



Entrepreneurs'
Organization

The Entrepreneurs' Organization Board of Directors Business Ethics Policy

Board of Directors Business Ethics Policy

I. PURPOSE

The Entrepreneurs' Organization ("EO") expects the Board of Directors to maintain the highest ethical standards in conducting EO's business. The intent of this policy is to provide clear guidance to Board Members to ensure that EO conducts its business with integrity, in compliance with all applicable laws, and in a manner that excludes considerations of personal advantage or gain.

II. GENERAL POLICY APPLICATION

A Conflicts of Interest.

- 1 **Generally.** Board Members should avoid any situation that involves or may involve a conflict between their personal interests and the interests of EO. As in all other facets of their duties, Board Members dealing with customers, vendors, contractors, competitors or any person conducting or pursuing an opportunity to conduct business with EO, shall act in the best interests of EO. In those circumstances, Board Members shall not:
 - a implicitly or expressly suggest or request, or accept for themselves or others, any gifts, favors, entertainment, or payments subject to the allowances in this policy; or
 - b accept personal loans (other than conventional loans at market rates from lending institutions) from any persons or business organization that conducts business with, or pursues an opportunity to conduct business with, or is a competitor of, EO.
- 2 **Examples.** Although it is impossible to list every situation that might give rise to a conflict of interest, the following situations shall serve as a guide:
 - a Except as otherwise provided for within this policy, ownership by a Board Member, or by a member of his or her family, of a significant interest in any outside enterprise that conducts business with, or pursues an opportunity to conduct business with, or is a competitor of, EO.
 - b Serving as a director, officer, partner, consultant, or in a managerial or technical capacity, with an outside enterprise that conducts business with, or pursues an opportunity to conduct business with, or is a competitor of, EO.
 - c Subject to the allowances in this policy, receiving anything of value while acting as a broker, finder, go-between or otherwise for the benefit of a third party in transactions involving or potentially involving EO or its interests.
 - d Personal loans from EO to Board Members are **strictly prohibited**. These loans can create or give the appearance of a conflict of interest.
 - e Any other transactions or arrangements, whether personal or business, that might influence the Board Member to favor his or her own interests over those of EO.

Notwithstanding the foregoing, Board Members may accept for themselves, and members of their families, common courtesies usually associated with customary business practices, as long as acceptance does not influence, or create the perception of influencing, decisions concerning EO's business affairs. Board Members may also receive reimbursement for expenses incurred in connection with their service as Board Members as long as reimbursement is consistent with EO's policies and procedures.

B Business Dealings Involving EO Directly Or Its Members.



- 1 **Rules.** As a business membership organization, frequent opportunities arise within the membership to conduct business with EO directly or EO members, a few of whom may be actively involved on the EO Board of Directors or within the Board committee structure. Although EO believes that these dealings are beneficial to all parties, EO must base all business dealings with Board Members on the same ethical foundation as all other EO business practices and dealings. Therefore the following rules apply:
 - a When an EO Board Member maintains a business relationship involving EO directly that exceeds an annual expenditure of \$50,000, the member involved with the business relationship shall not also concurrently serve as a member of EO's Board of Directors.
 - b When an EO Board Member maintains a business relationship involving another EO member that exceeds an annual expenditure of \$50,000, the EO Board Member may continue to serve on the EO Board of Directors if:
 - i the Board Member provides full disclosure of the relationship; and
 - ii the EO Board of Directors does not object to the business relationship because there is no perceived conflict of interest related to the business relationship; and
 - iii the Board Member refrains from engaging in discussions concerning the business relationship or vote on any matter affecting that Board Member's business relationship with the EO member.

This policy does not preclude Board Members affected by this policy from attending leadership functions, Board or committee meetings in the role of a guest, stakeholder or adviser to those in attendance.

When a Board Member has a business relationship identified in amounting to less than \$50,000 annually, that Board Member shall not engage in discussions concerning the business relationship or vote on any matter affecting that Board Member's business relationship with EO or the EO member. [The \$50,000 threshold limit does not include expense reimbursement.]
- 2 **Disclosure.** Board Members shall disclose all actual or potential conflicts of interests to the Board Chair and the Executive Director in an annual Conflict of Interest Statement Declaration & Report and/or whenever a conflict arises.

C Confidential Information.

EO requires its Board Members to execute a document titled "Policy Regarding Confidentiality and Intellectual Property for Members of Board of Directors." The provisions of that document are expressly incorporated into this Business Ethics Policy.

D Oversight & Consequences of Violation.

Disinterested Board Members shall make a determination as to whether a conflict exists and what subsequent action, if any, is appropriate.

Any violation of this policy will subject a Board Member to appropriate action, up to and including, removal from the Board. When questions arise concerning any aspect of this policy, Board Members should contact the Board Chair. Violations of this policy should be reported to the Board Chair, the Chair of the Standing Finance Committee or EO's Executive Director.

All EO Board Members shall annually receive a reminder of their agreement to comply with the EO Business Ethics Policy.

