.
- E. Oversee periodic internal and external reviews of Compliance and Ethics Program effectiveness.
- F. Implement, oversee and annually update a Compliance Work Plan that sets forth the Compliance and Ethics Program activities for the year, including responsible parties, dates and proofs of completion.
- G. Stay current with industry and government compliance trends, issues, actions and best practices and apply knowledge to Program operations.

## **7. Collaboration with Human Resources**

- A. Have input into the policies and procedures for hiring and promotion decisions to ensure that candidates do not have the propensity to violate the law or internal ACME standards.
- B. Collaborate in development of employee and management performance appraisals and incentive programs to ensure that proper conduct is encouraged.
- C. Have input into the separation of employment process to gather compliance and ethics violation or risk information through exit interviews or questionnaires.

## 8. Records Management

- A. The Compliance Officer shall maintain documentation of all investigations conducted and other Program related materials consistent with the Company's records management process.

## 9. Access to Compliance Officer

- A. The Compliance Officer shall establish and communicate an open line of communication with ACME personnel and contractors to answer questions and give advice on ethics and compliance issues.
- B. Questions and responses should be documented and, if appropriate, shared with other staff so that standards, policies and procedures can be updated and improved to reflect any necessary changes or clarifications.

## C. AUTHORITIES

- A. Ability to delegate any potentially illegal, unethical or improper matters to other internal ACME departments for investigation.
- B. For matters not adequately addressed internally, the ability to raise the issue with the CEO and Chairman of the ACME Board of Directors.
- C. Ability to conduct an outside independent investigation of any matter that the CCO deems internal resources are unable or unqualified to investigate. Such an investigation requires prior approval of either the CEO or the Chair of the Audit Committee of the ACME Board of Directors. If the matter involves these individuals, the CCO will seek prior approval from a different member of the Audit Committee or another Board member.
- D. Ability to collaborate with the General Counsel to retain outside counsel or other resources to address a compliance matter regarding his/her own personal risk.
- E. Authority to review all documents and other information that are relevant to compliance activities or necessary to complete a thorough investigation.

## Disclaimer

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