



BOY SCOUTS OF AMERICA

CONFLICT-OF-INTEREST POLICY

(Article IX, section 2, clause 9, *Rules and Regulations of the Boy Scouts of America*, approved October 8, 1997)

A fundamental principle of ethics is that any person who exercises discretionary authority on behalf of the Corporation may not use this authority for his or her own benefit.

It is therefore the basic policy of the Boy Scouts of America (BSA) that all Executive Board members or members of any committee thereof or officers or employees of BSA have a duty to be free from the influence of any conflicting interest when they act on behalf of BSA or represent it in negotiations or advise others in BSA with respect to dealing with third parties. They are expected to deal with suppliers, customers, contractors, and others having dealings with BSA on the sole basis of that which is in the best interest of BSA without favor or preference to third parties based on personal considerations. To this end, the following shall be the policy of the Boy Scouts of America:

- A. No member of the Executive Board or member of any committee thereof or officer or employee of BSA shall accept from any person, directly or indirectly, whether by himself or herself or through his or her spouse or a member of his or her family or through any partner or business or professional associate, any gift, favor, service, employment, or offer of employment or any other thing of value which he or she knows or has reason to believe is made or offered to him or her with the intent to influence him or her in the performance of his or her duties as a member of the Executive Board or member of any committee thereof or officer or employee of BSA.
- B. No member of the Executive Board or member of any committee thereof or officer or employee of BSA who is a partner, officer, or employee of a partnership, firm, or corporation or who owns or controls, directly or indirectly, more than 10 percent of the stock of such corporation, shall represent, appear for, or negotiate on behalf of BSA in connection with the acquisition or sale by BSA of any interest in real or

tangible or intangible personal property from or to such partnership, firm, or corporation or any purchase of services from or to such partnership, firm, or corporation.

- C. No member of the Executive Board or member of any committee thereof shall participate by discussion, voting, or by any other action taken by the Executive Board, or any committee thereof, in the enactment of or defeat of a motion in which that member has an interest as defined in Paragraph B above. In case any such matter is discussed at any meeting where any Executive Board or committee member who has such an interest is present, the member shall promptly disclose that interest in the matter to be voted on to the chairman of the meeting. The member shall not vote on the matter and at the discretion of the disinterested members present may be required to leave the meeting during the discussion and the voting on the matter.
- D. BSA shall not enter into any transaction with any individual or entity which is a "disqualified person" with respect to BSA under Section 4958 of the Internal Revenue Code, if such transaction would constitute an "excess benefits transaction" under that same section.

Applying the Boy Scouts of America Employee Conflict of Interest Policy

It is imperative that employees of the Boy Scouts of America conduct themselves with a degree of honesty and integrity that is beyond reproach or even suspicion.

While it is not possible to anticipate every situation and prescribe a precise rule for each, it is possible to set forth certain basic, general principles to be observed by employees at all times. The essence of this policy is that employees shall always deal with others doing, or seeking to do, business with the Boy Scouts of America in a manner that excludes all consideration of personal advantage. Accordingly, every employee of the National Council is subject to the following policy:

1. Interest In Any Other Business Organization

Employees of the National Council or members of their immediate families shall not have any interest, direct or indirect, in any other business which in any degree conflicts with the employee's primary obligations to the Boy Scouts of America. In this regard, employees or members of their immediate families should not possess a significant financial interest in, or receive remuneration from, any business that

does, or seeks to do, business with the Boy Scouts of America. In addition, employees should not conduct business on behalf of the Boy Scouts of America with members of their immediate family, or a business organization with which the employees or members of their immediate families have any association that could be construed as significant in terms of potential conflict of interest. Employees or members of their immediate family should not do business with other employees of the National Council on the basis of their mutual association with the Boy Scouts of America.

2. Transactions Between BSA And "Disqualified Persons"

No employee who is a "disqualified person" with respect to BSA under Section 4958 of the Internal Revenue Code may enter into any transaction with BSA, if such transaction would constitute an "excess benefits transaction" under the aforementioned Internal Revenue Code section.

3. Gifts, Favors, Entertainment, and Payments to Employees

Employees shall not seek or accept any gifts, payments, fees, services, valuable privileges, vacations, or pleasure trips, loans (other than conventional loans from lending institutions) or other favors from any person or business organization that does, or seeks to do, business with the Boy Scouts of America. No employee shall accept anything of value in exchange for referral of parties to any person or business organization that does, or seeks to do, business with the Boy Scouts of America. In the application of this policy:

- A. Employees may accept common courtesies of nominal value usually associated with accepted business practices for themselves and members of their families.
- B. An especially strict standard is expected with respect to gifts, services, or consideration of any kind from suppliers. Entertainment at the expense of suppliers beyond that contemplated by (a) above should not be accepted under any circumstances.
- C. It is never permissible to accept a gift in cash or cash equivalent of any amount.
- D. This policy does not preclude the acceptance of gifts that will benefit the Boy Scouts of America rather than an individual employee.
- E. This policy does not preclude the acceptance of courtesies extended to employees of the Boy Scouts of America in their official capacities, such as gratis hotel rooms for business (but not personal use) in connection with meetings.

F. This policy will be communicated to persons and organizations doing, or seeking to do, business with the Boy Scouts of America.

4. Confidential Information

Unless authorized by the director of Human Resources, employees shall not disclose, directly or indirectly, confidential or proprietary information of the BSA or its employees, or use such information for personal gain. Such information should be shared with other BSA employees only on a need-to-know basis. Individuals who have separated from BSA employment may not subsequently disclose, directly or indirectly, confidential or proprietary information acquired during BSA employment or use such information for personal gain.

5. Gifts, Favors, Entertainment, and Payments by the Boy Scouts of America

Gifts, favors, and entertainment may be given others at the expense of the Boy Scouts of America only if they meet all of the following criteria:

- A. They are consistent with accepted business practices.
- B. They are of sufficiently limited value, and in a form that will not be construed as improper.
- C. They are not in contravention of applicable law and generally accepted ethical standards.
- D. Public disclosure of the facts will not embarrass the Boy Scouts of America.

6. Obligation to Disclose

Any employee who believes that his or her personal actions or interest, or the actions of others, may violate this policy must discuss the matter with the Human Resources Administration director. Additional interpretations of this policy and definitions of words and phrases used herein will be made upon request to the national director of Personnel.

7. Sanctions

Any employee whose actions or interests violate this policy is subject to immediate termination, if such is determined to be in the best interests of the BSA.

It is the responsibility of every employee of the Boy Scouts of America to be aware of and to observe these standards.