

**DREXEL UNIVERSITY
BOARD OF TRUSTEES**

**DECEMBER 17, 2003
QUARTERLY MEETING**

Resolution:

**Adopting a Code of Conduct for the University and
Amending the Bylaws**

INTENTION:

The Sarbanes-Oxley Act of 2002 (the “Act”), which was signed into law on July 30, 2002, subjects public companies in the United States to additional governance and other requirements. While non-profit entities such as Drexel University are not subject to this legislation, senior management determined that it is in the best interests of the Corporation to comply voluntarily with key provisions of the Act because these provisions make sense and are likely to be viewed as “best practices.”

A key provision in the Act is the establishment of a code of conduct. Codes applicable to the Treasurers Office and Institutional Advancement have already been adopted and implemented in those departments. A University-wide Advisory Committee consisting of faculty, staff, and administrators was appointed to consider a Code of Conduct that would apply to the whole University. The Code that was proposed by the Committee was placed on the Drexel website in May 2003, and all segments of the University community were invited by e-mail to review and comment on it. The proposed Code now being proposed to the Board for adoption includes several of those comments.

The Executive Committee has also concluded that Article X of the Bylaws of the University (relating to Conflicts of Interest) should be revised to confirm that the fiduciary duties owed by Trustees run to all of the University’s affiliates and include the duty of confidentiality.

RESOLVED, effective as of the date of this Resolution, the proposed Code of Conduct for Drexel University and its Affiliates is approved, it being expressly intended that this Code apply to all who are employed by or serve the University or any of its affiliates, including this Board of Trustees; and,

FURTHER RESOLVED, that Article X of the Corporation’s By Laws is amended as set forth in the attached proposal.

**DREXEL UNIVERSITY
BYLAWS**

ARTICLE X

Conflicts of Interest

{CURRENT}

A Trustee shall be considered to have a conflict of interest if: (a) such Trustee has existing or potential financial or other interests which impair or might reasonably appear to impair such Trustee's independent, unbiased judgment in the discharge of his or her responsibilities to the University; or (b) such Trustee is aware that a member of his/her family (which for purposes of this paragraph shall be a spouse, parents, siblings, children, and any other relative if the latter reside in the same household as the Trustee), or any organization in which such Trustee (or member of his or her family) is an officer, director, employee, member, partner, Trustee, or controlling stockholder, has such existing or potential financial or other interests. All Trustees shall disclose to the Board any possible conflict of interest at the earliest practicable time. No Trustee shall vote on any matter under consideration at a Board or Committee meeting, in which such Trustee has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the Trustee having a conflict of interest abstained from voting. Any Trustee who is uncertain whether a conflict of interest may exist in any matter may request the Board or Committee to resolve the questions by majority vote.

{PROPOSED}

1. A Trustee shall be considered to have a conflict of interest if: (a) such Trustee has existing or potential financial or other interests which impair or might reasonably appear to impair such Trustee's independent, unbiased judgment in the discharge of his or her responsibilities to the University (which for the purposes of this Article shall include any of its subsidiaries or affiliates) or (b) such Trustee is aware that a member of his/her family (which for purposes of this Article shall be a spouse, parents, siblings, children, and any other relative if the latter reside in the same household as the Trustee), or any organization in which such Trustee (or member of his or her family) is an officer, director, employee, member, partner, or Trustee, or has a controlling interest, has such existing or potential financial or other interests. All Trustees shall avoid such actual or possible conflicts of interest, and disclose to the Board any possible conflict of interest at the earliest practicable time. No Trustee shall speak on any matter under consideration at a Board or Committee meeting without first disclosing the actual or possible conflict of interest; and no Trustee shall vote on any matter in which there is or could be a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the Trustee abstained from voting. Any Trustee who is uncertain whether a conflict of interest may exist in any matter may request the Board or Committee to resolve the questions by majority vote.

2. All Trustees shall preserve and protect the confidentiality of all private and proprietary information concerning the University. Such information shall be used exclusively for the benefit of the University, and never for the benefit of the Trustee, the Trustee's family or business, or any entity or person whose interests are or might be adverse to those of the University.