

CONFLICT OF INTEREST POLICY ¹

(As Approved by the Board of Directors on February 23, 2017)

For Directors and Officers and Members of a Committee with Board Delegated Powers

Article I: Purpose

1. The purpose of this conflict of interest policy is to protect NSCP's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an interested person (or their employer) or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II: Definitions

1. Interested person: Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family.
 - a. An ownership or investment interest in any entity with which NSCP has a transaction or arrangement;
 - b. A compensation arrangement with NSCP or with any entity or individual with which NSCP has a transaction or arrangement; or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which NSCP is negotiating a transaction or arrangement.

¹ This policy is based on the IRS model Conflict of Interest policy, which is an attachment to Form 1023. It adds information needed to allow NSCP to assess director independence in order to answer questions on Form 990. <http://www.irs.gov/instructions/i1023/ar03.html>

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Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial. Insubstantial is defined as a value of less than \$250.00. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board or Committee decides that a conflict of interest exists, in accordance with this policy.

Article III: Procedures

1. Recusal of Self: Any interested person may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

2. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest in all materials facts, and after any discussion with the interested person, he/she shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. If the conflict of interest cannot be resolved at the committee level, the Board will make the determination if a conflict of interest exists.

3. Violations of the Conflicts of Interest Policy
 - a. If the Board or Committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts 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.

 - b. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board or Committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
 1. Appropriate disciplinary actions include censure, and in severe or recidivist situations, could lead to the initiation of the process of removal from the Board, Committee, or Office of NSCP.

 2. Corrective action could include unwinding a conflicted transaction, or terminating a conflicted arrangement.

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Article IV: Records of Proceedings

The minutes of the Board and all committees with board delegated powers shall contain:

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

Article V: Compensation

- a. A voting member of the Board who receives compensation, directly or indirectly, from NSCP for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NSCP for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NSCP, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Policy History:

Adopted by the NSCP Board of Directors

Date: February 23, 2017

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