

Staff Code of Ethics and Business Conduct

Effective Date: 2 February 2015

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Staff Code of Ethics and Business Conduct Policy

The Internet Society (ISOC or Company) is a 501(c)(3) non-profit organization dedicated to promoting the open development, evolution, and use of the Internet for the benefit of all people throughout the world.

The Internet Society's Staff Code of Ethics and Business Conduct (Code of Ethics) is a demonstration of our commitment to the highest ethical standards, to complying with all applicable laws and to maintaining a reputation as a respected corporate citizen. ISOC recognizes the people who work to help Internet Society achieve its mission and vision, define the organization.

The principles embodied by this Code of Ethics, apply to and are practiced by all Internet Society employees, whether full-time or part-time, contractors, consultants, advisors, temporary help and interns, (collectively referred to as "staff") around the globe, in order to promote an atmosphere of trust, integrity and honesty in all professional interactions and should be considered inviolable. ISOC's Ethics Committee is charged with overseeing the administration and enforcement of this Code.

Any staff member who has questions about, or suspects a violation of, ISOC's Code is encouraged to contact their manager or the various Code Contacts set forth below. These policies will be strictly enforced and any staff member who violates these standards will be subject to appropriate disciplinary action by ISOC including termination of employment, where appropriate.

By consistently applying ISOC's high ethical standards to all of our business relationships, we will continue to support a work environment and atmosphere that is conducive to individual and ISOC success.

This Code is not a comprehensive guide of all ethical issues that staff may face, but merely highlights specific issues. In dealing with ethical issues not detailed in this Code, staff should contact their manager or Human Resources.

1.0 Personal and Professional Integrity

All staff of Internet Society act with honesty, integrity and openness whenever they represent the organization. ISOC promotes a working environment that values respect, fairness and integrity.

We operate our business under a wide range of competitive situations, subject to a variety of laws, regulations, and cultures. To continue to be successful, ISOC must constantly seek and implement flexible and innovative ways to achieve our business objectives. Yet, within this environment, we must be unwavering in our commitment to perform in a manner that is in keeping with high ethical standards. We recognize this balance is critical to maintaining our valuable reputation and, in turn, our long-term success.

2.0 Legal Compliance

Internet Society staff will comply with all prevailing and applicable laws, regulations and standards of government agencies and authorities, in keeping with the highest legal and ethical principles. Some of the laws are discussed below. If law exists that is either contradictory or stricter than this policy, staff must apply the stricter of the two.

Competitive Intelligence - ISOC requires all staff to comply with all applicable laws in acquiring competitive intelligence. Staff members should immediately notify their manager whenever the staff member believes he/she has received information that the staff member believes may be confidential or proprietary to another organization.

Foreign Corrupt Practices Act - This law prohibits ISOC, its directors, officers, staff, and agents from directly or indirectly making an offer, payment or promise to pay anything of value, or to authorize or approve such acts, to a foreign official, foreign political party, candidate for foreign political office or their family members, with reason to know the purpose of such offer, payment or promise is to influence any act or decision of a foreign official in his/her official capacity or to induce a foreign official to use his/her influence with a foreign government in order to assist ISOC in obtaining or retaining business or directing business to any person. As further explained in Section 7.0.

3.0 Inclusiveness and Diversity

Internet Society is committed to inclusiveness and diversity in its staff and takes meaningful steps to promote these principles in its hiring, retention, promotion, board recruitment and constituencies served. ISOC is an equal opportunity employer and does not allow discrimination in employment practices on the basis of protected personal characteristics. Additionally, ISOC strives to foster a work environment free of discrimination, intimidation or insult. ISOC has zero-tolerance for conduct that constitutes harassment or discrimination in the workplace.

By building open, inclusive, discrimination-free and harassment-free work environments, we seek to leverage our global team, which is rich in diversity of location, cultural backgrounds, talents and ideas. ISOC strives to ensure transparency and endeavors to create an environment that provides all staff members with equal access to information, development and opportunity.

4.0 Conflict of Interest

The ISOC Conflict of Interest Policy, which is located within the Human Resources and Internal Policies section of the Wiki, is intended to supplement, but not replace, laws governing conflicts of interest applicable to nonprofit corporations or trusts. This policy applies to all members of Internet Society staff. Staff members are expected to act in the Internet Society's best interest at all times and to exercise sound judgment unclouded by personal interests or divided loyalties.

ISOC strives to encourage and promote objectivity in business decision-making. Avoiding conflicts of interest is critical to maintaining integrity and honesty in the way ISOC conducts its business.

