



Standards Committee Charter

Version 1.0

January 2025

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Introduction

The Standards Committee (the Committee) of the FAIR Institute (the Institute) plays a critical role in establishing, maintaining, and evolving the standards promulgated by the organization. This charter outlines the committee's purpose, objectives, structure, and operational guidelines to ensure consistency, quality, and alignment with the organization's goals and regulatory requirements.

Section 1. Purpose

The Committee, working together with FAIR Institute Staff, oversees, reviews, and manages the development and maintenance of FAIR standards, including but not limited to the FAIR Model, FAIR Controls Analytics Model (FAIR-CAM), and FAIR Materiality Assessment Model (FAIR-MAM), which together comprise the FAIR Cyber Risk Management Framework. The Committee is also expected to review and be familiar with other artifacts from the FAIR Institute that comprise the FAIR Cyber Risk Management Body of Knowledge (CRMBoK™). The Framework includes the FAIR standards, which sit at the center of the FAIR CRMBoK. Many artifacts and content of the CRMBoK are designed to evolve more rapidly than Framework and reflect the state of the art in cyber risk quantification and management.

Section 2. Reporting

The Committee reports and is accountable to the FAIR Institute Board of Directors. The Committee has the responsibility to keep the Board informed regarding standards development. The Committee is also responsible for documenting and publishing the standards for all FAIR Institute members to see, use, and comment upon.

Section 3. Overview and Functions

The Committee, working together with FAIR Institute Staff, manages the development and maintenance of a set of standards that enable cyber risk leaders such as CISOs, Chief Risk Officers, and others to effectively measure (quantify) and manage cyber risk. Specifically, working together with FAIR Institute Staff, the Committee has the following duties:

1. Develops a long-term (multi-year) strategic vision describing the goals and direction for FAIR standards development consistent with the FAIR Institute's strategy and vision.
2. Establishes and facilitates informal and formal collaborative, consensus-building processes with stakeholder groups (e.g., FAIR Institute members, technical advisor staff, FAIR Institute partners, and industry professionals) throughout standards development.
3. Appoints (via Director of Standards and Research), monitors, and directs agile and focused standards working groups as needed, composed of committee members and

additional Institute members, partners, or technical advisor personnel (e.g., subject matter experts, a facilitator, a technical writer). Drafting teams should be suitably equipped to address the desired standards objectives.

4. Facilitates communication about regular Standards Committee work, especially the development and maintenance of FAIR standards.

Section 4. Role of the Technical Advisor

Safe Security is the founder and technical advisor of the FAIR Institute, and the FAIR Institute is a non-profit subsidiary of Safe Security. As the leading provider of FAIR cyber risk management software solutions, Safe Security is uniquely positioned to develop helpful content for FAIR Institute members and, more broadly, cybersecurity, IT, and business leaders who may or may not be members. Much of this content is helpful whether or not it is part of Safe Security's products. However, in building, implementing and refining FAIR software solutions in hundreds of diverse enterprises worldwide, Safe Security refines content in a way that is not possible through isolated research programs, such as in academia. Real-world implementations and usage provide a robust proving ground for applicable FAIR content.

In the role of technical advisor, Safe Security contributes intellectual property to the FAIR Institute from time to time as candidates for FAIR standards. A prime example is FAIR-MAM (Materiality Assessment Model). The Standards Committee and the Standards Working Groups discuss proposed changes internally and with the community at large, as well as with various stakeholders. The Committee approves all new versions via a majority vote. The Committee chair asks the FAIR Institute Board of Directors to vote to endorse each new version.

Intellectual property that Safe Security contributes, if agreed upon by the FAIR Institute Standards Committee, becomes openly available content for the FAIR Institute, its members, and the community at large. In return for Safe Security's contributions, the technical advisor maintains the right and responsibility to co-chair or vice-chair the Standards Committee.

Section 5. Membership

The Committee membership consists of up to eight (8) FAIR Institute Contributing Members, 1 representative from each FAIR Institute Advisory Partner, and the FAIR Institute Director of Standards and Research. Liaisons or advisors may also be admitted as non-voting members, such as federal liaisons. Only the FAIR Institute Contributing Members will serve as Voting Members. Representatives from the Advisory Partners and any liaisons or advisors will serve as Advisory Members with no voting privileges.

