



The Audit and Corporate Governance Committee will obtain the Board of Trustees' approval of this Charter and review and reassess this Charter annually.

I. Purpose of Committee

The Audit and Corporate Governance Committee (the "Committee") is a standing committee of the Board of Trustees (the "Board") appointed by the Board and shall meet from time to time: (i) to oversee responsibilities by the Board for the Foundation's accounting, financial reporting, and internal control processes associated with accounting and financial reporting; (ii) to appoint an accountant or firm of accountants to audit the financial statements of the Foundation, (iii) to review the audit of the Foundation's financial statements, (iv) to monitor all matters involving corporate governance, (v) to oversee compliance with ethical standards, and (v) to oversee the management of areas of risk, and other matters.

II. Committee Membership

The Committee shall be composed of at least three Trustees, including a Committee Chair, appointed by the Executive Committee for a term of one fiscal year. The Chair of the Committee may not be a member of the Finance Committee and members of the Finance Committee shall not constitute a majority of the Committee. Employees of the Foundation or the Board of Regents are not eligible to serve on the Committee. The Foundation Board Chair shall serve as a voting ex-officio member and the Executive Director and the Chief Financial Officer of the Foundation shall serve as a non-voting ex-officio member of the Committee.

Furthermore, Committee members should not knowingly be an executive officer of an entity to which the Foundation or the University of Georgia (the "University") made payments that exceeded 2% of the Foundation's or the other entity's annual revenues, or \$50,000, whichever is less, in any of the past three years; and must not have any other position with another entity or any other relationship that would reasonably cause the appearance of a conflict of interest. Any disputed question regarding independence should be reviewed by the Board for final resolution.

III. Committee Authority and Responsibilities


- a. **External Audit:** The Committee is responsible for appointing, retaining, terminating, evaluating and overseeing the Foundation's external auditors, including determining the terms of engagement. The external auditors shall report directly to the Committee. The Committee will resolve any disagreements between the Board and the external auditors regarding financial reporting. Such authority may not be delegated to the Board or management. In addition, the Committee will:
- i. Review the external auditor's compensation, the terms of its engagement, its independence, and the scope of the audit to be conducted.
 - ii. Provide a clear understanding to the external auditor that the auditor is ultimately accountable to the Audit Committee.
 - iii. Bring to the attention of the Board any noteworthy findings or potentially damaging circumstances that have the potential to affect adversely in a material fashion the reputation or financial condition of the Foundation.
 - iv. Annually, obtain from the external auditor a written communication regarding its independence, which delineates all its relationships and professional services as required by Generally Accepted Auditing Standards (GAAS). The Committee shall review with the external auditor the nature and scope of any disclosed relationships and take appropriate action to ensure the continuing independence of the external auditor.
 - v. Review the Foundation's financial statements and the audit of those statements prepared under accounting principles generally accepted in the United States of America, as adopted by the Financial Accounting Standards Board (FASB). Review should include discussion with the Board and external auditors of significant issues regarding accounting principles, practices and judgments, including certain matters required to be communicated to the Committee in accordance with the American Institute of CPA's (AICPA), AU Section 380 (The Auditor's Communication With Those Charged With Governance) as issued by the Auditing Standards Board (ASB).
 - vi. Solicit recommendations from the external auditors for the improvement of the Foundation's internal control procedures or particular areas where new or more detailed controls or procedures are desirable.

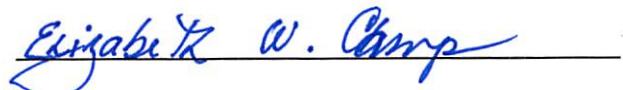
- b. **Internal Audit:** The Committee, in consultation with the Chief Financial Officer and Executive Director, can determine at any point whether an internal audit shall be conducted. At that time, the internal auditor shall provide quarterly reports to the Committee as well as to the Board through the Committee.
- c. **Corporate Governance:** The Committee is responsible for overseeing matters of corporate governance, including but not limited to:
- i. Review and execution of the Cooperative Organization Memorandum of Understanding between the Board of Regents of the University System of Georgia (on behalf of the University) and the Foundation.
 - ii. Review and execution of the Services, Funding and Facilities Agreement between the Board of Regents of the University System of Georgia (on behalf of the University) and the Foundation.
 - iii. Oversight of compliance with:
 1. UGA Foundation Code of Conduct;
 2. UGA Policies and Procedures;
 3. Required completion of the Disclosure of Interest and Confidentiality Statement form, including any disclosures of any real or potential conflict of interest, and
 4. Foundation Policies and Procedures.
- d. **Risk Oversight and Other Matters:** The Committee is responsible for overseeing management of the following areas and such other risks as may be requested by the Board:
- i. Administration of tax matters, including but not limited to, preparing and filing IRS Form 990.
 - ii. Aid in potential litigation matters and legal exposures in assistance with the Executive Committee.
 - iii. Review and provide recommendations for cyber security.
 - iv. Review and provide recommendations regarding adequacy of insurance coverage.

- e. **Executive Session:** An executive session of the Committee may be called by the Chair or a Committee member to transact business and address important issues pursuant to the requirements of Georgia laws.

- f. **Reporting and Other Responsibilities:** The Committee may investigate any matter or activity involving financial accounting and reporting, as well as the Foundation's corporate governance and risk management. In addition, the Committee may engage external attorneys, consultants and other experts from time to time to assist in its oversight role.

After each meeting, the Committee reports its findings, actions and recommendations to the Board of Trustees or the Executive Committee. The Committee may perform any other activities that the Committee or the Board deems necessary and appropriate.


Board Chair


Committee Chair