ISOC makes it a priority that all actual or potential conflicts of interest be identified in advance, properly evaluated and disclosed to appropriate individuals, and that mitigation plans, as necessary and appropriate, are properly documented and implemented. ISOC as an organization strives to comply with laws, rules and regulations pertaining to organizational conflicts of interest.

ISOC staff members have a duty of loyalty to the organization and are expected to make business decisions with ISOC's best interests in mind, and to exercise business judgment independent of external influences such as personal financial interests, external business relationships, outside employment, and familial relationships. Potential conflicts of interest can arise, at least in the following circumstances, when an ISOC staff member:

- *Accepts gifts from a potential business partner;*
- *Accepts additional employment by another company;*
- *Has a financial interest in a business partner;*
- *Places business with any firm in which the staff member or an immediate family member of a staff member has a financial interest*

Outside Employment - Staff members must provide advance notice to, and receive written approval from, Human Resources if they seek or obtain or continue any full or part-time employment opportunities with entities other than ISOC, including any self-employment opportunities. ISOC's Human Resources Department will not grant such approval if the outside employment is deemed to interfere, in management's judgment, with the staff member's position at ISOC, or otherwise creates a potential organizational conflict of interest.

Outside Business - Staff cannot conduct the business of any outside employment, even if approved by ISOC pursuant to the foregoing paragraph, during their work time at ISOC. Further, ISOC assets, including email, voice mail, fax, computers, copiers, and the like cannot be used in furtherance of non-ISOC business.

Outside Directorships - Staff members who wish to serve or continue to serve on the board of directors or trustees of any organization, for-profit or not-for-profit, must disclose their plans to Human Resources so ISOC management can make a determination whether such a position is in conflict with employment at ISOC.

Financial Interest in ISOC's Business Partners - Staff members must disclose to Human Resources any direct or indirect (via family members) financial interest in ISOC's business partners. For purposes of this paragraph, "financial interest" is, the lesser of an ownership interest of greater than 5% or \$25,000 in the entity at issue.

Financial Interest in Other Organizations - The objectivity of ISOC and ISOC's staff is paramount. For this and other reasons, ISOC endeavors to avoid any organizational or personal conflicts of interest. ISOC also endeavors to avoid situations where a staff member's objectivity may be questioned. Integral to this effort is that staff self-report to ISOC any direct or indirect financial interest in any other organization where such interest might create a conflict either for ISOC or for the staff member.

Corporate Opportunities - ISOC prohibits staff members from using Company property, information, resources or position for personal gain or to compete with the Company in any way. ISOC also prohibits staff members from taking or diverting to any third party any business opportunity that is discovered through the use of any of ISOC's property, information, or resources.

For more information, see the ***Conflicts of Interest Policy*** is located within the Human Resources and Internal Policies section of the Wiki.

5.0 Credit Card Usage

Internet Society will issue corporate credit cards to certain staff members where the nature of their job requires such use. The use of corporate credit cards is a privilege, which ISOC may withdraw for any reason, including in the event of abuse. Internet Society's Credit Card Usage Policy and Procedure, which is located within the Human Resources and Internal Policies section of the Wiki, has been established to ensure corporate credit cards are used for appropriate purposes and adequate controls are established for their usage. Violations of the established policy will result in disciplinary action, up to and possibly including termination of employment, depending on the severity of the offense.

6.0 Gift Policy

Integrity and accountability can be compromised if one accepts (or receives) personal gifts from outside parties; vendors, potential vendors, members or any other outside individual or organization. Therefore, Internet Society has a policy for staff not to accept personal gifts of goods or services except under limited circumstances.

A "Gift" refers to the transfer of any item of value including goods and services without compensation. The exchange of gifts of 'nominal value' (less than \$25.00) is acceptable as long as it is in accordance with generally accepted, local customs, traditions and laws and they are reasonable in value. Frequent gifts from the same party, including those below the \$25.00 threshold, may be considered a potential conflict of interest. Gifts of cash, cash vouchers, certificates with a set negotiable value or other cash equivalents are never acceptable.

The following examples of allowable gifts should assist staff in making decisions regarding gifts:

- Gifts of nominal value given during the Holiday season or other special occasions, which represent expressions of friendship.
- Reasonable entertainment at lunch, dinner or business meetings with members is permitted. Entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted.
- Acceptance of invitations to widely attended events is permitted. As noted above a heightened level of scrutiny should be utilized to ensure there is no appearance of impropriety. For purposes of this Code, the term "widely-attended event" is defined as either an event open to individuals from throughout a particular industry or profession, or those in attendance represent a range of persons from the general population.

Awards may be accepted for meritorious contributions or service if they are of nominal value. Gifts should never be used to obligate, or appear to obligate, the recipient. ISOC staff may never seek or request gifts, or personal preferential treatment in any matter, from any person or organization.

Giving and receiving gifts based on existing personal friendships are excluded from this Code as long as they do not obligate, or appear to obligate, either party in regards to any Internet Society activity.

If a staff member has any questions about whether giving or receiving a gift is acceptable under this policy, they are asked to speak with their manager or contact Human Resources for assistance.

7.0 Anti-Bribery and Corruption (ABC) Policy

Internet Society is committed to conducting its business ethically in every country in which we do business, as well as complying with all applicable, U.S. and local laws. This includes, but is not limited to compliance with anti-bribery and corruption (ABC) laws such as the U.S. Foreign Corrupt Practices Act (FCPA) and UK Bribery Act 2010. Internet Society's ABC Policy is established to provide a clear understanding to, and compliance guidance for, all staff on this commitment and practice.

Corruption is any abuse of power for private gain; while bribery is an act of giving money or gift giving that alters the behavior of the recipient. Although the nature and scope of corruption and bribery may differ from country to country, the Internet Society has a strict anti-bribery and corruption policy, which needs to be adhered to globally. ISOC has a zero tolerance approach toward bribery and corruption, both of which are criminal offenses.

ISOC staff and others working on its behalf **may not** offer, promise or give a bribe to anyone, and **may not** request agree to accept or take a bribe from anyone.

The following list will assist staff in recognizing bribery and corruption so they may remain in compliance.

A bribe could involve:

- the direct or indirect payment, offer, authorization or promise to pay money or anything of value
- the offer or receipt of any kickback, loan, fee, commission, reward or other advantage
- the giving of contributions or donations designed or stipulated to influence the recipient to act in the giver's favor

The purpose of a bribe is often to obtain, retain or "facilitate" business, where the person receiving the bribe is, or may be, in a position to secure/provide that kind of business advantage to the party offering the bribe. Additional purposes of bribes are to influence any act or decision of the person receiving the bribe, inducing such person to do or omit any action in violation of his lawful duty, or to induce such person to use his influence to affect an official act or decision.

The party offering a bribe might be:

- A staff member, officer or director
- Any person acting on behalf of Internet Society (e.g., third parties)
- Individuals and/or organizations representing ISOC that authorize someone else to carry out these acts

And the recipient of a bribe could (but not always) be a government official. For the purposes of this policy, a government official could be any of the following or their relatives:

- a public official, whether foreign or domestic
- a political candidate or party official
- a representative of a government-owned/controlled organization
- an employee of a public international organization or non-governmental organization

As third party individuals or organizations acting on behalf of or representing ISOC can expose the organization to liability under ABC laws, it is imperative that proper due diligence is undertaken prior to establishing or renewing contracts/agreements. If required, certain provisions should be included in the contract regarding compliance with appropriate laws, particularly in the case where the third party will be dealing with government officials.

According to the U.K. Bribery Act 2010, a facilitation payment is a type of bribe and should be seen as such. A common example of a facilitation payment is where a government official is given money or goods to perform (or speed up performance of) an existing duty. Facilitation payments are illegal under the UK Bribery Act 2010 and the laws of many other countries, regardless of their size or frequency and are against Internet Society policy. No ISOC staff member may willingly offer to make, or make a facilitation payment.

8.0 Confidentiality and Proprietary Information

Respecting the privacy of our donors, members, staff and board and the Internet Society itself is a basic value of ISOC. Therefore, staff members of Internet Society are expected to maintain and protect confidential and proprietary information from unauthorized disclosure. Information, which is not publicly available should be treated as confidential and not be disclosed to third parties.

Internet Society possesses, whether marked as confidential or capable of being reasonably understood as confidential, information (in written or electronic form, or communicated orally) that has been created, developed or disclosed to the organization's staff and board under the obligation of confidentiality. Examples of "Confidential Information" include ISOC operating plans, strategy plans, marketing and service plans, financial data, member and prospect data, company reports, contracts, personnel data and salary information and estimating cost structures and related information.

ISOC staff are required, during and after their employment or affiliation with Internet Society, to keep such information obtained or developed while employed by ISOC in strictest confidence.

Nothing in Internet Society's policy on Confidential Information is intended to restrict or limit in any way staff member's rights to discuss terms and conditions of their employment with each other or with third parties. Internet Society's policy is intended to protect Confidential Information, including confidential personnel information, from disclosure.

