

Hosanna Industries, Inc.

Conflict of Interest Policy

As a mission worker or member of the Board of Directors of Hosanna, you have the obligation to conduct business within the guidelines that prohibit actual or potential conflicts of interest. In this policy, Hosanna is establishing the framework within which we wish to operate. These guidelines are intended to provide a general direction so that you can get further clarification on areas that affect you. For more information or questions on conflict of interest, contact the Executive Director.

All transactions with firms outside Hosanna must be conducted within the framework established and controlled by the executive level of Hosanna. Business dealings with outside firms should not result in unusual gains for those firms. "Unusual gains" refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit either the employer, Board Member, mission worker, or a combination of the preceding. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

An actual or potential conflict of interest occurs when a mission worker or member of the Board of Directors is in a position to influence a decision that may result in a personal gain for that mission worker, member of the board, or for a relative as a result of business dealings with Hosanna. For the purposes of this policy, we define a relative as any person who is related by blood or marriage, or whose relationship with the mission worker is similar to that of persons who are related by blood or marriage.

There is no "presumption of guilt" created by the mere existence of a relationship with outside firms. However, if you have any influence on transactions involving purchases, contracts, or leases, as a mission worker or member of the Board of Directors, it is imperative that you disclose this fact to the Executive Director of Hosanna as soon as possible. By alerting us to the existence of any actual or even a potential conflict of interest, we can establish safeguards to protect all parties.

The potential for personal gain is not limited to situations where a mission worker or member of the Board of Directors has a significant ownership in a firm with which Hosanna does business. Personal gains can also result from situations where a mission worker or Board Member receives a kickback, bribe, substantial gift, or special consideration as a result of a transaction or business dealings involving Hosanna.

The Executive Director shall require a statement from each director and staff member not less frequently than once a year setting forth all business and other affiliations which relate in any way to the mission of Hosanna Industries.

If a conflict of interest matter is brought to the attention of the Executive Director, a disinterested person or committee will be appointed to investigate alternatives to the proposed transaction, contract, or arrangement if necessary.

After exercising due diligence, the Executive Director with or without the above mentioned committee shall determine whether the mission can obtain a more advantageous transaction, contract, or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction, contract, or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine by majority vote of disinterested Directors whether it is in Hosanna's best interest and for Hosanna's own benefit and whether it is fair and reasonable to Hosanna, and shall make a decision as to whether to enter into the transaction, contract, or arrangement in conformity with such determination.

If the Executive Director has reasonable cause to believe that a Board Member or mission worker has failed to disclose an actual or possible conflict of interest, the Executive Director shall inform the director or mission worker of the basis for such belief and afford the director or mission worker an opportunity to explain the alleged failure to disclose.

If after hearing the response of the director or mission worker and making such further investigation as may be warranted in the circumstances, the Executive Director with or without the aforementioned committee determines that the director or mission worker has in fact failed to disclose an actual or possible conflict of interest, appropriate disciplinary and corrective action shall be recommended.

The violation of this conflicts of interest policy is a serious matter and may constitute "cause" for removal or termination of a director or mission worker, or the termination of any contractual relationship the mission may have with an Interested Person or other party.

Each mission worker and member of the Board of Directors will annually sign a statement which affirms that such person has received a copy of the conflicts of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands that the mission is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.