



CONFLICT OF INTEREST POLICY

Policy Statement: The purpose of the conflict of interest policy is to protect the interests of Esther's Hope Ministries® (EHM) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of EHM 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 nonprofit and charitable organizations.

Officers and directors of EHM are obligated to always act in the best interest of the organization. This obligation requires that any officer or director, in the performance of organization duties, seek only the furtherance of the organization mission. At all times, officers and directors are prohibited from using their job title or organization name or property, for private profit or benefit.

Definitions

"Interested Person" means any director, principal officer, or member of a committee with Board of Directors delegated powers, who has a direct or indirect financial interest, as defined below.

"Financial Interest" arises if a person has, directly or indirectly, through business, investment, or family:

- an ownership or investment interest in any entity with which EHM has a transaction or arrangement
- a compensation arrangement with EHM or with any entity or individual with which EHM has a transaction or arrangement, or

- a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which EHM 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; a person who has a financial interest may have a conflict of interest only if EHM's Board of Directors or a designated Committee of the Board decides that a conflict of interest exists.

Policies and Procedures

No officer, or member of the organization shall participate in the selection, award or administration of a purchase or contract with a vendor where, to his/her knowledge, any of the following has a financial interest in that purchase or contract:

- The officer or director
- Any member of their immediate family
- A close acquaintance
- An organization in which any of the above is an officer, director or employee
- A person or organization with whom any of the above individuals is negotiating or has an arrangement concerning prospective employment.

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 Board of Directors or designated Committee of the Board.

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, the interested person shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Committee members shall decide if a conflict of interest exists.
- The chairperson of the Board or Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the Board or Committee shall determine whether EHM 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.

- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Committee shall determine, by a majority vote of the disinterested directors, whether the transaction or arrangement is in EHM's 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.

Process Involving Compensation Matters

- A voting member of the Board who receives compensation for services, directly or indirectly, from EHM is precluded from voting on matters pertaining to that member's compensation.
- A voting member of any Committee whose responsibilities include compensation matters and who receives compensation for services, directly or indirectly, from EHM is precluded from voting on matters pertaining to that member's compensation.
- No voting member of the Board or any Committee of the Board whose responsibilities include compensation matters and who receives compensation, directly or indirectly, from EHM, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Violations of the Conflicts of Interest Policy

If the Board or Committee has reasonable cause to believe a potentially interested person has failed to disclose actual or possible conflicts of interest, it shall inform the potentially interested person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose. If, after hearing the potentially interested person's response and after making further investigation as warranted by the circumstances, the Board or Committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Record of Conflict: The official minutes of the Board shall reflect that the conflict was disclosed and the interested person(s) did not participate in the final discussion or vote on the matter.

Annual Certification

Each director or officer of EHM, and each member of a committee with Board of Directors delegated powers, will sign a certification each year, in the form of **Exhibit A**, certifying that such person:

- has received a copy of this conflicts of interest policy,
- has read and understands the policy,
- has agreed to comply with the policy, and

- understands EHM is charitable and to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews

To ensure EHM 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 on, at a minimum, the following subjects:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- Whether partnerships, joint ventures, and arrangements with management organizations conform to EHM'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.

When conducting such periodic reviews, EHM may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Adopted by the Board of Directors of Esther's Hope Ministries: February 25, 2017.

ESTHER'S HOPE MINISTRIES

Annual Certification of Compliance with Conflict of Interest Policy

The undersigned, _____, a director or officer of Esther's Hope Ministries® (EHM), or a member of an EHM committee with Board of Directors delegated powers, hereby certifies that he or she:

- has received a copy of Esther's Hope Ministries' Conflicts of Interest Policy (the "Policy"),
- has read and understands the Policy,
- agrees to comply with the Policy, and
- understands EHM is charitable and to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Please describe, below or on an attached sheet, any exceptions to the foregoing certifications.

Date: _____

Printed Name: _____

Signature: _____