

Conflict of Interest Policy

Purpose: The purpose of this Conflict of Interest Policy (the "Policy") is to protect the interests of ISC2 when it is contemplating entering a transaction or arrangement that might benefit or appear to benefit the private interest of any present or former director, officer, or volunteer of ISC2, indirectly benefit a Related Party, or result in a possible Excess Benefit Transaction. ISC2 is organized to serve the members interest, and each director and volunteer must act and use good judgment to maintain and further the public's trust and confidence in ISC2.

This Policy establishes guidelines, procedures, and requirements for:

- Identifying a Conflict of Interest and situations that may result in an actual, potential, or perceived Conflict of Interest; and
- Appropriately managing a Conflict of Interest in accordance with legal requirements and the goals of accountability and transparency.
- This Policy applies to all directors, officers, employees, and volunteers of ISC2. All directors, officers, employees, and volunteers must familiarize themselves with and adhere to the principles and rules set out in this Policy.
- This Policy is intended to supplement but not replace any state and federal laws governing conflicts of interest applicable to non-profit and charitable organizations.

Any questions about this Policy should be referred to Graham Jackson, General Counsel and Corporate Secretary, who is in charge of administering, enforcing, and updating this Policy.

Definitions

1. "Conflict of Interest" means situations where, in the judgment of ISC2's board of directors:
 - a. The outside interests or activities (such as Covered Interests) of a director or volunteer interfere or compete with ISC2's interests.
 - b. The stake of a director or arrangement is such that it reduces the likelihood that such person's influence can be exercised impartially in the best interests of ISC2.
 - c. A director or volunteer has divided loyalties.
 - d. An Excess Benefit Transaction would occur.
2. "Covered Interest" means when any director or volunteer has directly, or indirectly through a Related Party:
 - a. An ownership or investment interest in any entity with which ISC2 has a transaction or arrangement.
 - b. A compensation arrangement with ISC2 or with any entity or individual with which ISC2 has a transaction or arrangement.
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ISC2 is negotiating a transaction or arrangement.
 - d. A legal commitment or financial interest, including by virtue of a board appointment, employment position, or volunteer arrangement, to act in the interests of another entity or individual.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A Covered Interest is not necessarily a Conflict of Interest. A person who has a Covered Interest may have a Conflict of Interest only if the board decides that a Conflict of Interest exists.

3. "Excess Benefit Transaction" means any transaction in which an economic benefit is provided by the ISC2, directly or indirectly, to or for the use of a disqualified person and the value of the economic benefit provided by ISC2 exceeds the value of the consideration (including the performance of services) received by ISC2. A "disqualified person" is any person who was in a position to exercise substantial influence over the affairs of ISC2 at any time during a five-year lookback period, ending on the date of the transaction, and includes but is not limited to ISC2's directors, officers, and Related Parties, as defined herein.
5. "Interested Person" means any director or volunteer who has a direct or indirect Covered Interest.
6. "Related Party" means any one of the following persons or entities:
 - a. Any director or volunteer of ISC2 or its affiliates.
 - b. Any Relative of any individual described in subsection 5(a) above.
 - c. Any entity or trust of which any individual described in subsection 5(a) or 5(b) above serves as a director, trustee, officer, employee, or volunteer.
 - d. Any entity or trust in which any individual described in subsection 5(a) or 5(b) above has a thirty-five percent (35%) or greater ownership or beneficial interest.
 - e. Any partnership or professional corporation in which any individual described in subsection 5(a) or 5(b) above has a direct or indirect ownership interest in excess of five percent (5%).
 - f. Any other entity or trust in which any individual described in subsection 5(a) or 5(b) above has a material financial interest.
7. "Relative" means any one of the following persons:
 - a. The spouse or domestic partner of an Interested Person.
 - b. The ancestors of an Interested Person.
 - c. The siblings or half-siblings, children (whether natural or adopted), grandchildren, and great-grandchildren of an Interested Person.
 - d. The spouse or domestic partner of any person described in subsection 6(c) above.

Procedures

Duty to Disclose. An Interested Person must disclose the existence of any actual, potential, or perceived Conflict of Interest as soon as such Interested Person identifies that there may be a Conflict of Interest, and before ISC2 enters the proposed transaction or arrangement that gives rise to the Conflict of Interest. The disclosure shall be made to the board of directors, or its delegated committee.

The Interested Person shall be given the opportunity to disclose all material facts to the board of directors concerning the proposed transaction or arrangement, including the circumstances giving rise to the Conflict of Interest.

Procedures for Addressing the Conflict of Interest. To address a Conflict of Interest, the board shall follow the following procedures:

An Interested Person may make a presentation at the board meeting, but after the presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the Conflict of Interest.

The Interested Person shall not attempt to intervene with or improperly influence the deliberations or voting on the matter giving rise to the Conflict of Interest.

The Chair of the board shall, if appropriate, appoint a disinterested person or committee to investigate information and alternatives to the proposed transaction or arrangement, including obtaining comparability data when determining compensation.

After exercising due diligence, the board shall determine whether ISC2 can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is: (i) in ISC2's best interests; (ii) for its own benefit; and (iii) fair and reasonable.

In conformity with the above determinations, the board shall make its decision as to whether to enter the transaction or arrangement.

Violations of the Conflict of Interest Policy.

If the board has reasonable cause to believe an Interested Person has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the board determines the Interested Person has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall take appropriate disciplinary and corrective action, up to and including removal from the board.

Each director and volunteer is responsible for reporting to the board any suspected failure to disclose by any Interested Person. Conduct that violates this Policy is always considered outside the scope of employment of any employee acting on behalf of ISC2.

Confidentiality.

ISC2 shall maintain the confidentiality of any disclosures made in connection with this Policy and limit access to the information.

Each director and volunteer shall exercise care not to use, publish, or disclose confidential information acquired in connection with disclosures of actual, potential, or perceived Conflicts of Interest during or after participation as a volunteer, or participation on the board of directors.

Annual Statements and Disclosures

Each director and volunteer shall annually disclose all Conflicts of Interest in writing on ISC2's disclosure form in accordance with this Policy.

Use of Outside Experts

When conducting a Conflict of Interest determination ISC2 may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its fiduciary duties or responsibilities when considering a transaction or arrangement with an Interested Person or Related Party, or for ensuring periodic reviews are conducted.

Last revised July 20, 2022