

**ETHICS POLICY FOR THE PRINCIPAL
EXECUTIVE STAFF OF DAVIDSON COLLEGE**

I. Preamble

This Ethics Policy was adopted on _____, 2005 by the [Executive Committee of the] Board of Trustees (the “Board”) of The Trustees of Davidson College (“Davidson College” or the “College”).

The Board is committed to maintaining the highest legal and ethical standards in the conduct of the business of Davidson College and to protecting the integrity and reputation of the College and the members of its Principal Executive Staff (referred to herein as “PES”). The PES of the College includes the President, the Vice President for Business and Finance, the Vice President for College Relations, the Director of Athletics, the Vice President and Dean for Admission and Financial Aid, the Vice President for Student Life and Dean of Students, and the Vice President for Academic Affairs and Dean of Faculty.

In accordance with sound business ethics, the members of the PES are responsible for exercising their duties honestly, in good faith, and with a reasonable amount of diligence and care. As a result, these individuals have an obligation to the College, its Trustees, students, employees, alumni, donors, and the collective community in which the College operates, to carry out their job responsibilities with the highest standards of ethics and integrity. This policy is designed to reinforce a standard of conduct that engenders public trust in the College, preserves its reputation and financial well-being and protects it from unnecessary legal risk.

II. Honest And Ethical Conduct.

Integrity is at the heart of the College’s core values. The members of the PES have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. Accordingly, it is critical to the current and future success of Davidson College that actions of each member of the PES always be above reproach and that the College’s best interests be the focus of all the decisions made and the actions carried out. These individuals should act ethically and in good faith, with honesty and integrity, when engaging in business or other activities on behalf of the College or in connection with the College’s students, employees or other members of the College community.

III. Adhering To The Law

In addition to acting in good faith with honesty and integrity, it is fundamental to the College’s mission that all members of the PES conduct their professional and personal life in a responsible manner and abide by all federal and state laws, rules and regulations.

IV. Confidentiality; Corporate Opportunity

- (1) Each member of the PES shall exercise care not to disclose:

- (A) confidential information acquired in connection with such individual's status; or
 - (B) information the disclosure of which might be adverse to the interests of Davidson College.
- (2) No member of the PES shall use corporate property, information, or the status of his or her position to solicit business for others or otherwise obtain a private financial, social, or political benefit which would be inconsistent with the Davidson College mission.

V. Conflicts Of Interest

Each member of the PES has an obligation to avoid conflicts of interest involving Davidson College. A potential "conflict of interest" arises when a member of the PES has an interest in any business or property, or an obligation to any person or entity, that could affect, or appear to affect, his or her judgment in fulfilling his or her responsibilities to the College and the College community. A potential conflict of interest may also arise when a member of the PES is in a position to influence a decision that may result in direct or indirect financial or other personal gain or advantage for such person or his or her immediate family as a result of the College's business dealings.¹

In and of themselves, not all conflicts of interest are inherently improper. It is the manner in which each member of the PES and the College deal with the conflict that determines the propriety of the action and conduct. Thus, any member of the PES who becomes aware of a conflict or potential conflict of interest with respect to his or her work with the College, or any material transactions or relationships that could be expected to give rise to a conflict of interest, should immediately disclose such situations in writing to the President of the College.² The President shall decide whether a conflict of interest exists, and if so, what conditions or restrictions, if any, should be imposed by the College to manage, reduce or eliminate such conflict of interest.

VI. Gifts From Vendors or Suppliers.

No member of the PES may solicit or receive a gift, reward, payment or a promise of such actions from a vendor, supplier or any other entity or person which does or seeks to do business with the College for the purpose of giving or attempting to give preferential treatment to such vendor or supplier or in exchange for recommending, influencing or attempting to influence a College decision or transaction. In addition, no member of the PES may solicit or use his or her position with Davidson College to secure a personal discount or other favorable treatment that is not extended to all employees of the College.

¹ For purposes of this policy, immediate family members are defined as spouses, parents, children, domestic partner, and any other person living in the same household as a member of the PES.

