

MCA-GEORGIA CONFLICTS OF INTEREST POLICY

I. General Purpose

The general purpose of the following policy and procedures (the “*Conflicts of Interest Policy*”) is to protect and preserve the integrity of the internal decision-making processes of MCA-Georgia, to prevent the personal interest of board members, officers, staff and other agents, associates or representatives of MCA-Georgia from interfering with the performance of their duties to MCA-Georgia and to ensure that board members, officers, staff and other agents, associates or representatives of MCA-Georgia do not obtain personal financial, professional or political gain at the expense of MCA-Georgia, its stakeholders or MCC.

II. Definitions

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Compact, as the case may be. In addition, in this Conflicts of Interest Policy, the following terms shall have the meanings given to them below:

“*Compact*” means the Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation (“*MCC*”), and the Government of Georgia (the “*Government*”), executed on July 26, 2013;

“*Conflict of Interest*” means an actual, potential or apparent conflict between the responsibilities and duties of a Covered Person, on the one hand, and the private interests of a Covered Person, his or her Immediate Family, his or her business partners, organizations controlled by or substantially involving any of the foregoing persons (for example, any other organization for whom such Covered Person is or acts as a shareholder, director, officer or employee), organizations in which any of the foregoing persons have a financial interest, or any person or organization with whom such Covered Person is negotiating or has any arrangement concerning prospective employment, on the other hand. A “*Conflict of Interest*” includes, but is not limited to, any one or more of the following:

- (1) A Covered Person is related to another Covered Person by blood, marriage or domestic partnership;
- (2) A Covered Person or a member of his or her Immediate Family, or any organization with whom any such person is affiliated, seeks to participate in a transaction with MCA-Georgia or another Covered Person, or directly or indirectly stands to benefit (or may potentially benefit) from MCC Funding, an MCA-Georgia’s transaction or a transaction with another Covered Person;
- (3) A Covered Person or a member of his or her Immediate Family, or any organization with whom any such person is affiliated, receives a payment, Gift or offer of employment from MCA-Georgia or from any other source from any other person who directly or indirectly stands to benefit (or may potentially benefit) from MCC Funding, an MCA-Georgia’s transaction or a transaction with another Covered Person;
- (4) A Covered Person or a member of his or her Immediate Family (or any close friend) has an interest - whether economic or otherwise, and whether as an owner, investor, partner, director, trustee, officer, employee or consultant - in any person, firm, corporation, or other organization or enterprise, that supplies or receives funds, goods, services, or required approvals to or from MCA-Georgia, or is seeking to do so in the future;

- (5) A Covered Person assists a third party in their dealings with MCA-Georgia, where such assistance could result in favorable or preferential treatment being granted to the third party by MCA-Georgia;
- (6) A Covered Person learns of an opportunity for profit which may be valuable to him or her personally, to any member of his or her Immediate Family, to any other organization with whom such Covered Person is affiliated, or to any other person known to such Covered Person;
- (7) A Covered Person or a member of his or her Immediate Family, or any organization with whom any such person is affiliated, is gratuitously provided use of the facilities, property or services of MCA-Georgia; or
- (8) A Covered Person is motivated by any consideration other than the best interests of MCA-Georgia.

“**Covered Person**” means (i) each Voting Member and each Observer of the Supervisory Board of MCA-Georgia; (ii) each officer, employee, staff, consultant, contractor, agent, representative or volunteer engaged by or providing services to MCA-Georgia, including, but not limited to, each member of the Management; and (iii) each member of an Stakeholders Committee of MCA-Georgia, *provided* that MCC and its employees, including the MCC Representative, shall not constitute Covered Persons;

“**Gift**” means any type of gratuity, favor, service, discount, loan, fee or property, and anything else of value;

“**Immediate Family**” means, with respect to any person, a spouse, children, siblings, parents, grandparents, grandchildren, domestic partners, in-laws and the respective spouses of each of the foregoing; and

“**MCC Accountable Entity Guidelines**” means the “Guidelines for Accountable Entities and Implementation Structures” furnished to MCA-Georgia by MCC, which may be found on the MCC Website, as amended from time to time.

III. Policies and Procedures

A. Duties of Covered Persons

Each Covered Person, when acting in his or her capacity as a Board or Stakeholders Committee member or observer, officer, employee, staff, consultant, contractor, agent, representative or volunteer of MCA-Georgia, as the case may be, shall:

- (1) Comply with the terms of the Compact, the MCC Accountable Entity Guidelines, any other applicable agreement executed in connection with the Compact, and with the terms of any agreement between the Covered Person and MCA-Georgia, and with the other laws, rules and regulations applicable to the MCA-Georgia;
- (2) Perform his/her duties in a diligent and timely manner, exercising his/her best judgment and reasonable care, and applying the sound financial, technical and management practices required to meet the Objectives of the Compact and the Program;
- (3) Act with a duty of undivided loyalty to MCA-Georgia and exercise his or her duties solely in accordance with the best interests of MCA-Georgia, the Program, the Compact Goal and the Objectives, placing the interests of MCA-Georgia above his or her personal interests or

the interests of any other person or any other organization with which the Covered Person is associated;

- (4) Not undertake any action that is contrary to the interests of MCA-Georgia or which would or could reasonably be expected to result in direct or indirect personal gain or a Conflict of Interest; and
- (5) As promptly as possible, disclose in writing to the Chair of the Supervisory Board or the Secretary of the supervisory Board of MCA-Georgia any actual, potential or apparent Conflict of Interest.

