**AMERICAN CANCER SOCIETY, INC. AND ITS AFFILIATED ENTITIES**

# CODE OF ETHICS
# AND
# CONFLICT OF INTEREST POLICY

**(as of November 2012)**

## Table of Contents


**Page**

Introduction and Applicability ..... 1

Policies Governing Ethical Conduct ..... 2

Duty of Loyalty to the Society – Avoiding Abuses of Position and Conflicts of Interest ..... 3

- A. Areas in Which Conflicts May Arise ..... 3
- B. Nature of Conflicting Interest ..... 4
- C. Conflict of Interest Disclosure Procedures ..... 4
  - 1. Annual Statements ..... 5
  - 2. Continuing Disclosure ..... 5
  - 3. Gifts & Honoraria ..... 6
  - 4. Procedures for Addressing the Conflict of Interest ..... 6
- D. Violations of the Conflicts of Interest Policy ..... 8

Confidential Information ..... 8

Reporting Conflicts and Violations – Duties, Protections and Corrective Actions ..... 8

Frequently Asked Questions ..... 9

Definitions ..... 9

- A. Affiliated Persons ..... 9
- B. Disqualified Person ..... 9
- C. Business Relationship ..... 9
- D. Financial Interest ..... 10
- E. Independent Voting Members ..... 11
- F. Senior Staff ..... 11
- G. Society Counsel ..... 11
- H. Tobacco Company ..... 12

Exhibit A: Whistleblower Protection Policy: Reporting Suspected Violations of Law or Misconduct ..... 13

# CODE OF ETHICS AND CONFLICT OF INTEREST POLICY
# AMERICAN CANCER SOCIETY, INC. AND ITS AFFILIATED ENTITIES

## Introduction and Applicability

The Code of Ethics and Conflict of Interest Policy (the "Code") of the American Cancer Society, Inc. and its affiliated entities (collectively, the "Society") establishes the ethical standards for governance volunteers and staff of the Society (collectively referred to as "associates") in connection with Society business. The Code applies to all staff and to all volunteers responsible for governance at any Society affiliated entity and those volunteers who have any fiduciary obligations in discharging their duties on behalf of the Society, including but not limited to, members of the Board of Directors and its committees ("Governance Volunteers"). The purposes of the Code are to provide evidence of the Society's commitment to the lawful and ethical conduct of its business, to promote lawful and ethical behavior by its associates, and to protect those who report violations of the Code consistent with the Society's Whistleblower Policy. For policies specifically related to the preservation of the integrity of the Society's peer reviewed extramural research grants and the policies that pertain to conflicts of interest in editorial review and health guidelines development please contact the Society's National Vice President for Extramural Research.

Conflicts of interest will arise in the normal course of conducting Society business. The Code is not designed to prohibit conflicts of interest but to protect the Society's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an associate or might result in a possible "excess benefit transaction", as defined under the Internal Revenue Code. The Code is intended to supplement but not replace any applicable state or federal laws governing ethical conduct or conflicts of interest applicable to nonprofit and charitable organizations.

It is every associate's responsibility to discharge his or her duties in a manner that promotes and preserves public trust, proper stewardship, and confidence in the integrity of the Society. Associates must respect and comply with Society rules and regulations, observe high standards of conduct, and participate in establishing and maintaining such high standards. **Adverse consequences, including employee termination or removal of a volunteer from his or her position, can result from failure to comply with the Code**.

It is the duty of all associates to review and assess their conduct in light of the provisions of the Code. Each associate shall seek, either in writing or in person, the advice of his or her supervisor or Society Counsel when a reasonable doubt regarding an ethical or legal consideration arises.

The Conflict of Interest Disclosure Statement must be completed by all staff and Governance Volunteers on at least an annual basis. The determination of which volunteers are deemed to be Governance Volunteers is made by Society Counsel. The Conflict of Interest Disclosure Statement is available at www.societylink.org. Once logged into The Link, Volunteers must select "Legal Department" on the left of the page and then Conflict of Interest. Staff may access the Statement by visiting the Legal Department page in the Nationwide Community.

## I. Policies Governing Ethical Conduct

A. Society associates will perform their duties properly, diligently, and in an appropriately courteous manner.

B. Consistent with the provisions of any applicable document retention policy, no associate shall falsify, destroy, mutilate, conceal, or fail to make required entries on any record within the associate's control, including the destruction of documents that are the subject of an investigation or a civil or criminal action to which the Society is a party.

C. Associates with reporting responsibilities shall provide full, fair, accurate, timely, and understandable disclosure in all reports.

D. Associates shall act honestly and ethically.

E. No associate shall discriminate on the basis of race, color, religious creed, gender, national origin, age, physical ability, sexual orientation, marital status, or veteran status in the conduct of services for the Society.

F. Associates shall comply with all employee conduct and behavior policies, including those prohibiting sexual or other unlawful harassment (e.g., workplace bullying).

G. Associates who are attorneys, medical clinicians, certified public accountants, or members of other professional groups are bound by the appropriate professional duties and code of conduct of those roles.

H. Associates shall comply with all state, federal and local laws, statutes and ordinances.

I. Associates shall comply with all policies on confidentiality and privacy of information including in the area of social media. Associates shall not use confidential or proprietary information for personal financial gain.

J. Associates and other volunteers engaged in the extramural research grant program peer review process, editorial review, or in the establishment of the Society's guidelines related to health and nutrition shall abide by the Society's policies that govern ethical behavior and conflicts of interest in those areas.

## II. Duty of Loyalty to the Society – Avoiding Abuses of Position and Conflicts of Interest

The Society is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is critical both for its continued financial stability and for public support. The Society is subject to scrutiny by, and is held accountable to, governmental and regulatory authorities as well as the public.

Consequently, there exists between the Society and its associates a fiduciary duty which carries with it a duty of loyalty and care. Associates have the responsibility of administering the affairs of the Society honestly and prudently and of exercising their best care, skill, and judgment for the sole benefit of the Society. Moreover, because of the Society's status as a public charity, every associate has an affirmative duty to act as a steward of the funds entrusted to the Society by its contributors.

Associates shall use the resources, property, and funds under the associate's control judiciously and in the best interest of the Society. Associates shall exercise good faith in all transactions, and they shall not use their positions with the Society or knowledge gained therein for their personal benefit or for the private pecuniary benefit of any other person or organization. The interests of the Society must be the first priority in all decisions and actions they undertake in connection with the Society.

No associate shall accept, solicit, or agree to accept any gift, favor, complimentary service, or other thing of value under circumstances from which it might be reasonably inferred that such gift, service, or other thing of value was given or offered for the purpose of influencing the associate in the discharge of his or her duties. Vendor selections and purchasing decisions must always be business decisions based on merit: by comparing and evaluating price, quality, performance, and suitability. Decisions must not be influenced by any other factor, such as personal relationships, gifts or hospitality.

**A. Areas in Which Conflicts May Arise** – A conflict of interest may arise in the relations of associates with any of the following third parties:

- Persons and firms supplying or *potentially* supplying goods and services to the Society (vendors and professionals), including, but not limited to:
    - Construction services.
    - Professional services, including accounting and legal services.
    - Contracts with individuals, including consultants and part time staff.
    - Contracts with *companies* providing non-professional services, such as marketing, research services, information technology, management consulting or other services, etc.
    - Persons and firms from whom the Society purchases or leases property and equipment.
    - Persons and firms with whom the Society is dealing or planning to deal in connection with the purchase or sale of real estate, securities, or other property.

- Persons or parties with a direct, material, Financial Interest in the outcome of Society programs, policies or positions.
- Purchasers of Society services.
- Donors, volunteers, and other supporters of the Society.
- Agencies, other nonprofits, and associations that affect the operations of the Society.
- Entities from whom the Society receives grants or to whom the Society provides grants.
- Tobacco Companies and their related entities.

