

CHARLES T. DAVIDSON SCHOLARSHIP FUND, INC.

CODE OF CONDUCT

I. Introduction

Charles T. Davidson Scholarship Fund, Inc. (the “Fund”) has adopted a Code of Conduct (the “Code”) to set a tone of professionalism which promotes honest and ethical behavior in order to protect the reputation of the Fund. The Fund has established standards and procedures to prevent activities by persons who may abuse their trust and to deal with the types of conflicts that may occur within the Fund. Each Officer, Director, Employee and Committee member has a duty to place the interest of the Fund first, and should exercise reasonable care in the oversight of the Fund.

II. Conflict of Interest

Officers, Directors, Employees and Committee Members should use sound judgment at all times in avoiding situations that may create conflict of interest and are responsible for reporting any conflict of interest with the Code. The Board of Directors (the “Board”) should be promptly notified if one becomes the subject of any conflict of interest.

a. Gifts and Entertainment

Gifts and entertainment are appropriate only when used to foster and promote the business of the Fund. An Officer, Director, Employee or Committee member may not offer or receive cash in any amount. Any individual gifts or entertainment amount received should be limited to \$25. All Gifts in excess of \$25 received by Officer, Director, Employee and Committee member may be accepted, but must be shared among the Officers, Directors, Employees and Committee members. Where such a gift cannot be reasonably shared amongst the Officers, Directors, Employees and/or Committee members (as in the case of an item of clothing), the gift may be accepted and subsequently donated to charity. No Officer, Director, Employee and Committee member should accept any gifts or entertainment that may influence his/her decision or may make him or her beholden to any person or persons. The gift must be disclosed and approved by the Board of Directors.

b. Issuance of Scholarship Funds

A conflict of interest exists if a family member of any Officer, Director, Employee or Committee member of the Fund has applied for a scholarship. As such, Persons who are family members of any Officer, Director, Employee or Committee member of the Fund are prohibited from applying for the scholarship.

c. Outside Business Activities

Any Officer, Director or Member holding a position as Trustee, Officers, Consultants or Directors in other Organizations must fully disclose such positions to the Board. The Board shall review potential conflict of interest at the first meeting following disclosure.

III. Confidentiality

In carrying out the Fund's business, Directors, Officers, Employees and Committee Members often gain access to confidential or proprietary information about the Fund. Directors, Executive Officers, Employees and Committee Members must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally required.

IV. Audits and Investigations

No Director, Officer, Employee or Committee Members shall take any action to fraudulently influence, coerce, manipulate, or mislead the Fund's independent auditors or other investigators.

V. Protection and Proper Use of Company Assets

All Directors, Officers, Employees or Committee Members should protect the Fund's assets and help ensure their efficient use. All the Fund's assets should be used for legitimate business purposes only.

VI. Amendments and Waivers of this Code

From time to time, the Fund may amend certain provisions of this Code. Waivers of this Code may be granted only by the Board. Any Director, Officer, Employee or Committee Member who believes that a waiver may be appropriate should discuss the matter with the Board. Any waiver or amendment to this Code will be promptly disclosed to the extent required by applicable law.

VII. Compliance with the Code

All members of the Board, Officers and members representing the Fund are expected to adhere to the principles and procedures set forth in this Code and to conduct the Fund's business with the highest ethical standards and in accordance with all applicable laws, rules and regulations of the State of New York and the Internal Revenue Service.

Strict compliance with this Code is a basic condition of involvement with the Fund. All activities should be conducted in compliance with the Code. Any breach of the Code may constitute grounds for disciplinary action up to and including dismissal from the Fund. Compliance with the Code can be achieved by avoiding conflicts of

interests and by fully disclosing all material facts concerning any conflict that may arise.

VIII. Acknowledgement and Annual Certification

Each Director, Officer, Employee or Committee Member is required to read the Code to familiarize him/herself with its requirement. Each person is required to annually review the Code and agree to comply with the Code by signing the Acknowledgement Form within 30 days of the beginning of the fiscal year of the Fund. The Acknowledgement Form is included as **Exhibit A** to the Code.

Exhibit A

CHARLES T. DAVIDSON SCHOLARSHIP FUND, INC.

Annual Acknowledgement Form

I certify that I have received, read and understood the Policies and Procedures set forth in the Code of Conduct of Charles T. Davidson Scholarship Fund, Inc. and agree to comply in all respect with the procedures described therein for the duration of my association with the Fund.

Name (please print) _____

Date: _____

Signature: _____