



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 which 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. 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, affiliates, subsidiaries, or any local council (collectively referred to as “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 financial 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 which 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 based on 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.”

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:

- Employees may accept common courtesies of nominal value usually associated with accepted business practices for themselves and members of their families.
- 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 common courtesies of nominal value as outlined above should not be accepted under any circumstances.
- It is never permissible to accept a gift in cash or cash equivalent of any amount.
- This policy does not preclude the acceptance of gifts that will benefit the Boy Scouts of America rather than an individual employee.
- 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.
- 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 General Counsel, 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 the following criteria:

- They are consistent with accepted business practices.
- They are of sufficiently limited value, and in a form that will not be construed as improper.
- They are not in contravention of applicable law and generally accepted ethical standards.
- 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 BSA Legal Counsel. Additional interpretations of this policy and definitions of words and phrases used herein will be made upon request to the BSA Legal Counsel.

On annual basis, each employee shall sign a statement which affirms such person:

- Has received a copy of the conflict of interest policy,
- Has read and understands the policy,
- Has agreed to comply with the policy, and
- Has reported all breaches of the conflict of interest policy.

If at any time during the year, the information in the annual statement changes materially, the employee shall disclose such changes and submit a revised annual disclosure form to the Controller.

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.

8. DEFINITIONS

Financial interest--A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which the Boy Scouts of America has a transaction or arrangement,
- A compensation arrangement with the Boy Scouts of America or with any entity or individual with which the Boy Scouts of America has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Boy Scouts of America is negotiating a transaction or arrangement.

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

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 Audit Committee or Executive Board of the Boy Scouts of America decides that a conflict exists, in accordance with policy.

Significant financial interest--A person has a significant financial interest if the person has, directly or indirectly, through business, investment, or family a financial interest that exceeds \$10,000 in value or

represents more than 5% ownership interest in any one enterprise or entity, when aggregated for the member and his or her family members for the disclosure period.

Direct financial interest--A financial interest that is owned directly by an individual or business, investment, or family (including those managed on a discretionary basis) that is:

- Under the control of an individual or business (including those managed on a discretionary basis).
- Beneficially owned through an investment vehicle, estate, trust, or other intermediary when the beneficiary controls the intermediary; or has the authority to supervise or participate in the intermediary's investment decisions.

Indirect financial interest--A financial interest beneficially owned through an investment vehicle, estate, trust, or other intermediary when the beneficiary neither controls the intermediary nor has the authority to supervise or participate in the intermediary's investment decisions.

Beneficially owned--A financial interest in which an individual or business is not the owner of record but has some right to some or all the underlying benefits of ownership.

It is the responsibility of every employee of the Boy Scouts of America to be aware of and to observe these standards. Accordingly, you are asked to sign and return the accompanying Employee Statement relating to these standards. Employee Statements will be held in complete confidence. The Employee Statement will be re-executed on annual basis.

The Executive Board and/or Audit Committee of the Boy Scouts of America shall regularly and consistently monitor and enforce compliance with this policy and taking such other actions as are necessary for effective oversight.