

**ISACA BOARD OF DIRECTORS’
CONFLICT OF INTEREST POLICY QUESTIONNAIRE**

Attached is the Information Systems Audit and Control Association, Inc. (“ISACA”) Board of Directors’ Conflict of Interest Policy (the “Policy”).

Please review the Policy and then answer each of the questions below:

1. Do you understand the Policy and have you requested and been provided with all information necessary to carry out your obligations under the Policy?

YES NO

2. Do you understand that ISACA is a tax-exempt non-profit corporation organized under Section 501(c)(6) of the U.S. IRS Code and to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes?

YES NO

3. Currently, do you or are you aware of any member of your family having, or within the twelve-month period ending with the date entered below having had, any private financial transaction, investment, substantial business interest or affiliation which is covered under the attached Policy?

YES NO

4. Do you presently hold a position of director, officer, volunteer board or committee member, employee or trustee of, or serve as a consultant to, any organization, that you know, or reasonably should know, is a vendor, service provider, competitor to ISACA or that would otherwise benefit from access to ISACA confidential information?

YES NO

5. Within the twelve month period ending with the date entered below, have you or are you aware of any member of your family having received any money or thing of value of more than a nominal amount, either directly or indirectly, that has not previously been disclosed to the ISACA Board of Directors, from any third party that you know, or reasonably should know, is engaged or seeks to be engaged in any business transaction other than as customers of ISACA engaging in transactions in the ordinary course on ISACA’s standard commercial terms or similar terms that are not materially different than ISACA’s standard terms, with, or is a competitor of, ISACA?

YES NO

6. Have you ever been convicted of a felony, indictable offence, or similar criminal offence?

YES NO

7. If you checked yes to questions 3, 4, 5 or 6, please provide details in writing, including by email, to the Chair of the Governance Committee (or CEO if the signor is the Chair of the Governance Committee).

Person Completing Questionnaire: _____

Date: _____

ISACA BOARD OF DIRECTORS' **CONFIDENTIALITY AND CONFLICT OF INTEREST POLICY**

Article I **Purpose**

The purpose of this policy is to protect the interests of the Information Systems Audit and Control Association, Inc. and any subsidiaries ("ISACA") from potential conflicts of interest that may arise between ISACA and an Officer or member of the Board of Directors of ISACA (as those terms are defined in ISACA Bylaws) or a member of a Committee with Board of Directors ("Board") delegated powers, or might result in a possible excess benefit transaction under the Internal Revenue Code of 1986, as amended. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. This policy is designed to provide general guidance about an aspect of nonprofit corporate governance in the specific and limited context of the governance questions contained in Internal Revenue Service Form 990. This policy is also intended to identify "independent" directors.

Article II **Definitions**

1. Interested Person

Any Director, Officer, or member of a Committee with Board delegated governing powers, is an "Interested Person".

2. Confidential Information

"Confidential Information" means, but is not limited to,

- a.** Information related to ISACA's business strategies and operations, pricing and financial data, marketing strategies, proprietary computer software, inventions, information about planned business transactions, information about employees, participants or Board Members, and information about subcontractors and vendors;
- b.** Information obtained from a third-party vendor pursuant to an agreement by ISACA to keep the information confidential; and
- c.** Information designated as confidential.

3. COI Panel

The Chairman of the Board, the Board Governance Committee and the ISACA Chief Executive Officer ("CEO") shall constitute the COI Panel.

4. Financial Interest

An Interested Person has a “Financial Interest” if the Interested Person knows or should reasonably know, that the Interested Person has, directly or indirectly, through business, investment, or family:

- a.** An ownership or investment interest in any entity with which ISACA has a transaction or arrangement;
- b.** A compensation arrangement with ISACA or with any entity or individual with which ISACA has a transaction or arrangement other than a Non-Material Transaction; or
- c.** A potential material ownership or investment interest in, or compensation arrangement with, any entity or individual with which ISACA is negotiating a transaction or arrangement other than a Non-Material Transaction.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

The “family” of any individual shall include only his or her spouse; his or her siblings and their spouses; his or her ancestors; and his or her descendants and their spouses.

