

**SUMMARY OF THE JUNE 16, 2010 MEETING OF
THE BOARD OF DIRECTORS
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the June 16, 2010 meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 10:00 a.m. at the U.S. Department of State, Washington, D.C.

1. The following individuals were present at the meeting:

DIRECTORS AND ALTERNATES, ACTING AS DIRECTORS:

Hillary Rodham Clinton, Secretary of State (Chair)
Neal S. Wolin, Deputy Secretary of the Treasury (Vice Chair)
Ambassador Ron Kirk, Acting United States Trade Representative
Dr. Rajiv Shah, Administrator, USAID
Daniel W. Yohannes, Chief Executive Officer, MCC
Lorne W. Craner, Private Sector Member
Former Senator William H. Frist, Private Sector Member
Alan J. Patricof, Private Sector Member

INVITED GUESTS:

Gayle Smith, National Security Council (Special Assistant to the President and Senior Director for Relief, Stabilization, and Development)
Rob Fairweather, Office of Management and Budget (Deputy Associate Director for International Affairs)

OTHER PARTICIPANTS (at all or a portion of the meeting): Jack J. Lew (State +1); Karen Enstrom (State); Fran Huegel (USTR+1); Mauro DeLorenzo (Sen. Frist+1); John Hurley (Treasury+1); Steve Kaufmann (MCC); Melvin Williams, Jr. (MCC); Henry Pitney (MCC); Cassandra Butts (MCC); Matt Bohn (MCC); Jonathan Bloom (MCC); Victoria Wassmer (MCC); Sheila Herrling (MCC); Charles Cooper (MCC); John Mantini (MCC); Bruce Overton (MCC); Jim Mazzarella (MCC); Gina Porto (MCC); Frances Reid (MCC); James Greene (MCC); Darius Teter (MCC); Patrick Fine (MCC); Tom Kelly (MCC); Troy Wray (MCC); Jonathan Brooks (MCC); Jim Nicholas (MCC); Elizabeth Lien (OMB); Maya Seiden (State); Carol Grigsby (USAID+1); Mervyn Ellis (USAID); Christopher McCoy (Treasury); Sam Kwon (MCC); Monica Hanley (State); Jake Sullivan (State); Mark Stroh (State); Susie Crocker (MCC); Romell Cummings (MCC)

2. Administrative Resolutions. The Board approved board minutes of the March 24, 2010 meeting.
3. CEO Update. Mr. Yohannes introduced the new members of his senior management team: T. Charles Cooper (Vice President, Congressional & Public Affairs); Steve Kaufmann (Chief of Staff), Melvin Williams, Jr. (Vice President/General Counsel and

Corporate Secretary), and Victoria Wassmer (Vice President, Administration & Finance). He thanked the Board for its approval of the threshold programs in Liberia and Timor Leste and reported on his recent trips to El Salvador and Tanzania. He also addressed the June Trafficking in Persons Report issued by the Department of State and MCC's efforts to improve the performance of the six MCC countries appearing on the Tier-2 Watch List.

4. Compact Development: Philippines. Mr. Teter reported on his recent trip to the Philippines and his meetings with senior members of the soon-to-be installed government of President-Elect Aquino. He stated that the next government is committed to addressing MCC's concerns regarding corruption and supports fully the compact negotiated under President Macapagal-Arroyo. Mr. Teter added that MCC hopes to forward the Jordan Compact to the Board for approval in September and the Malawi Compact by the end of the calendar year.
5. Compact Portfolio Review. Mr. Fine reviewed the current status of disbursements and commitments. Currently, disbursements are at 111% of MCC targets for the period and commitments at 139%. In addition, he addressed questions regarding potential cost overruns in some compact programs which MCC is actively monitoring. Presentations followed on preliminary accomplishments with respect to MCC's compact investments in Georgia and Honduras, which will close in the near term (April 2011 and September 2010, respectively).
6. Threshold Program Discussion. Mr. Green and Mr. Kelly presented MCC's current thinking on redesigning MCC's threshold program to make it more robust and to align it more closely with MCC's mission of reducing extreme poverty through economic development. Specifically, there is interest in addressing constraints to growth both in the policy and economic sectors. Discussion ensued which the Board intends to continue at the September board meeting.
7. Report on the Audit Committee. Deputy Secretary Wolin reported on the Audit Committee meeting held immediately prior to the Board meeting. In particular, he highlighted the favorable work relationship that MCC has established with the Office of the Inspector General (IG). MCC and the IG are addressing audit findings in such areas as FISMA, program expenditures, as well as specific audits on the Madagascar and Benin compacts.
8. Adjournment. Because there were no pending decisions before the Board, the Chair dispensed with an executive session and adjourned the meeting at 12:05 pm.

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