

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.

ETHICS AND COMPLIANCE REPORTING POLICY

The University of Georgia Research Foundation, Inc. (“UGARF”) is committed to maintaining the highest professional and ethical standards in its administrative operations, to promoting ethical practices among its faculty and staff, and ensuring a level of accountability appropriate for a cooperative organization of a public educational institution. This policy to address the reporting, investigation, and resolution of fiscal irregularities and employee malfeasance are established to ensure conduct in accordance with high ethical standards, consistently applied. This policy is applicable to all employees of UGARF and UMH, all directors of the UGARF Board of Directors, all members of the UMH Board of Managers, and all vendors and contractors doing business with UGARF or UMH, or both. In addition, this policy is also applicable to employees of the University of Georgia performing work on behalf of UGARF.

1. **Ethics Policy.** In general, the University of Georgia Research Foundation, Inc. (“UGARF”) and its subsidiary, UGARF Media Holdings, LLC (“UMH”), will follow the Ethics Policy of the University System of Georgia (“USG”), which can be found at the following web address: www.usg.edu/compliance/ethics/.

2. **Definitions.** As used in this Policy:

(a) **Definition of Fiscal Irregularities.** The term “Fiscal Irregularities” means violations of UGARF fiscal policies and procedures, of applicable fiscal policies and procedures of the University System of Georgia, or mismanagement or inappropriate disposition of UGARF assets.

(b) **Definition of Employee Malfeasance.** The term “Employee Malfeasance” means fraud, embezzlement, misappropriation of funds, alteration or falsification of documents, false claims for payment, theft of any asset, bribery, kickbacks, inappropriate use of computer systems such as hacking and software piracy, or violation of any applicable policy, including but not limited to policies regarding conflicts of interest or research funding or this policy.

3. **Prevention and Training.** Administrators and all levels of management are responsible for preventing and detecting instances of Fiscal Irregularities and Employee Malfeasance. In addition, administrators are expected to recognize risks and exposures inherent in their areas of responsibility and to be aware of indications of fraud and related misconduct. In order to establish and maintain proper internal controls that provide security and accountability for UGARF’s assets, administrators should ensure that they and their staff receive adequate fiscal management training for their level of responsibility.

4. **Obligation to Report Fiscal Irregularities.** Any person subject to this policy who knows or suspects that any person is engaged in theft, fraud, embezzlement, fiscal misconduct, or

Fiscal Irregularities or Employee Malfeasance of any type must report the misconduct immediately through one of the following methods:

(a) *Fiscal Irregularities or Employee Malfeasance must be reported to an immediate supervisor and to the Office of the UGARF General Counsel;*

OR

(b) *Fiscal Irregularities or Employee Malfeasance must be reported anonymously to the Compliance, Ethics, and Reporting Hotline: <http://www.tnwinc.com/uga/> or 1-877-516-3467, which is operated and available 24 hours a day, 7 days a week.*

5. **Investigation.** Fiscal Irregularities and Employee Malfeasance will not be tolerated. Any person to whom this policy applies who is found to have participated in Fiscal Irregularities or Employee Malfeasance of any type may be subject to disciplinary action, up to and including termination, as well as criminal penalties under applicable law. UGARF will follow the following procedures in investigating any possible Fiscal Irregularities or Employee Malfeasance.

(a) When Fiscal Irregularities or Employee Malfeasance are reported, the UGARF Financial Vice President and Treasurer, and the UGARF Executive Vice President, shall be advised. When one or both of them determines it is necessary, an investigation, either by the Internal Auditing Division of the University of Georgia, appropriate law enforcement, or an independent contractor will investigate the matter in consultation with the UGARF General Counsel. In connection with the necessary offices at the University of Georgia, UGARF shall implement any appropriate, interim administrative action required to protect UGARF property. In addition, those accused of Fiscal Irregularities or Employee Malfeasance will be required to take administrative leave (paid or unpaid, depending on the circumstances of the case) while the investigation is pending, unless an exception is approved by the UGARF Financial Vice President and Treasurer, and the UGARF Executive Vice President.

(b) Management and staff must not confront the individual(s) under suspicion or initiate investigations on their own, as such actions could compromise any ensuing investigation. All those subject to this policy must cooperate fully with any investigation pursuant to this policy.

(c) Once the investigation is complete and the circumstances surrounding any Fiscal Irregularities or Employee Malfeasance have been determined, UGARF shall take, in consultation with the UGARF General Counsel, UGARF Financial Vice President and Treasurer, UGARF Executive Vice President, and appropriate units at the University of Georgia, appropriate personnel action and operating action necessary to minimize the likelihood of recurrence.

(d) In those instances where a UGA employee is under suspicion, UGARF is not authorized to negotiate a promise not to report the alleged misconduct in return for the employee's resignation or restitution. These decisions, as well as the decision of whether to

prosecute the alleged offense criminally, rest with the Office of the Attorney General for the State of Georgia.

6. **UGARF Reporting to the University System.** UGARF shall report all instances of Fiscal Irregularities or Employee Malfeasance to the Office of Internal Audit of the University System of Georgia by providing the following information:

- (a) UGARF's point of contact, telephone, and email address;
- (b) Description of the allegations including the incident date and time, location, improper activity, and estimated loss to UGARF;
- (c) Known information regarding those under suspicion, including names, titles, and employment status; and
- (d) Case status, including notification of law enforcement and the results of any internal investigation.

7. **No Retaliation.** No person subject to this policy may retaliate against another person who in good faith reports known or suspected Fiscal Irregularities or Employee Malfeasance of any kind.

Effective March 20, 2009