5. Independent Director

A director shall be considered “independent” for the purposes of this policy if he or she is “independent” as defined in the instructions for the IRS Form 990 or, until such definition is available, the director:

- a.** is not, and has not been for a period of at least three years, an employee of ISACA or any entity in which ISACA has a financial interest;
- b.** does not directly or indirectly have a significant business relationship with ISACA, which might affect independence in decision-making;
- c.** is not employed as an executive of another corporation where any of ISACA’s executive officers or employees serve on that corporation’s compensation committee; and
- d.** does not have an immediate family member who is an executive officer or employee of ISACA or who holds a position that has a significant financial relationship with ISACA.

6. Non-Material Transaction

A “Non-Material Transaction” is a transaction:

a. entered into as a customer of ISACA in the ordinary course on ISACA's standard commercial terms or similar terms that are not materially different than ISACA's standard terms; or

b. with a value of less than \$10,000, or aggregate transactions entered into in any 12-month period with a value of less than \$40,000.

7. Potentially Conflicting Activities

A "Potentially Conflicting Activity" means, but is not limited to, serving as a consultant to, or as a director, officer or full or part-time employee, or on a volunteer board or committee of an ISACA competitor, subcontractor, provider, vendor, or other person or entity seeking to do business with ISACA other than in a Non-Material Transaction, or who would benefit from access to ISACA Confidential Information

Article III **Obligations**

1. Confidentiality Obligations

An Interested Person must protect the integrity of Confidential Information at all times, and must not use or disclose Confidential Information in an inappropriate or unauthorized manner to unauthorized persons inside or outside ISACA.

When a legitimate need for the information exists and proper authorization is obtained, the information may be disclosed. It is critical to review all policies and procedures relative to disclosure prior to releasing such information.

In order to protect Confidential Information, Interested Persons should take reasonable steps to prevent intentional or inadvertent disclosure to unauthorized persons inside or outside ISACA. These steps may include keeping Confidential Information in a secure location, safeguarding electronic-based Confidential Information and not discussing Confidential Information with co-workers in public areas such as elevators and restrooms.

The obligation not to disclose Confidential Information continues after termination of service of an Interested Person to ISACA. An Interested Person who is not sure about whether certain information is Confidential Information, should contact ISACA management before releasing the information. Interested Persons owe a duty of loyalty to act in the best interest of ISACA and should not compete with or benefit personally from opportunities discovered while using ISACA property, information or their position with ISACA.

2. Obligations with Respect to External Employment or Volunteer Activities

Interested Persons must also take care that any external employment or volunteer activities engaged in do not create an actual or potential conflict of interest. For this reason, Interested Persons may not may not engage in Potentially Conflicting Activities unless the COI Panel determines that such activity does not present a conflict of interest.

3. Duty to Disclose

An Interested Person, or anyone with knowledge of a potential conflict, including, but not limited to, a Financial Interest or Potentially Conflicting Activity, must disclose the existence of a transaction or other interest that could create a conflict of interest. This disclosure must be in writing, including by email, to the Chair of the Governance Committee, unless the Interested Person related to the disclosure is the Chair of the Governance Committee in which case the disclosure must be made to the CEO (“COI Disclosure”).

All Interested Persons will be required to acknowledge these obligations through execution of any mandated agreements, e.g., annual questionnaires or participation agreements.

Article IV **Procedures**

1. Procedures for Determining Whether a Conflict of Interest Exists

Once a COI Disclosure is received by the Chair of the Governance Committee or CEO or an actual or potential conflict of interest by an Interested Person is reported, the following procedures must be followed:

- a.** The Chair of the Governance Committee (or CEO if the Chair is the Interested Person) must determine whether there is a reasonable likelihood that the Interested Person has a Financial Interest, is engaged in a potentially Conflicting Activity or that there is otherwise a potential conflict of interest.
- b.** If the Chair of the Governance Committee (or CEO if the Chair is the Interested Person) determines that there is not a reasonable likelihood that the Interested Person has a Financial Interest, is engaged in a potentially Conflicting Activity or that there is otherwise a potential conflict of interest, the Chair of the Governance Committee (or CEO if the Chair is the Interested Person) will state this determination in writing along with the basis for the determination and no COI Panel will be convened.
- c.** If the Chair of the Governance Committee (or CEO if the Chair is the Interested Person) determines there is a reasonable likelihood the Interested Person has a Financial Interest, is engaged in a potentially Conflicting Activity or that there is otherwise a potential conflict of interest, the Chair (or CEO if the Chair is the Interested Person) shall convene a COI Panel to determine if a conflict of interest exists.
- d.** The Chair of the Governance Committee or CEO will then schedule a meeting for the COI Panel to determine if the Interested Person has a conflict of interest, which meeting may be telephonic or by other electronic means (“COI Panel Meeting”). Any Interested Person who is the subject of a conflict inquiry shall be recused from the COI Panel

e. The Interested Person shall be given the opportunity to present all material facts to the COI Panel during the COI Panel Meeting, and the Chair of the Governance Committee or CEO will make all reasonable efforts to schedule the COI Meeting when the Interested Person is available.

f. After presenting the relevant material facts, the Interested Person shall leave the COI Panel Meeting while the determination of a conflict of interest is discussed and voted upon. The COI Panel shall decide if a conflict of interest exists by a majority vote.

An Interested Person who has a Financial Interest or is engaged in a Potentially Conflicting Activity shall have a conflict of interest only if the COI Panel decides that a conflict of interest exists.

2. Procedures for Addressing the Conflict of Interest in a Proposed Transaction

If the COI Panel determines that there is a conflict of interest relating to a transaction, the following procedures must be followed:

a. The Chair of the Board, or Chair of the Governance & Nominating Committee if the Chair of the Board is the Interested Person, shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to any transaction or arrangement.

b. After exercising due diligence, the COI Panel shall determine whether ISACA 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.

c. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the COI Panel shall determine by a majority vote whether the transaction or arrangement is in ISACA's best interest, for its own benefit, and whether it is fair and reasonable.

3. Violations of the Conflicts of Interest Policy

If the COI Panel has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, the following procedures must be followed

a. The Chair of the Board, or Chair of the Governance & Nominating Committee if the Chair of the Board is the Interested Person, 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 at a COI Panel Meeting.

b. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the COI Panel determines by a majority vote that the Interested Person has failed to disclose an actual or possible conflict of interest, the Independent Directors shall take appropriate disciplinary and corrective action as determined by a majority vote.

Article V
Records of Proceedings

Meeting Minutes

The minutes of a COI Panel Meeting shall contain:

- a. The names of the persons who were present for discussions and votes relating to the transaction or arrangement;
- b. The names of the persons who disclosed or otherwise were found to have a financial or any other interest in connection with an actual or possible conflict of interest;
- c. The nature of the financial or any other interest;
- d. Any action taken to determine whether a conflict of interest was present;
- e. The content of the discussion, including any alternatives to the proposed transaction or arrangement;
- f. The COI Panel's decision as to whether a conflict of interest in fact existed; and
- g. A record of any votes taken in connection with the proceedings.

Article VI
Compensation

- a. An Interested Person who receives compensation, directly or indirectly, from ISACA for services is precluded from voting on matters pertaining to that Interested Person's compensation.
- b. No Interested Person whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ISACA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VII
Annual Statements

Contents of Annual Statement

Each Interested Person shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,

c. Has agreed to comply with the policy, and

d. Understands ISACA is a non-profit corporation organized under Section 501(c)(6) of the U.S. IRS Code and in order to maintain its federal tax exempt status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Notwithstanding the foregoing, an Interested Person shall immediately notify ISACA in writing of any changes in circumstance that might result in a conflict of interest as described herein.

Article VIII **Periodic Reviews**

Contents of Periodic Reviews

To ensure ISACA operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to ISACA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further tax-exempt purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article IX **Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VIII, ISACA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

This Board of Directors' and Officers' Conflict of Interest Policy was reviewed and endorsed by the Governance Committee on 21 Sept 2017. Approved by the Board of Directors on 4 Nov 2017. CHI 67842518v3