

**ASME Foundation, Inc.
Conflict of Interest Policy
Adopted on June 8, 2008**

I. Purpose

As a charitable organization, the ASME Foundation, Inc. (the “Organization”) has a special obligation to uphold the public trust. The purpose of this conflict of interest policy is to protect the Organization’s interest when it is contemplating a transaction or arrangement, including a grant, that might benefit the private interests of a director, officer, or committee member of the Organization.

Under New York law, the directors, officers and committee members of the Organization are subject to a duty of loyalty to the Organization. As such, they are required to be conscious of the potential for conflicts of interest and to act with candor and care in dealing with such situations. Conflicts of interest are not inherently illegal, nor are they to be regarded as a reflection upon the integrity of the individual involved. Rather, it is the manner in which the individual and the Board deal with a disclosed conflict that determines the propriety of a transaction or arrangement and demonstrates that actions are being taken in the Organization’s best interests rather than the best interests of any individual involved in the decision-making process.

Transactions with directors, officers, or committee members also could result in taxable “excess benefit transactions” if such transactions are not fair and reasonable to the Organization. In extreme situations, excess benefit transactions could even result in the loss of tax-exempt status under the doctrine known as “private inurement.”

II. Definitions

A. Interested Person: Any director, officer, or member of a committee who has a direct or indirect Private Interest, as defined below.

B. Private Interest: A director, officer, or committee member has a Private Interest if he or she has directly, or indirectly through business, investments, household or immediate family, any of the following relationships:

- i. a familial or other personal relationship with an individual under consideration for a scholarship or award;
- ii. a position as a trustee, director, officer or employee of a grant applicant or as a fundraiser for a grant applicant;
- iii. an ownership or investment material interest in any entity with which the Organization has or is contemplating a transaction or arrangement; or

- iv. a compensation arrangement with the Organization itself or any other entity or individual with which the Organization has or is contemplating a transaction or arrangement;
- v. an anticipated ownership or investment interest in any entity with which the Organization has or is contemplating a transaction; or
- vi. other family, business, fiduciary, employment or personal relationship with an individual or entity with which the Organization is contemplating a transaction, scholarship, award, grant or other arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are more than insubstantial.

III. Procedures

A. Duty to Disclose Private Interests

In connection with any transaction, scholarship, award, grant or other arrangement (each, an “Arrangement”) involving an actual or possible Private Interest, an Interested Person must disclose the existence of the personal interest and be given the opportunity to disclose all material facts to the directors and relevant committees considering the Arrangement. The Board or relevant committee will determine whether an actual Private Interest exists and take action that the Board or committee deems appropriate. The Interested Person may not be present when the Board or committee makes its determination other than to answer questions. If no Private Interest is found to exist, the minutes of the meeting must record the basis of the determination.

B. Procedures for Addressing the Conflict of Interest

1. Recusal: If the Board or committee determines that an Arrangement involves a Private Interest, the Arrangement must be approved in advance by only those Board or committee members who do not have a conflict with respect to the Arrangement. Any Interested Person therefore must recuse himself or herself from consideration of the Arrangement. He or she may not vote on the Arrangement or be present when the vote is taken. He or she furthermore may not be present during any discussion of the Arrangement other than to answer questions. Interested Persons, however, may be counted for the purpose of determining whether a quorum exists at the meeting even though they are temporarily absent while the Arrangement is considered.

2. Comparability Data: In determining whether an Arrangement involving a Private Interest is in the Organization’s best interests, the Board or committee will review available information regarding the cost or benefit of comparable transactions or arrangements, if any, and may investigate whether the Organization should and is able to obtain with reasonable efforts a more advantageous transaction or arrangement that would not give rise to a conflict of interest. The Board or committee may appoint a disinterested person or committee to investigate

alternatives to the proposed Arrangement. The review contemplated by this paragraph is not required in the case of scholarships and awards that present a conflict of interest.

IV. Documentation

If a Private Interest exists with respect to an Arrangement, the minutes of meetings of the Board and any committee will contain the following information:

- i. the names of the persons who disclosed or otherwise were found to have a Private Interest with respect to an Arrangement and the nature of the Private Interest; and
- ii. the names of the persons who were present for discussions and votes relating to the Arrangement, the content of the discussion, including (if appropriate) any alternative transactions or arrangements that were considered, and a record of any votes taken in connection with the proceedings.

V. Violations of this Policy

A. If the Board or relevant committee has reasonable cause to believe that a director, officer, committee member or key employee has failed to disclose an actual or potential Private Interest, it will inform such individual of the basis for the belief and afford him or her an opportunity to explain the alleged failure to disclose.

B. If, after hearing the response and making further investigations as warranted by the circumstances, the Board or committee determines the director, officer, committee member or key employee failed to disclose a Private Interest, it shall take appropriate disciplinary and corrective action.

VI. Dissemination of this Policy

A copy of this Policy shall be furnished to each director, officer, and committee member who is presently serving the Organization, and new directors, officers, and committee members, shall be provided with a copy of this Policy upon undertaking their duties. In addition, each director, officer, and committee member shall be furnished a copy of this Policy periodically, and each director, officer, and committee member shall be requested to complete and file with the Secretary of the Organization an Annual Conflict of Interest Statement in the form attached hereto as Attachment A.

ATTACHMENT A

ANNUAL CONFLICT OF INTEREST STATEMENT

I have been provided with a copy of the ASME Foundation, Inc. (“ASME Foundation”) Conflict of Interest Policy (the “Policy”). I have read the Policy, and I hereby agree to abide by the Policy.

In addition, I have been provided with a copy of the attached Disclosure Statement, which sets forth

- (1) The name and address of each vendor with which ASME Foundation did more than \$5,000 of business during FYE 6/30/_____.
- (2) The name and address of each organization or individual that received more than \$5,000 in support or compensation from ASME Foundation during FYE 6/30/_____.

Neither I nor any member of my immediate family or my household has any Private Interest with respect to any of the enumerated vendors or any of the enumerated organizations or individuals, except as set forth below:

[attach additional pages if necessary]
[please write “N/A” if there is nothing to disclose]

I also wish to disclose the following relationships of mine or members of my immediate family or household because, in my judgment, the relationships may present a conflict of interest relative to my role with respect to ASME Foundation:

[attach additional pages if necessary]
[please write “N/A” if there is nothing to disclose]

Approved 6/08/08

To the best of my knowledge and belief, except as disclosed above, neither I nor any member of my immediate family or my household has a Private Interest with respect to any existing or contemplated Arrangement which would require disclosure under the Policy.

I hereby acknowledge my obligation to notify ASME Foundation promptly if at any time the facts as stated herein should change. I further acknowledge my understanding that either a copy of this statement or a summary of the information contained in it may be shared with the members of ASME Foundation's Board of Directors.

Capitalized terms not defined in this Statement shall have the same meaning as in the Policy.

Date:

Name: