

MILLENNIUM GLOBAL PROSPERITY

CONFLICT OF INTEREST POLICY

Millennium Global Prosperity held its Board of Directors' meeting on August 22th, 2011. At this time, the Board of Directors hereby unanimously consent adopted the Conflict of Interest Policy for the Corporation in the form attached hereto.

SECTION 1. PURPOSE:

Millennium Global Prosperity is a nonprofit, tax-exempt corporation. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of Millennium Global Prosperity as a public charity, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public. Consequently, there exists between MGP and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of MGP honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of MGP. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with MGP or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. PERSONS CONCERNED:

This statement is directed not only to directors and officers, but to all employees who can influence the actions of MGP. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning MGP.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

1. Persons and firms supplying goods and services to MGP.
2. Persons and firms from whom MGP leases property and equipment.
3. Persons and firms with whom MGP is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting MGP.
6. Agencies, organizations and associations which affect the operations of MGP.
7. Family members, friends, and other employees.

SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with MGP.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with MGP.
3. Receiving remuneration for services with respect to individual transactions involving MGP.
4. Using MGP's time, personnel, equipment, supplies, or good will for other than MGP-approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with MGP. Receipt of any gift is disapproved except gifts of nominal value which could not be refused without discourtesy. No personal gift of money should ever be accepted.
6. Obtaining or processing an interest in real estate, securities or other property that this organization or affiliate may consider buying or leasing.

SECTION 5. INDIRECT INTEREST OF RELATED PARTIES

Conflicting interest may also be indirect. A decision Maker will be considered to have an indirect interest in another entity, transaction, or property if any of the following have and interest:

1. A family member of a Decision Maker. (Family member is defined by the IES for these purpose as spouse, brothers and sisters, (by whole or half-blood), spouses of brothers and sisters (by whole or half-blood), ancestors, children, grandchildren, great grant children, and spouses of children, grandchildren, and great children.)
2. An estate or trust of which Decision Maker or family member is beneficiary, personal representative, or trustee.
3. An entity of which a family member of the Decision Maker is an officer, Director or employee, or in which the family member has ownership or other proprietary interests.
4. A colleague or employee of the law firm, accounting firm, or other professional entity of which the Decision Maker or family member is an owner, employee, or otherwise affiliated.

SECTION 6. INTERPRETATION OF THIS STATEMENT OF POLICY:

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of MGP.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make

such disclosures.

SECTION 7. DISCLOSURE POLICY AND PROCEDURES:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The board of directors has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the president or if she/he is the one with the conflict, then to the board of directors, who shall bring the matter to the attention of the board members. Disclosure involving directors should be made to the president, or if she/he is the one with the conflict, then to the board vice-president, who shall bring these matters to the [board of directors].

The [board of directors] shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to MGP. The decision of the [board directors] on these matters will rest in their sole discretion, and their concern must be the welfare of MGP and the advancement of its purpose.

5. Salary justification: The regulation applies to all salaries (mostly top level salaries), contracts, income paid to board members, any “insiders”. The following procedures will apply if a voting member of a board or committee who receives compensation for services from MGP is prohibited from voting on matters related to his or her compensation arrangement. The interested person must disclose any actual or possible conflict of interest and all material facts relevant to the conflict. After disclosure to the board or appropriate committee, the interested person must leave the meeting room. The board or committee will then discuss the matter and vote on whether a conflict of interest exists. If an alternative arrangement is not possible, the board or committee shall determine by a majority vote of disinterested directors whether the transaction is in MGP's "best interest, for its own benefit, and whether it is fair and reasonable

- MGP must pay no more than fair market value for services provided by insiders. They may establish a rebuttable presumption that the lawyer compensation meets this standard by having an independent committee consider data on comparative rates and approve the compensation, being sure to fully document this determination.
- Prevent transactions that result in private benefit at the charity's expense
- Disclose, discuss, decide (by disinterested directors whenever possible) and document
- Appropriate disciplinary and corrective actions are available for violations
- Board member does not vote on his or her compensation for services provided
- Ensure that interested persons annually sign statement acknowledging receipt, knowledge of and compliance with policy
- Review compensation and management services arrangements
- Employ independent outside expert to assist with periodic review, if necessary

6. The intermediate sanctions require that the board be able to show that they did proper

research to determine that the salary of the executive director is not excessive. The minutes should verify that some kind of salary survey was conducted that compared the salary being offered with organizations of similar size and type. The board needs to justify to itself that the salaries it offers top level staff, board members, contractors, etc. are not excessive.

Section 8. - Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 9. Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted.

The periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 10. Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**MILLENNIUM GLOBAL PROSPERITY
CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Preliminary note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide annual information with respect to certain parties that are related to you.

These persons are termed “affiliated persons” and include the following:

- a. your spouse, domestic partner, child, mother, father, brother or sister;
- b. any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. NAME OF EMPLOYEE OR BOARD MEMBER: (Please print)

2. CAPACITY:

- ☐ board of directors
- ☐ executive committee
- ☐ officer
- ☐ committee member
- ☐ staff (position):

3. Have you or any of your affiliated persons provided services or property to MGP in the past year?

☐ YES ☐ NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

4. Have you or any of your affiliated persons purchased services or property from MGP in the past year?

☐ YES ☐ NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

5. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which _____ was or is a party?

☐ YES ☐ NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

6. Were you or any of your affiliated persons indebted to pay money to MGP at any time in the past year (other than travel advances or the like)?

____ YES ____ NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from MGP or as a result of your relationship with _____, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to MGP?

____ YES ____ NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

8. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving MGP?

____ YES ____ NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by MGP's [board of directors] in accordance with the terms and intent of MGP's conflict of interest policy?

_____YES _____NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

I HERBY CONFIRM that I have read and understand MGP's conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify [designated officer or director] immediately.

Signature

Date

MILLENNIUM GLOBAL PROSPERITY GIFT POLICY AND DISCLOSURE FORM

As part of its conflict of interest policy, Millennium Global Prosperity requires that directors, officers and employees decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business with MGP or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

Section 1. “Responsible Person” is any person serving as an officer, employee or a member of the board of directors of MGP.

Section 2. “Family Member” is a spouse, domestic partner, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, of a Responsible Person.

Section 3. “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to MGP is not a “contract” or “transaction.”

Section 4. Prohibited gifts, gratuities and entertainment. Except as approved by the Chairman of the Board or his designee or for gifts of a value less than \$50 which could not be refused without discourtesy, no Responsible Person or Family Member shall accept gifts, entertainment or other favors from any person or entity which:

1. Does or seeks to do business with MGP or,
2. Does or seeks to compete with MGP or,
3. Has received, is receiving, or is seeking to receive a Contract or Transaction with MGP.

GIFT STATEMENT

I certify that I have read the above policy concerning gifts, and I agree that I will not accept gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy. Following my initial statement, I agree to provide a signed statement at the end of each calendar year certifying that I have not received any such gifts, entertainment or other favors during the preceding year.

Signature

Date