**B. Nature of Conflicting Interest -** A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms listed in Section A. Such an interest might arise through:

- A Business Relationship (as defined in Part VI) or an association with any entity that deals with the Society of which an associate or an immediate family member is a partner or a controlling shareholder, executive officer, or has any other position with another entity that would reasonably cause the appearance of a conflict of interest. Any question regarding independence should be reviewed by Society Counsel or, where appropriate, the Audit Committee for final resolution.
- Receiving compensation for services with respect to individual transactions involving the Society.
- Using Society time, personnel, equipment, supplies, or goodwill for any purpose other than Society-approved activities, programs, or purposes.
- Receiving allowances from the Society (other than incidental amounts incurred while traveling, with any excess promptly repaid in full) if you are a director, volunteer, or officer of the Society.
- Receiving any gift, courtesy or loan from third parties dealing or competing with the Society, or seeking to deal with the Society, except for gifts with a value of less than seventy-five dollars ($75) that could not be refused without discourtesy and which will not give rise to the perception that the associate's independent judgment might be compromised.

**C. Conflict of Interest Disclosure Procedures -** The areas of conflicting interest listed in Section A, and the relationships in those areas that may give rise to conflicts, as listed in Sections B, are not exhaustive. Conflicts may arise in other areas or through other relationships. The Code does not prohibit conflict of interest transactions but instead provides a framework for conflict avoidance and management. However, if an associate believes that he or she is in a possible conflict situation, he or she should assume that a conflict does exist

and act accordingly. ***Any potential conflict of interest should be disclosed at the earliest possible time.***

The fact that one of the interests described in Section A or B exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances, it is necessarily adverse to the interests of the Society. However, it is the policy of the Society that the existence of any of the interests described in Section B must be disclosed before any transaction is consummated. Moreover, all disclosed conflicts shall be addressed in accordance with the procedures set forth below.

It shall be the continuing responsibility of associates to scrutinize their transactions and outside Business Relationships and Financial Interest (as defined in Part VI) for potential conflicts and to immediately make any necessary disclosures. In deciding whether a transaction might constitute a conflict of interest, an associate should ask these questions:

- Would the transaction be prudent, be in good faith, and be in the best interests of the Society?
- Would the transaction affect any decision I will make for the Society?
- How would the transaction look to someone outside of the Society, such as a donor, a public watchdog group, the state attorney general, the news media or a Congressional Committee?
- How would the transaction seem to others within the Society? Would they think it might affect how I do my job for the Society?

**1. Annual Statements**

Each associate shall annually sign a Conflict of Interest Disclosure Statement, which describes any existing or potential conflict of interest and affirms that such person:

a. Has received a copy of the Code;
b. Has read and understands the Code; and
c. Has agreed to comply with the Code.

Annual Conflict of Interest Disclosure Statements shall be filed on or before March 31st in the case of employees and on or before the date of the first meeting of the Board in each calendar year in the case of Governance Volunteers.

**2. Continuing Disclosure**

In connection with any actual or potential conflict of interest, an associate must disclose the existence of the Financial Interest on a Conflict of Interest Disclosure Statement. If the associate is a Disqualified Person (as defined in Part VI), he or she must disclose all material facts to the directors and members of the committees with governing board delegated powers prior to engaging in the proposed transaction or arrangement.

**3. Gifts & Honoraria**

Associates while acting in the capacity of a Society representative or volunteer shall not solicit or accept for their personal, professional or business gain gifts, gratuities, honoraria, entertainment, favors or other goods or services from current or prospective vendors, providers of services or persons with a direct, material Financial Interest in the outcome of Society programs, policies or positions. This does not prohibit associates in their personal or professional capacity, or their employers from having relationships with the same organizations or persons who are current or prospective vendors, providers of services or persons with a direct, material Financial Interest in the outcome of Society programs, policies or positions. In such instances, the associates shall take all prudent and reasonable measures to distinguish actions and decisions made personally or professionally from the relationship to or position with the Society.