B. Policies with respect to Conflicts of Interest

- (1) No Covered Person shall participate in the selection, award, administration or oversight of a contract, grant or other benefit or transaction funded or entered into, or to be funded or entered into, by MCA-Georgia or with MCC Funding, in relation to which the Covered Person has a Conflict of Interest, unless such Covered Person has first disclosed the Conflict of Interest to the Chair or the Secretary of the Supervisory Board of MCA-Georgia in accordance with this Conflicts of Interest Policy and, following such disclosure, a majority of the Supervisory Board members (without counting the vote of any Covered Person that has a Conflict of Interest with respect to such transaction) have approved such participation and MCC has consented in writing to the participation of such Covered Person notwithstanding the Conflict of Interest.
- (2) No Covered Person involved in the selection, award, administration, oversight or implementation of any contract, grant or other benefit or transaction funded or entered into, or to be funded or entered into, by MCA-Georgia or with MCC Funding, shall solicit or accept from or offer to a third party or seek or be promised (directly or indirectly) for itself or for another person or entity any payment, Gift, or other benefit of any kind or nature, other than items which are of de minimis value and are otherwise consistent with such guidance as MCC may provide from time to time. Any payment, Gift or other benefit that cannot be courteously returned shall be delivered to the Chair of the Supervisory Board for charitable disposition or such other disposition as the Supervisory Board believes appropriate in its sole discretion.

C. Disclosure of Conflicts of Interest

- (1) Each Covered Person shall make prompt and full disclosure in writing to the Chair or the Secretary of the Supervisory Board of MCA-Georgia of any and all Conflicts of Interest.
- (2) Following full disclosure of each Conflict of Interest, the Supervisory Board shall determine whether a Conflict of Interest exists and, if so, the Board shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect MCA-Georgia's best interests. Both votes shall be by a majority vote of the Voting Members of the Supervisory Board without counting the vote of any Covered Person who has such Conflict of Interest, even if the disinterested Voting Members are less than a quorum, provided that at least one consenting Voting Member is disinterested.
- (3) A Covered Person that has a Conflict of Interest shall not participate in any discussion, deliberation or debate of the Supervisory Board, Stakeholders Committee, any committee or subcommittee thereof, or the Management, in which the subject of discussion is a contract, transaction, or situation with respect to which such Covered Person has or may have a Conflict of Interest. However, such Covered Person may be present to provide clarifying information in such a discussion, deliberation or debate if requested by a

majority of the disinterested members of the Board, Stakeholders Committee, committee or Management, as applicable.

- (4) Any member of the Supervisory Board or any Stakeholders Committee who is considering employment with MCA-Georgia must take a temporary leave of absence until the position is filled. Such a leave will be taken within the Board or Stakeholders Committee member's elected term, which term will not be extended because of the leave. A Board or Stakeholders Committee member who is formally considering employment with MCA-Georgia must submit a written request for a temporary leave of absence to the Secretary of the Supervisory Board of MCA-Georgia, indicating the time period of the leave. The Secretary of the supervisory Board of MCA-Georgia will inform the Chair of the supervisory Board of such a request. The Chair will bring the request to the Supervisory Board for action. The request and any action taken shall be reflected in the official minutes of the Supervisory Board.
- (5) A copy of this Conflicts of Interest Policy shall be given to each Covered Person upon commencement of such person's relationship with MCA-Georgia or upon the official adoption of this policy. Each Covered Person shall sign and date an acknowledgement and disclosure form in the form of Appendix 1 to this Conflicts of Interest Policy at the beginning of her or his term of service or employment and each year thereafter and deliver such form to the Chair of the Supervisory Board. This annual certification requirement does not relieve any Covered Person of its obligation to promptly disclose any matter as required under this Conflicts of Interest Policy. Failure to sign or file such acknowledgement does not nullify the Conflicts of Interest Policy.

Date of approval by the Supervisory Board of MCA-Georgia.-----

Appendix 1

Acknowledgement and Annual Disclosure Form

This acknowledgement and disclosure form (this “*Acknowledgement*”) must be filed annually by each Covered Person, as defined in the MCA-Georgia Conflicts of Interest Policy (ratified by the Supervisory Board of MCA-Georgia on [□], 2014) (the “*Conflicts of Interest Policy*”). Capitalized terms used in this Acknowledgement have the meanings given to them in the Conflicts of Interest Policy.

I have received and carefully reviewed the Conflicts of Interest Policy of MCA-Georgia and have considered not only the literal expression of the policy, but also its intent. By signing this Acknowledgement, I hereby confirm that I understand the contents of, and my responsibilities under, the Conflicts of Interest Policy and affirm that I agree to comply with the Conflicts of Interest Policy.

If any situation should arise in the future that I think may involve a Conflict of Interest, I will promptly and fully disclose the circumstances thereof in writing to the Chair or the Secretary of the Supervisory Board of MCA-Georgia. As of the date of this Acknowledgement:

_____ I have no Conflict of Interest to report.

_____ I have the following Conflict(s) of Interest to report (please specify):

Signature

Printed Name

Date