Each member must meet the following requirements:

1. Membership Requirements.

- a. Voting members shall be Contributing Members of the FAIR Institute and shall have agreed to the Member Agreement, which can be found online at <https://www.fairinstitute.org/general-member-agreement>.
- b. All voting members shall be active in the field of cyber risk management, either directly (e.g., as a member of their firm's CRM program) or indirectly (e.g., as an enterprise risk manager or a corporate finance officer), for no less than two years prior to joining the Committee and throughout the duration of membership.
- c. No two persons employed by the same corporation or organization or by its affiliates may serve concurrently as Committee members. This is designed to ensure the diversity of community input in our standards work. Any Committee member with a membership conflict of this nature shall notify a Committee chair or secretary.
- d. Members who find themselves unable to meet these membership requirements, such as due to a merger of organizations or due to a change in role, must notify a Committee chair or the Committee secretary. The chair (or secretary) will determine the nature of and timeframe for remediation.
- e. Any Committee member aware of an unresolved membership issue shall notify the Committee Chair or secretary.

2. Member Selection.

All members shall be approved by the Standards Committee Chair. Prospective members may be nominated by any FAIR Institute Board Member, the Technical Advisor, Advisory Partners, and the FAIR Institute Director of Standards and Research. Institute management may also seek member nominations from its membership.

The Committee Chair shall seek members representing a broad range of vertical industries. However, the Chair may consider other factors, such as each member's work experience (e.g., roles in different industries) and place of residence (to allow for effective participation in committee meetings).

3. Resignation from the Committee.

Any member of the Committee who resigns from the Committee shall submit a written (email) resignation to the Committee secretary or the Committee Chair.

- f. The Committee secretary shall facilitate the nomination and election of a replacement member. The new member shall serve the remainder of the vacant member's term.
- g. If any member of the Committee fails to attend or send a proxy for more than two consecutive regularly scheduled meetings and/or conference calls or more than two e-mail ballots between regularly scheduled meetings, the Committee secretary shall send a written notice to that member. The member shall be advised to submit a resignation or request continuation of the membership with an explanation of any extenuating circumstances. If a written response is not received from the member within 30 days of the date of the written notice, the lack of response shall be deemed a resignation.
- h. Any Committee member who leaves his employer automatically resigns from the Committee unless he or she is approved by the Committee Chair.

4. Membership Terms.

Committee members shall serve a term of one year without limitation to the number of terms the members may serve. Membership terms end on May 30 and start on June 1 of each year or when necessary to fill vacancies. If a Committee member joins in between those two dates, they will serve out the remainder of the term (to May 30) and may serve the following term at the discretion of the Chair.

5. FAIR Institute Director of Standards & Research

- i. Acts as a non-voting Committee member to represent the FAIR Institute's position on agenda items with the assistance of FAIR Institute staff.

Section 6. Officers

1. Selection.

Every other year, the FAIR Institute Board shall select a single chair from among the FAIR Institute members by majority vote. The selected chair may be the person who served in the previous term.

No less than three days before the election, the FAIR Institute Director of Standards & Research shall provide the Chair nominees' qualifications to the Committee members. At the time of the election, the Committee can accept nominations from the floor. Following the election, the successful candidates shall be presented to the FAIR Institute Board of Directors for approval.

2. Terms.

The term of office for the Committee chair is two years without limit on the number of terms an officer may serve. A member of the FAIR Institute staff serves as the Committee's non-voting secretary.

3. Voting.

The Committee chair is a non-voting Committee member.

4. Duties of the chair.

In addition to the duties, rights, and privileges discussed elsewhere in this document, the Committee chair:

- a. Presides over and provides general supervision of Committee activities and meetings.
- b. Presides over all Committee meetings, including the nature and length of discussion, recognition of speakers, motions, and voting.
- c. In concert with the Committee secretary, schedules Committee meetings.
- d. Acts as Committee spokesperson at forums within and outside of the FAIR Institute.
- e. Reports Committee activities to the FAIR Institute Board of Directors and attends Board of Director meetings.
- f. Reports all views and objections when reporting on items brought to the Committee.
- g. Performs other duties as directed by the FAIR Institute Board of Directors.

