

# Georgia Tech Foundation, Inc.

## Conflict of Interest Policy

- 1. Trustee and Officer Responsibilities.** Members of the Board of Trustees and officers of the Foundation serve the public trust and have a fiduciary obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Board and officers are to be made solely on the basis of a desire to promote the best interest of the Foundation, the Georgia Institute of Technology, and the public good. Trustees and officers of the Foundation and their family members are likely involved in the affairs of other institutions and organizations. Nevertheless, the integrity of the Foundation and the Georgia Institute of Technology must be protected at all times. Therefore, it is imperative that all actual, potential or perceived conflicts of interest are reported promptly to the Executive Committee of the Board, that those actual or perceived conflicts of interest are evaluated as to consequence, and that any restraint on participation be communicated and implemented.
- 2. Definitions.** A *conflict of interest* occurs where an individual's obligation to further the organization's charitable purposes is at odds with his/her own financial interests. For example, a conflict of interest would occur if a trustee votes on a contract between the organization and a business that is owned by the trustee. A *potential or perceived conflict of interest* may occur when a trustee has a substantive relationship with the Georgia Tech Foundation Inc., the Georgia Institute of Technology, or any related or affiliated organization. A *substantive relationship* is when a trustee, officer, or family member of a trustee or officer has direct or indirect dealings in which the trustee, officer or family member benefits directly, indirectly or potentially. A *family member* is considered to be any relative of a trustee or officer who resides in the same household as the trustee or officer, a spouse or significant other, parent, sibling, or child of the trustee or officer. A *conflict of interest policy* is intended to help ensure that when actual, potential, or perceived conflicts of interest arise, the organization has a process in place under which the affected individual will advise the governing body about all the relevant facts concerning the situation. The policy will include procedures for evaluation of the materiality of the potential conflict of interest. The policy should also establish procedures under which individuals who have a conflict of interest will be excused from participating in discussion, voting, or being present at the time of the vote on the item of potential conflict of interest.

- 3. Disclosure.** All trustees and officers are required to disclose those substantive relationships that they or their family members maintain with organizations that interact directly or indirectly with the Foundation, the Georgia Institute of Technology, or any related or affiliated organization, or which interaction otherwise could be construed to potentially affect their independent, unbiased judgment in light of their decision-making authority or responsibility. The Foundation will retain an annual conflict of disclosure form for each trustee and officer. However, as conflicts may arise at any time, it is the responsibility of the trustee or officer to identify and disclose any conflict prior to any voting or substantive discussion of the issue taking place. Any uncertainties as to the appropriateness of listing a particular relationship must be resolved by prompt consultation with the President of the Foundation, who in turn may consult with legal counsel, the Executive Committee, or the Board of Trustees in executive session.
- 4. Evaluation.** Any substantive relationships and conflict of interests must be reviewed by the Executive Committee. On behalf of the Executive Committee, the Audit Committee shall have the primary responsibility to review and recommend any restraint of activity. In deciding whether restraint of activity is warranted, the Audit Committee and Executive Committee shall consider the following:

  - a.** What is the materiality of the potential conflict? This may include assessing the business relationship in terms of absolute dollars, or percentage of total assets involved, or any other means that the committee considers to be a reasonable measure of materiality.
  - b.** What is the potential for appearance of impropriety? This may include consideration of whether the relationship could potentially reflect negatively on the Foundation or the Georgia Institute of Technology should the relationship become public knowledge.
- 5. Restraint.** The type of restrained activity that may best ameliorate the conflict of interest may include asking the trustee or officer to excuse himself or herself from a meeting or discussion, to abstain from voting, or to resign his/her position. Communication of the restraint shall be made to the trustee or officer by the President of the Foundation.

*Adopted by the Board of Trustees June 6, 2015*