The receipt of an offer of any gift(s) exceeding the value of $75 must be reported immediately to your supervisor (if staff). Similarly, a series of gifts within a one-year time frame, all of which cumulatively are valued at seventy-five dollars ($75) or more should be treated as a single gift for purposes of this policy. Volunteers receiving offers of gifts in excess of $75 must notify Society Counsel. In each instance, a Conflict of Interest Disclosure Statement should be filed with Society Counsel. Society Counsel will review the circumstances to determine if the potential gift can be accepted or determine if a potential conflict of interest exists and communicate its decision to the supervisor (in the case of staff) or the Audit Committee (in the case of volunteers). No gift in excess of the value of $75 may be accepted without the prior approval of the supervisor (if staff) and Society Counsel for Disqualified Persons.

In international situations where turning down a gift with more than a $75 value would be culturally discourteous, the gift may be accepted on behalf of the Society but must be immediately reported to Society Counsel.

Nominal gifts such as pens; caps; paperweights; t-shirts; coffee mugs; soft drinks; flowers; chocolates or other small tokens may be accepted. No personal gift of cash or a cash equivalent (i.e. gift cards, gift checks, vouchers, phone cards, checks or money orders, etc.); special discount; tickets for entertainment where the host will not be present; gifts that would embarrass the Society; or situations where the Society's commitment to diversity and respect for others could be violated or could cause unease, such as adult entertainment, shall ever be accepted from a vendor. Associates shall never request gifts or hospitality of any sort. Associates shall avoid a pattern of accepting frequent courtesies from the same person or company.

**4. Procedures for Addressing the Conflict of Interest**

In general, once a conflict of interest transaction is identified, the associate with the conflict shall not attempt to influence other decision makers regarding the matter, and shall not participate in any discussion of the transaction except to respond to information requests. In addition, if the associate is in a position to vote on, or otherwise participate in the decision with respect to, the conflict of interest transaction, he or she shall abstain from any such vote or participation. It shall be the responsibility of the decision-making authority or body to properly record in the minutes of any discussion regarding a conflict

of interest transaction the name of the person who discloses the conflict of interest, the nature of the conflict of interest, and documentation of the comparability data (i.e. industry surveys, compensation studies, competitive bids, etc.), if any, used in determining whether the Society should enter into the transaction.

In the case of a transaction involving a Disqualified Person:

a. The Disqualified Person may respond to questions at the Board or committee meeting, but after answering any questions, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
b. The Chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee of disinterested persons to investigate alternatives to the proposed transaction or arrangement.
c. After exercising due diligence, the Board or committee shall determine whether the Society can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested persons whether the transaction or arrangement is in the Society's best interest, and whether it is fair and reasonable. It shall then make its decision as to whether to enter into the transaction or arrangement and record the decision, together with the supporting analysis, in the minutes of the proceeding.

In the case of a transaction involving a non-disqualified person, Society Counsel shall review the circumstances surrounding the transaction, including any comparability data, and determine whether the transaction requires further review and approval by the Audit Committee. Society Counsel shall maintain a record of all disclosed or discovered conflict of interest transactions and report quarterly to the Audit Committee the actions taken with respect to each.

Flowcharts which describe the Conflict of Interest disclosure and review processes are available at www.societylink.org in the Code of Ethics and Conflict of Interest Toolkit within the Legal Department Community. To access the Toolkits, once logged into The Link, Volunteers must select "Legal Department" on the left of the page and then Toolkit Series. Staff may access the Toolkits by visiting the Legal Department page in the Nationwide Community.

**D. Violations of the Conflict of Interest Policy -** If Society Counsel, or in the case of a volunteer, the Board of Directors or committee, has reasonable cause to believe an associate has failed to disclose actual or possible conflicts of interest, it shall inform the associate of the basis for such belief and afford the associate an opportunity to explain the alleged failure to disclose.

If, after reviewing the associate's response and after making further investigation as warranted by the circumstances, Society Counsel, or the Board of Directors or committee determines the associate has failed to disclose an actual or possible conflict of interest, it shall initiate appropriate disciplinary and corrective action.

## III. Confidential Information

Associates shall not violate Society privacy and confidentiality policies. In addition, associates shall not use confidential or proprietary information for personal financial gain.