Upon termination of employment, or earlier, if requested to do so by ISOC, regardless of the timing, reasons, or circumstances of the termination, staff members must deliver to ISOC all materials, documents and other tangible or intangible storage media containing any form of Confidential Information, whether located on ISOC's premises or elsewhere. The terminating staff member will be required to make an assertion stating all ISOC Confidential information has been removed from their personal devices.

If a staff member has any questions about handling and protection of confidential and proprietary information, they are asked to speak with their manager or contact Human Resources for assistance.

9.0 Reporting Violations of the Code

All ISOC staff members have a duty to ISOC to report any alleged violations of this Code. When an ISOC staff member fails to comply with the laws, rules and regulations that govern ISOC's business ethics or this Code or fails to report such conduct, that person's actions have consequences for ISOC and the individual. You are encouraged to talk to your supervisor as well as any of the contacts referenced below about any such illegal or unethical behavior or when in doubt about the best course of action in a particular situation.

If you know, or reasonably believe, that criminal conduct or a violation of this Code has occurred, or is about to occur, and do not promptly report it, you may be subject to disciplinary action, up to and including termination of employment. There is no circumstance in which criminal conduct by an ISOC staff member will be considered to be within the scope of their service, employment or authority. The distinction between criminal conduct and conduct that may violate a civil statute is not always clear; therefore, if you know of any act or activity that violates, or appears to violate, any law, rule, regulation or provision of this Code, you must report it.

This section of the Code includes, but is not limited to compliance with the United States Whistleblower's Protection Act of 1989, United Kingdom's Public Interest Disclosures Act of 1998, Whistleblower's Protection Act of 2001 of Victoria, Australia and the Whistleblower's Protection Act of 1994 of Queensland, Australia. This reporting mechanism is established to provide a clear understanding to, and compliance guidance for, all staff on this process.

ISOC staff members should immediately report any matter that they believe constitutes an actual or potential breach of this Code. The following individuals collectively comprise the ISOC Ethics Committee and are available to answer questions about the Code and to receive reports of actual or potential Code violations.

- President and CEO
- Chief Financial Officer
- Director, Human Resources and Internal Policy

The Ethics Committee will hold your identity and any report you may submit in strict confidence on a “business needs to know basis.” However, the absolute confidentiality of the person cannot be guaranteed and ISOC assumes no liability for the subsequent release of the identity of the individual(s) making such report.

Another avenue for reporting criminal conduct or a serious breach of the Staff Code of Ethics is through contact with National Hotline Service. The report can be made anonymously or openly via a web-based incident report (<http://www.nhsonlinereporting.com>) and type in our company code of TIS or by phone call to 800-826-6762, which is manned 24 hours a day seven days a week. Callers to the hotline will have the ability to remain anonymous if they choose. NAVEX Global has confirmed they do not record caller id or IP address of the individual filing the report.

At the time a complaint is filed through the hotline service, a secure report of the complaint will be sent to the Board Chair, Audit Committee Chair and Ethics Committee. Once the Ethics Committee has investigated the complaint, the Board Chair and the Audit Committee Chair will receive a report on any actions taken.

Should a complaint be made against a member of the Ethics Committee the report will only go to the Board Chair and Audit Committee Chair and it will be their responsibility to determine how to have the complaint investigated.

Should a complaint be made against either the Board Chair or Audit Committee Chair, the Chair not named in the complaint and the Ethics Committee will receive the report. Once the Ethics Committee has investigated the complaint, the Chair not named will receive a report on any actions taken.

Whether reported to the Ethics Committee or through the hotline noted above, the complainant will be given the opportunity to receive follow-up on their concern unless they have chosen to remain anonymous.

Malicious Allegations may result in disciplinary actions.

No retribution or retaliation will be taken against any ISOC employee who has filed a report based on a good faith belief that a staff member of ISOC has engaged, or is about to engage, in criminal conduct or conduct in violation of this Code. Similarly, no retribution or retaliation will be allowed toward any staff member who has cooperated with an investigation concerning an actual or potential Code violation. Any person who takes (or attempts to take) retaliatory action against a staff member who reported an incident shall be subject to appropriate disciplinary action, including demotion and termination of employment.

Section 9.0 Reporting Violations to the Code replaces Internet Society’s Whistleblower’s Policy previously in place.



CERTIFICATION OF COMMITMENT TO INTERNET SOCIETY STAFF CODE OF ETHICS AND BUSINESS CONDUCT POLICY

I, _____, certify that I have received the Internet Society Staff Code of Ethics and Business Conduct Policy. I understand that I have a continuing obligation to adhere to the expectations of the Internet Society and will conduct my business and professional affairs in an ethical manner. I recognize that failure to comply with the provisions of the Code and uphold the Internet Society's ethical principles may subject me to disciplinary action, up to and including termination of my employment.

