

**PRO-8**  
**Issue Date**  
July 6, 2009

## **Acceptance of Business Courtesies**

### **Purpose/Summary**

This procedure explains the general principles, guidelines, unacceptable actions, and approval requirements for accepting business courtesies. This procedure applies to all employees and their immediate families. "Employees" includes all employees of The Boeing Company, including subsidiaries, contingent labor, consultants and others acting for the company unless otherwise approved by the vice president of Ethics and Business Conduct.

### **Supersedes**

January 25, 2005

### **Applies To**

All Boeing

### **Maintained By**

Vice President, Ethics and Business Conduct

### **Authority Reference**

Policy [POL-2](#), "Ethical Business Conduct"

**Approved By**

Michael L. Mesick  
Vice President, Ethics and Business Conduct

**Summary of Changes to the Title Page**

The Issue Date, Supersedes date and Approved By have changed. In addition, this revision clarifies honoraria in Section 3.C.4, General Guidelines and Responsibilities. Other editorial changes have also been made.

**1. Definitions**

A business courtesy is a present, gift, hospitality, or favor for which fair market value is not paid by the recipient. A business courtesy may be a tangible or intangible benefit such as meals, drinks, entertainment; door prizes; honoraria; transportation; discounts; promotional items; or use of a donor's time, materials, facilities, or equipment.

**2. Requirements**

Employees must act in a fair and impartial manner in all business dealings, and must not create a perception that they are subject to undue influence. In deciding whether to accept a business courtesy, employees are expected to use good business judgment, consider the perception created by accepting a courtesy and ask questions when in doubt. These behaviors promote professional relationships and practices and a reputation for integrity.

**3. General Guidelines and Responsibilities**

All business courtesies offered to and accepted by Boeing employees are gifts belonging to Boeing; employees should not assume that they may keep a business gift for personal use.

Management of individual organizations will resolve issues concerning acceptance of business courtesies not prohibited under sec. 3.B. Individual organizations and management may set additional restrictions for their employees regarding acceptance of business courtesies.

When offered a business courtesy, employees determine whether it is appropriate to accept the courtesy on behalf of Boeing by applying the guidelines in this procedure. If it is not appropriate to accept or retain a courtesy, the employee should politely refuse the business courtesy at the time it is offered and explain why. When local customs or practices or other circumstances make it inappropriate to decline the business courtesy at the time it is offered,

employees should accept the courtesy and follow the guidelines for disposition in section 3.D.

Boeing has processes for recognizing and rewarding its employees. When a customer, supplier, or other person or firm proposes a courtesy to an employee as recognition, the employee's management or Ethics Advisor should be consulted.

For the purpose of this procedure, "employee" includes members of the employee's immediate family.

**A. Guidelines for Determining Whether to Accept a Business Courtesy**

1. An employee may accept a business courtesy when acceptance of the courtesy:
  - a. Promotes successful working relationships and goodwill with persons or firms with whom Boeing may do business. Such courtesies include infrequent business meals and entertainment that are shared with the person who has offered to pay for the meal or entertainment. However, employees should use good judgment and decline invitations for meals and entertainment that are inappropriately lavish or excessive, or create a perception of undue influence.
  - b. Conforms to the reasonable and ethical practices of the marketplace, such as flowers, fruit baskets, and other modest presents that commemorate a special occasion. However, such items should be shared with others in the work group or team and should not be retained for exclusive personal use.
  - c. Is not prohibited by this procedure (see sec. 3.B) or does not require management approval (see sec. 3.C).
  - d. Does not create actual or perceived conflict of interest or divided loyalty.
  - e. Does not create the appearance of an improper attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
2. Novelty, advertising, or promotional items of nominal value, such as calendars, pens, and mugs, may generally be retained.
3. Employees shall not enter or otherwise participate in supplier- or customer-sponsored drawings, raffles, or similar activities. Any

rewards or prizes from such supplier- or customer-sponsored activities should be handled in accordance with Section 3.D

Employees may accept prizes from random drawings, raffles and similar activities if such drawings (1) are open to the public and (2) are not sponsored by a supplier or customer. Management shall determine whether or not an employee may retain such prize for his or her personal use.

4. Employees who negotiate or award contracts, influence the allocation of business, or create specifications that result in the placement of business must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing.
5. Employees should avoid a pattern of accepting frequent courtesies from the same persons or companies.
6. Management of individual organizations will resolve issues concerning acceptance of business courtesies not prohibited under sec. 3.B. Individual organizations and management may set additional restrictions for their employees regarding acceptance of business courtesies.

**B. Unacceptable Actions**

1. An employee may not ask for a business courtesy.
2. An employee may not accept a business courtesy when a real or perceived attempt is being made to:
  - a. Offer the courtesy in exchange for, or to influence, favorable action by Boeing.
  - b. Motivate an employee to do anything that is prohibited by law, regulation, or Boeing or donor policy.
  - c. Gain an unfair competitive advantage by improperly influencing an employee's discretionary decisions.
3. An employee may not use a company position as a means of obtaining business courtesies, such as personal discounts on products, services, or other items. Employees may accept Boeing-approved discounts or discounts available to all Boeing employees.
4. An employee may not accept offers of trips for pleasure from persons or firms with whom Boeing may do business.

- C. With appropriate approval, the following business courtesies may be accepted:
1. Transportation on revenue flights under conditions that are not already approved by contract when those conditions are approved by BCA Customer Relations or an Ethics Advisor
  2. Supplier- or customer-sponsored training that directly benefits the company when attendance is offered to other companies on an equal basis.
  3. Expense-paid trips outside the local area for business purposes at the expense of a supplier, customer, or any other entity. However, in most cases, especially business trips to a supplier facility, it is more appropriate for Boeing to pay for the authorized expenses.
  4. An honorarium or any other form of payment (as defined in section 1) is generally not appropriate for an employee to accept if the appearances, speeches, articles, or media are directly related to the employee's job responsibilities (requested by management), and/or the event occurs on Company time unless the honorarium is in the form of a waiver of conference fees and meals provided to all panel speakers. In circumstances where it is clear that the event and associated preparation for the event is conducted on the employee's personal time, acceptance of honoraria may be permissible.
    - a. Employees should review [PRO-7](#) for any potential Conflict of Interest implications relating to acceptance of the honoraria (circular).
    - b. Employees should also be aware that the acceptance of honoraria in cash, gifts, or expenses/fees paid by an outside organization may be considered personal taxable income.
- D. Guidelines for Disposition of Unacceptable Business Courtesies

Whenever an employee has received a courtesy that does not meet the criteria for acceptance in this procedure, he or she should use one of the following alternatives:

1. Return it to the donor with a polite explanation that Boeing policy prohibits retention of the business courtesy.
2. Promptly forward the courtesy to the company Global Corporate Citizenship organization for disposition (e.g., donation to a charitable or educational organization).

3. Retain the courtesy for display on company property with the approval of the employee's Ethics Advisor. The item will be inventoried as company property in accordance with local procedures.
4. Retain the courtesy for personal use with the approval of the employee's manager or Ethics Advisor and send a check to the Employee Community Fund in an amount equal to the fair value of the business courtesy. If additional guidance is needed, the employee and/or his or her manager should contact an Ethics Advisor.

E. Exceptions

All exceptions to this procedure require the written approval of a company vice president in coordination with the appropriate Ethics Advisor.