## IV. Reporting Conflicts and Violations - Duties, Protections and Corrective Actions

A. Each associate shall immediately report conflicts and violations of the Code, criminal law, or the attempt to induce another to violate these standards or violate criminal law, in accordance with established policies. A failure to report a violation is itself a violation of the Code. If anonymity is requested, the Society will not disclose the identity of the reporting individual except as needed to properly investigate the allegation, or unless legally required to do so.

The Society's Whistleblower Protection Policy (attached hereto as EXHIBIT A and incorporated herein by reference) establishes the protections against retaliatory actions for any reports of Code violations. Moreover, the Society's independent hotline at **1-800-539-7202** is a confidential resource dedicated solely to answering questions and concerns or reporting questionable activity related to financial internal controls, audit, prevention of illegal activity, accounting issues, and related matters. Associates may ensure complete anonymity when reporting a concern by simply not giving their names. More information on the hotline is available at www.societylink.org (the intranet) in the Risk Management Toolkit in the Legal Department Community.

B. An associate found to be in violation of the Code shall be subject to corrective actions taken by the appropriate level manager (or Board for board members and other volunteers). Such action may include further training and instruction regarding the provisions of the Code, necessary steps to remediate any harm to the Society, fellow associates, or others, and disciplinary actions up to and including termination. Each violation will be assessed on an individual case by case basis and the corrective action tailored to the specifics of that violation. When deciding what action is necessary, consideration will be given to the flagrancy of the violation, the harm caused, whether the violation was intentional or unintentional, whether the associate voluntarily disclosed the violation, prior misconduct, the likelihood of future misconduct, the general circumstances surrounding the violation, and other considerations as appropriate.

C. When an associate completes the annual conflict of interest disclosure statement, the associate must disclose all of the items on the questionnaire for the past calendar year. Any intentional failure to disclose required information or the provision of information that is inaccurate or false in nature is a violation of the Code. In addition, there is a continuing duty to disclose any conflict of interest that arises during the course of the year.

## V. Frequently Asked Questions

A series of Frequently Asked Questions as interpreted by the General Counsel of the Society is available at www.societylink.org (the intranet) in the Code of Ethics and Conflict of Interest Toolkit in the Legal Department Community.

## VI. Definitions

### A. Affiliated Persons:

Persons are termed "affiliated persons" include the following:

a. your spouse, domestic partner, parents, grandparents, siblings, children, grandchildren, great grandchildren, and spouses of parents, grandparents, siblings, children, grandchildren and great grandchildren or anyone residing with you.
b. any entity that deals with the Society of which:
   - you are a partner, member or a controlling shareholder or executive officer; or
   - you have any other position, financial or otherwise, that would cause the appearance of a conflict of interest. Any question regarding a conflict of interest should be reviewed by Society Counsel or the Audit Committee for final resolution.
c. any trust, estate, or other legal entity in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

### B. Disqualified Person:

A "disqualified person" is any person who is, or has been during a period beginning five (5) years from the date of a transaction between the Society and such person, in a position to exercise substantial influence over the affairs or finances of the Society. It is not necessary that the person actually exercise substantial influence, only that the person be in a position to do so.

Certain insiders, by definition, are Disqualified Persons, including, but not limited to, the members of the Enterprise Leadership Team, Enterprise Executive Management, and the members of the Board of Director, regardless of their compensation.

Certain family members of a Disqualified Person and entities controlled by a Disqualified Person are also Disqualified Persons. For this purpose, the term control is defined as owning more than 35% of the voting power of a corporation, more than 35% of the profits interest in a partnership, or more than 35% of the beneficial interest in a trust.

**C. Business Relationship:**

Business relationships between two parties include any of the following:

- One person is employed by the other in a sole proprietorship or by an organization with which the other is associated as a trustee, director, officer, key employee, or greater-than-35% owner.

- One person is transacting business with the other (other than in the ordinary course of either party's business on the same terms as are generally offered to the public), directly or indirectly, in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of $10,000 in the aggregate during the organization's tax year. Indirect transactions are transactions with an organization with which the one person is associated as a trustee, director, officer, key employee, or greater-than 35% owner. Such transactions do not include charitable contributions to tax-exempt organizations.

