

High Twelve International, Inc.  
11404 West Olive Drive  
Avondale, Arizona 85392-4210  
Conflict of Interest Policy

Article I  
Purpose

The purpose of this Conflict of Interest Policy is to protect the tax exempt interest of High Twelve International, Inc. when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Trustee of High Twelve International, Inc. or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to non-profit and charitable organizations.

Article II  
Definitions

1. Interested Person:

Is any Officer, Trustee or member of a committee of High Twelve International, Inc. with delegated powers, who has a direct or indirect financial interest as defined by Section 2 below.

2. Financial Interest:

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which High Twelve International, Inc. has a transaction or arrangement.
- b. A compensation arrangement with High Twelve International, Inc. or with any entity or individual with which High Twelve International, Inc. has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which High Twelve International, Inc. is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the High Twelve International, Inc. Officers, Trustees or committee with High Twelve International, Inc. delegated power decides that a conflict of interest exists.

Article III  
Procedures

1. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the High Twelve International, Inc. officers, Trustees and members of committees with High Twelve International, Inc. delegated power considering the proposed transaction or arrangement
2. **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the High Twelve International, Inc. officers, Trustees or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining High Twelve International, Inc. Officers, Trustees or committee members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest:**
  - a. An interested person may make a presentation at the High Twelve International, Inc. Officers, Trustees or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - b. The Officers or Trustees of High Twelve International, Inc. or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, the High Twelve International, Inc. Officers, Trustees or committee shall determine whether High Twelve International, Inc. can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the High Twelve International, Inc. Officers, Trustees or committee shall determine by a majority vote of the disinterested Officers, Trustees or committee members whether the transaction or arrangement is in the High Twelve International, Inc. best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
4. **Violations of the Conflict of Interest Policy:**
  - a. If the High Twelve International, Inc. Officers, Trustees or committee has reasonable cause to believe the member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
  - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the High Twelve International, Inc. Officers or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary or corrective action.

Article IV  
Records of Proceedings

The minutes of the High Twelve International, Inc. Officers, Trustees and all committees with High Twelve International, Inc. delegated powers shall contain:

- a. 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 High Twelve International, Inc. Officers, Trustees or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussion 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.

Article V  
Compensation

1. A voting member of the High Twelve International, Inc. who receives compensation, directly or indirectly from High Twelve International, Inc. for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly from High Twelve International, Inc. is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the High Twelve International, Inc. Officers or Trustees whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from High Twelve International, Inc. either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI  
Annual Statements

Each High Twelve International, Inc. Officer, Trustee and/or a member of a committee with High Twelve International, Inc. delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the Conflict of Interest Policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy,
- d. Understands High Twelve International, Inc. is a fraternal organization with charitable purposes and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes, and
- e. Has agreed to report all known conflicts of interest to the International President.

Article VII  
Periodic Reviews

To ensure High Twelve International, Inc. operates its charitable activities 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:

- 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 High Twelve International, Inc. 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.

Article VIII  
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, High Twelve International, Inc. 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.

APPROVED by vote of the Officers and Trustees of the High Twelve International, Inc. on

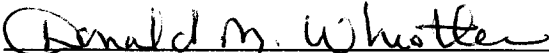
JAN 26 2016, 2016

  
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Jerry Saville, International President  
Chairman of the Board of Trustees

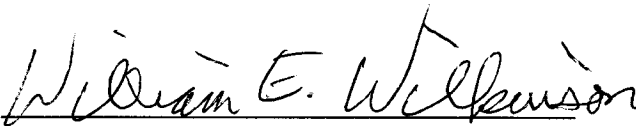
  
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Kevin Hokerk-Robinson, International Secretary

  
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Donald Whistler, International Treasurer

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William Wilkinson, International General Counsel

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