5. Duties of the Secretary.

A member of FAIR Institute staff shall serve under the direction of the Committee officers as a non-voting secretary and has the responsibility to:

- a. Conduct the day-to-day operation and business of the Committee.
- b. Prepare, distribute, and post notices of Committee meetings, record meeting proceedings, and prepare, distribute, and share meeting minutes.
- c. Maintain a record of all Committee proceedings, including responses, voting records, and correspondence.

- d. Maintain Committee membership records.

Section 7. Voting Members' Expectations and Responsibilities

1. Committee voting members:

- a. Agree to the FAIR Institute terms of membership which can be found online here: <http://FAIRInstitute.org/membership-agreement.html>
- b. Contribute to the work and success of the Committee by attending Committee meetings (in person when possible), reviewing draft standards, and actively participating in Committee discussions.
- c. Serve as subject matter expert representatives of their industries and represent their industries.
- d. Should be knowledgeable about FAIR Institute Standards development activities.
- e. Express their opinions on behalf of their industries at Committee meetings.
- f. Respond promptly to all Committee requests for attendance, reviews, comments, and voting.
- g. Assist in educating the industry on the FAIR Institute Standards development process.
- h. When unable to attend a Committee meeting, notify the secretary and identify a proxy as described under Section 9. The member is expected to instruct the proxy on his/her role and responsibilities.
- i. Duty of Care: Use due care and be diligent with respect to the management and administration of the affairs of FAIR Institute and the Committee. This duty of care is generally thought to have two components: (i) the time and attention devoted to FAIR Institute's mission and (ii) the skill and judgment reflected in the Committee's decisions.
- j. Duty of Loyalty: The duty of loyalty requires the members to faithfully promote the mission of the FAIR Institute and the Committee and to report any conflicts of interest they have or arise between those of the Institute and Committee and the member's employer or other organizations to which they belong.
- k. Duty to Adhere to High Ethical Standards: The duty to adhere to the applicable law and high ethical standards requires that Committee members devote

themselves to assuring they operate to further FAIR Institute's stated objectives in compliance with legal requirements and high ethical standards.

Section 8. Meetings

1. General Requirements.

The Committee shall meet online (via Zoom, Google Meet, or similar tool) on a monthly basis at a standard week and weekday of the month, to be set by the Secretary. The Secretary shall organize the meeting, including sending out invitations and opening each meeting. The Chair, Vice-Chair, and Secretary may determine a monthly meeting is unnecessary and cancel the meeting, notifying Committee members by email.

Occasionally, meetings may be held in person, such as at the annual FAIR Conference. The Secretary shall make reasonable efforts to make a virtual option available for those members who cannot attend in person.

2. Closed Meetings.

Committee meetings shall be closed to non-Committee members. Meetings shall be recorded for the purpose of facilitating notetaking and/or meeting summaries. Recordings shall not be shared publicly. Final minutes (notes) of Committee meetings shall be posted privately via a Google Drive share.

3. Notice.

The Committee secretary shall announce regularly scheduled meetings with a written notice (generally via email) to all Committee members not less than ten days before the meeting date.

4. Agenda.

The secretary shall provide an agenda with a written notice (generally via email) for Committee meetings no less than five business days before a proposed meeting.

- a. The agenda shall include, as necessary, background material for agenda items requiring a decision or vote. The secretary shall share the agenda with members the day before the meeting.
- b. Items not on the agenda that require a vote cannot be added at a meeting without the unanimous consent of the members present. If such a matter arises, it may also be deferred to the next meeting to allow Committee members to consult with their industry segments.

5. Quorum.

A quorum requires two-thirds of the Committee voting members.

6. Voting.

Voting may take place during regularly scheduled meetings or may take place through electronic means.

- c. All Committee actions shall be approved upon receipt of the affirmative vote of a majority of the members present and voting at a meeting with a quorum present, with the exception of revisions to the Committee Charter, which can be approved only upon receipt of the affirmative vote of two-thirds of the members present and voting at a meeting with a quorum present.
- d. Each member's vote for each action taken shall be included in the meeting minutes unless the vote is unanimous and has no abstentions.