- The two persons are each a director, trustee, officer, or greater than 10% owner in the same business or investment entity (but not in the same tax-exempt organization).

Ownership is measured by stock ownership (either voting power or value) of a corporation, profits or capital interest in a partnership or limited liability company, membership interest in a nonprofit organization, or beneficial interest in a trust. Ownership includes indirect ownership (for example, ownership in an entity that has ownership in the entity in question); there may be ownership through multiple tiers of entities.

*Privileged relationship exception*. For purposes this definition, a "business relationship" does not include a relationship between an attorney and client, a medical professional (including psychologist) and patient, or a priest/clergy and penitent/communicant.

**D. Financial Interest**:

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

a. An ownership or investment interest in any entity with which the Society has a transaction or arrangement;
b. A compensation arrangement with the Society or with any entity or individual with which the Society has a transaction or arrangement; or
c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Society is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not nominal in value. Compensation does not include the reimbursement of reasonable expenses incurred in connection with the performance of Society duties.

A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest may have a conflict of interest if the appropriate reviewing body determines that a conflict of interest exists.

**E. Independent Voting Members:**

A voting member of the Board of Directors or a committee is considered "independent" only if all three of the following circumstances applied at all times during the Society's tax year.

- The member was not compensated as an officer or other employee of the Society or of a related organization, which includes ACS CAN.
- The member did not receive payments exceeding $10,000 during the Society's tax year from the Society and/or any related organization as an independent contractor.
- Neither the member, nor any family member of the member, was involved in a transaction with the Society (whether directly or indirectly through affiliation with another organization) that is required to be reported on Schedule L of the Form 990 for the Society's tax year, or in a transaction with a taxable or tax-exempt related organization of a type and amount that would be reportable on Schedule L Form 990 if required to be filed by the related organization.

Transactions required to be reported on Schedule L include:

1. excess benefit transactions between you or an Affiliated Person and the Society;

2. loans from the Society to you or an Affiliated Person;

3. a Society grant which provided a direct benefit to you or an Affiliated Person; and

4. any business transaction between the Society and you or an Affiliated Person.

**F. Senior Staff:**

"Senior Staff" includes Society executives determined by the Compensation Committee to be "Disqualified Persons" and the Society's senior medical staff as determined by the Chief Medical Officer.

**G. Society Counsel:**

Society Counsel shall mean the General Counsel or his or her designees.

**H. Tobacco Company:**

"Tobacco Company" means any company that manufactures tobacco products and is commonly considered to be part of the tobacco industry, including subsidiaries and

parent companies, and companies under common control with such company, as well as philanthropic foundations and other organizations closely linked with the tobacco industry.

## EXHIBIT A

### Whistleblower Protection Policy: Reporting Suspected Violations of Law or Misconduct

The American Cancer Society, Inc. and its affiliated entities ("the Society") are committed to maintaining a workplace where associates are free to raise good faith concerns regarding the Society's business practices, specifically: (1) reporting suspected violations of law on the part of the Society, including but not limited to federal laws and regulations; (2) providing truthful information in connection with an inquiry or investigation by a court, agency, law enforcement, or other governmental body; and (3) identifying potential violations of the Society's Code of Ethics.

The Society policy forbids any retaliatory action, including harassment, intimidation, or adverse employment actions of any kind, to be taken against an individual who, in good faith, reports a suspected violation of law or the Code of Ethics, or who in good faith complains about, or raises a claim or concern about, any type of harassment, retaliation or discrimination prohibited by applicable law or Society policy. Retaliation is also prohibited against individuals who are not themselves complainants, but who participate in good faith in an investigation. Any associate who engages in any form of retaliation will be subject to discipline, up to and including employee termination or removal of volunteer from his or her position. Individuals who believe that they or someone they know are being, or have been, retaliated against should immediately report this to his or her appropriate supervisor, Society Counsel, the appropriate talent management/human resource representative, or anonymously by calling the Hotline at **1-800-539-7202**. The Hotline is created for this purpose and is managed and staffed by an outside company in order to maintain the anonymity of the source.