² If the President of the College becomes aware of a conflict or potential conflict of interest with respect to his or her work with the College, he or she, as a member of the Board of Trustees of the College, should report such conflict in accordance with the procedures contained in the Ethics Policy for the Trustees of Davidson College adopted by the Board of Trustees on October 8, 2004.

Members of the PES are expressly prohibited from giving or receiving a gift in the form of cash, stocks, bonds, options, or similar types of items to or from College vendors or suppliers. However, some reasonable and customary business gifts and gratuities are acceptable, examples of which include:

- Unsolicited, non-cash gratuities such as food and refreshments.
- Invitations to participate in regional sporting or entertainment activities that facilitate business relationships.
- Advertising or promotional material of nominal value in connection with the business of the College such as pens, pencils, note pads, key chains, golf balls, and calendars.

Questions regarding whether a gift or gratuity is acceptable should be directed to the President.

VII. Outside Directorships/Business Relationships

Davidson College recognizes the value of leadership skills employees gain when they serve as directors or members of outside boards of for-profit or not-for-profit entities. Service on such board by members of the PES, whether they are family related or not, must be reviewed and approved by the President *prior to* accepting the position.³ All such positions must not be with organizations that have an apparent conflict of interest with Davidson College.

VIII. Proper Use of Assets

Each member of the PES shall protect Davidson College's assets and ensure their efficient use. All College assets should be used in a manner consistent with the mission of Davidson College.

IX. Reporting Illegal or Unethical Behavior

In accordance with Davidson College's goal of promoting ethical behavior, each member of the PES is obligated to report violations of this policy and of laws, rules, and regulations affecting Davidson College to the President, or if such activities involve violations by the President, to the Chair of the Board. If a member of the PES is uncertain about whether a particular situation is unethical or illegal, the PES shall disclose the circumstances to the President or Chair of the Board, if such circumstances involve the President's activities, who will assist in determining the best course of action.

³ The Chair of the Board of Trustees shall review and approve the service of the President on any outside board.

[X. Review of Policy; Annual Disclosure

Each member of the PES shall complete and sign an affirmation statement on an annual basis at the time of his or her annual performance appraisal, attesting to his or her compliance with this Ethics Policy.

- (1) At the commencement of his or her employment as a member of the PES, each member of the PES shall review a copy of this policy and acknowledge in writing that he or she has done so.
- (2) At the commencement of his or her employment as a member of the PES, and annually at the time of his or her annual performance appraisal, each member of the PES shall complete a disclosure form identifying all entities in which the member of the PES has a Material Financial Interest⁴ or with which such person is affiliated as a member of its board of directors or similar governing body, trustee, officer, employee, or consultant, and any relationships, positions, or circumstances in which such person is involved that could contribute to an ethical conflict arising.

The President and/or Chair of the Board, shall treat any such information regarding potential ethical conflicts of a member of the PES as confidential. Such information shall generally be available only to the President and/or Chair of the Board, and any committee appointed to address ethical issues, except to the extent additional disclosure is necessary in connection with the implementation of this policy.]

⁴ A "Material Financial Interest" is defined as a direct or indirect ownership interest by the member of the PES, or by an immediate family member of such person, of more than five percent of any corporation, partnership, limited liability company, unincorporated association or other entity.

[To be included if Article X is included.]

ANNUAL STATEMENT OF DISCLOSURE AND COMPLIANCE

I have reviewed the Ethics Policy for the Principal Executive Staff of Davidson College. If a possible ethical conflict arises in my responsibilities to Davidson College, I recognize that I have the obligation to call it to the attention of the President and/or Chair of the Board of Trustees as set forth in the policy.

The following is a listing of all organizations, institutions, corporations, partnerships, or other associations in which I have a Material Financial Interest or with which I am affiliated as a member of a board of directors or similar governing body, trustee, officer, employee, or consultant. For purposes of this disclosure, a "Material Financial Interest" is a direct or indirect ownership interest by an immediate family member or me of more than five percent of any corporation, partnership, limited liability company, unincorporated association or other entity.

Organization/Entity

Position/Affiliation

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to an ethical conflict arising.

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Name

Signature

Date