7. Actions without a Meeting.

The Committee may act by email ballot without a regularly scheduled meeting. A majority of the members participating in the voting is required to approve any action. A quorum for actions without a meeting is two-thirds of the Committee voting members. The Committee chair may initiate the request for an action without a meeting. The secretary shall provide Committee members written notice of the subject matter for action not less than three business days before the date the vote is to be conducted. The secretary shall distribute a written notice to the Committee of the results of such action within five business days following the vote and post the notice on the FAIR Institute community site. The secretary shall keep a record of all responses from the Committee members with the Committee minutes.

8. Proxies.

A Committee member may designate a proxy. Proxies may attend and vote at Committee meetings provided the absent Committee member notifies via e-mail the Committee secretary along with the reason(s) for the proxy. The member shall name the proxy representative and his/her affiliation in the correspondence. No Committee member can serve as a proxy for another Committee member. The proxy must adhere to the Voting Members' Expectations and Responsibilities as described in Section 6, above.

Section 9. Standards Working Groups

1. Purpose.

The Standards Committee may establish, at its discretion, one or more working groups to perform research, drafting, or other work necessary to create and advance the development of standards, best practices, and/or other information pertinent to the charter of the Standards Committee.

2. Officers.

Each working group shall be led by a working group chair who is a General or Contributing member of the FAIR Institute in good standing. The working group chair shall be approved by the Standards Committee chair. The working group chair is responsible for recruiting working group members and submitting members to the Standards Committee chair for approval. The working group chair may also designate one working group member to serve as the working group secretary to ensure records of each meeting are properly kept. The working group chair may also designate other roles and responsibilities to members of the working group to ensure the charter or plan of record is fulfilled.

Officers' terms of service shall be no longer than one year. Additional terms may be approved by one or both Standards Committee chairs.

3. Composition.

The members of each working group shall be approved by each working group's chair. Members may include both voting and non-voting members of the Standards Committee as well as other General and Contributing members of the FAIR Institute.

Working groups should be no more than three (3) to ten (10) members, including the working group chair. Expert input from beyond members may be obtained as needed by the working group.

Non-members, such as experts from partners or sponsors of the FAIR Institute, may be included in working groups as appropriate, subject to approval by the Standards Committee chair.

Working group members' terms are limited to one year or less if specified by the working group charter or at the working group chair's discretion. Terms may be extended automatically by the working group chair.

Working group members are not expected, nor do they have the right, to attend Standards Committee meetings unless specifically invited by the Standards Committee chair or secretary.

4. Meetings.

Working groups shall meet as needed virtually or in-person to fulfill its charter or plan of record or to meet deadlines established by the working group with the Standards Committee chairs. Working group minutes are not required, although any and all work products, including work in progress, shall be submitted to the Standards Committee secretary for safekeeping.

5. Charter/Plan of Record.

Each working group chair shall be responsible for submitting a working group charter with the Standards Committee chair and secretary. The charter shall describe the working group's purpose, its specific goals and objectives, its composition (members and qualifications), and its workback schedule for delivering any planned work products.

The workback schedule shall be high-level but sufficient in detail to give the Standards Committee chair confidence that the necessary meetings and other work is sufficient for meeting agreed-upon deadlines.

6. Status Updates with Committee.

The chair of each working group shall provide an update on work product status and other activities at each full meeting of the Standards Committee. The chair will share progress, roadblocks, significant findings, and other important facts for the Committee to consider. At that time, the Standards Committee may offer feedback or support to assist the working group in achieving its stated goals.

7. Review and Approval of Work Products.

Each working group shall submit all work products, such as proposed standards and best practices, to the Standards Committee secretary to begin the review and approval process. The work products shall be submitted according to the agreed-upon workback schedule, providing sufficient time for review, commentary, and questions by Standards Committee members. The secretary will distribute the work products to the Standards Committee members and facilitate the review process.

The working group chair shall ensure commentary (feedback) and questions from Standards Committee members are addressed and that any work products are properly updated as needed to address Committee member concerns to ensure approval.

Work products shall be approved by voting members of the Standards Committee according to the rules set forth in section 7 of this charter.