

GIFT AND ENTERTAINMENT POLICY AND RELATED DISCLOSURE PROCEDURES

I. INTRODUCTION.

Business gifts and entertainment on a modest scale are commonly used to build goodwill and strengthen working relationships among business associates. Providing or accepting occasional meals, small mementoes and tickets to sporting and cultural events may be appropriate in certain circumstances. Occasionally, it may also be appropriate to accept or provide offers involving travel for business events with our business associates. However, if offers of gifts, entertainment or travel are frequent or of substantial value, they may create the appearance of, or an actual, conflict of interest or illicit payment. Madison County Capital Resource Corporation (the "Agency") has developed this policy and related disclosure procedures (collectively, the "Policy") to help officers and employees of the Agency make the right decisions when providing or accepting gifts, entertainment or travel while conducting business on behalf of the Agency.

II. SCOPE.

This Policy applies to all officers and employees of the Agency and adheres to the public officials law.

III. GIFT AND ENTERTAINMENT POLICY

Accepting Gifts and Entertainment

As part of its conflict of interest policy, the Agency generally requires that officers and employees decline to accept certain gifts, entertainment, consideration or remuneration from individuals or companies that seek to do business with the Agency or are a competitor of it.

The cumulative annual value of all gifts or entertainment an employee may receive from any one gift giver cannot exceed \$50 unless disclosed under the Agency's Gift and Entertainment Disclosure Procedure.

Officers or employees who receive a gift at an event of a ceremonial nature (e.g., a customer outing or a commemoration of a business transaction) that might not be appropriate under these guidelines, but is impractical or offensive to refuse, may accept the gift and then promptly report it to the Chairman of the Agency. The officer or employee and the Chairman of the Agency can then discuss the appropriate response.

Agency officers and employees must never ask for gifts, entertainment, gratuities or other items that benefit them personally, regardless of value. Agency officers and employees are expected to exercise good judgment in accepting gifts from vendors, customers or other business associates. Agency officers and employees should talk to the Chairman of the Agency and/or Agency counsel when in doubt as to whether a gift or entertainment is appropriate.

Gift Giving and Entertainment

Occasionally, offering gifts or entertaining third parties may be appropriate to strengthen relationships or comply with business customs. Accordingly, the Agency permits such gifts, provided

they comply with these guidelines. Specifically, the Agency employees may offer gifts to vendors, customers or other business associates for legitimate business purposes, such as building goodwill and strengthening working relationships (e.g., holiday or ceremonial presentations, service anniversaries, or retirement

The cumulative annual value of all gifts an Agency officer or employee may provide to any one recipient cannot exceed \$250 unless disclosed under the Agency's Gift and Entertainment Disclosure Procedure and approved by Chairman of the Agency.

Employees are expected to exercise good judgment in offering gifts to vendors, customers or other business associates. Employees should talk to the Chairman of the Agency and/or Agency counsel when in doubt as to whether an event, location or expenditure is appropriate.

IV. GIFT AND ENTERTAINMENT DISCLOSURE PROCEDURE.

The following Gift and Entertainment Disclosure Procedure is a key element in ensuring compliance with the Agency's Gift and Entertainment Disclosure Policy set forth above.

1. Any Agency officer or employee who accepts a gift with an aggregate market value of greater than \$50.00 from a vendor, supplier, prospect, customer or business partner must promptly disclose the exceptional gift to the Agency. Gifts provided to Related Parties of any Agency officer or employee will be considered to have been provided to the officer or employee directly.

2. Any Agency officer or employee who uses Agency funds or property to make a gift to a third party that has an aggregate market value of more than \$250.00 must promptly disclose the making of such gift to the Agency.

3. Disclosure to the Agency shall be deemed made when provided in writing to the members of the Agency.