I will report any Conflicts of Interest that arise during my tenure with Internet Society and submit a Conflict of Interest statement once a year if required.

As a staff member of the Internet Society, I will conduct myself with integrity and with the highest of standards.

I agree to comply with and enforce the Code of Ethics in its entirety, at all times.

Signature: _____ Date: _____

Print Name: _____

FAQ's

The following list of illustrative examples is being provided to assist staff in order to provide guidance on frequently asked questions so they many remain in compliance. It is imperative that if you have questions that you reach out to your manager or Human Resources for guidance.

Example 1: Tom works in the ISOC office supply procurement Team. Tom has been charged with replacing all ISOC staff work desks with contemporary workstations. Tom knows the Company's protocol is to place this significant contract out for a bidding process and to select the best vendor among three candidate vendors.

Tom recalls, however, that at a recent conference he met Joe from Galaxy Office Environments. At a happy hour event during the conference, Joe told Tom that he often secures World Cup tickets for his better clients. Tom has been hoping to make it to the upcoming World Cup games as his country has qualified and he wants to see them play. Tom decides he will call Joe and give him some "inside information" just to be sure that Galaxy wins the bid.

- a. Tom is not breaching the Code. World Cup tickets are entertainment and these kinds of arrangements are common.
- b. Tom is breaching the Code. He is not following in good faith the bidding protocol by supplying one business partner with additional information. Tom also has a conflict of interest.
- c. It is not clear. The Code does not expressly address the issue so Tom can probably get away with it.

The correct answer is b because Tom is not following the bidding protocols by keeping all of the vendors on the same equal footing in terms of information and therefore the process now lacks integrity. In addition, Tom has a conflict of interest because he is putting his personal interest (of going to World Cup) over that of the Company's (selecting the best vendor).

Example 2: Manager Zach works as a real estate broker in his spare time. He routinely communicates with his clients on his personal cell-phone during the day. At times, he uses ISOC's fax machine and computer to conduct his real estate business but he is careful to do this during his lunch break and after business hours. Has Zach violated the Code?

- a. Yes, Zach is using company assets for a personal business rather than ISOC business.
- b. No, as long as he continues to use the fax and computer during lunch and after business hours.
- c. No, because he once asked his supervisor if he could "quickly use" the fax and computer to complete a real estate deal and his boss said he "did not care."

The correct answer is a. The computer and fax are for ISOC business use only. While incidental use of these assets for personal use is acceptable, such assets should not be routinely used for non-ISOC business even if such use is approved on a one-time basis.

Example 3: Staff member John's wife Susan recently decided to start a software development company. John is a manager in the finance department and the finance unit has declared the need to find a new software vendor to develop financial reporting capability. John has been given the responsibility to find the best vendor for the company. John knows the usual process is to get quotes from several vendors and to retain the vendor that is best for the company. In this instance, however, John believes this is an excellent opportunity to help his wife's new business venture and, because of how well he knows Susan and her talents, he is confident she will do a good job for the company. Has John violated the Code?

- a. No, he has much better knowledge of Susan's capabilities and her integrity. Retaining Susan is a safe bet for the company.
- b. Yes, John has a conflict of interest and he has not reported this matter to his manager.
- c. Yes, John has failed to follow the protocol for hiring a vendor.

Answer: Both b and c are correct. John should alert his manager or Human Resources to the fact that his wife owns a company that may be a possible match for the Company's need and this will provide the Company with the ability to identify another decision maker for the vendor selection process. John's attempt to take a short cut in the vendor selection process is also a breach of the Code given that the process is a Company requirement.

Example 4: Staff member John owns shares of stock in an IXP Company. On behalf of ISOC, John provides technical and financial support to this IXP Company. Does John need to report his stock ownership?

- a. No, his shares are insignificant compared to the total value of the IXP Company.
- b. Yes, John's financial interest in the IXP Company could be perceived by a third party to jeopardize his objectivity when performing his duties.

Answer: b is correct. John should alert Human Resources to the fact that he owns stock in a company that does business with ISOC. Human Resources should then determine whether the amount of stock is significant or not.

Example 5: Stephen enters an elevator with his co-worker Ralph and there are other people in the elevator that do not work for ISOC. As they enter the elevator, Ralph continues discussing the details of ISOC's audited financial data. What should Stephen do?

- a. Continue discussing the project so as not to be rude to Ralph.
- b. Politely say to Ralph, "Let's discuss this when we get back to the office."
- c. Just ignore Ralph and not say anything.

The correct answer is b. Stephen's comment to Ralph will help Ralph remember his duty to keep ISOC information confidential.