



## Ohio Revised Code Section 187.06 Conflicts of interest.

Effective: February 18, 2011

Legislation: House Bill 1 - 129th General Assembly

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(A) For purposes of this section, "interested individual" means a director or officer of JobsOhio who has, directly or indirectly, through business, investment, or family, any of the following:

(1) An ownership or investment interest in any person with which JobsOhio has a transaction or arrangement;

(2) A compensation arrangement with JobsOhio or with any person with which JobsOhio has a transaction or arrangement;

(3) A potential ownership or investment interest in, or compensation arrangement with, any person with which JobsOhio is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as material gifts or favors.

(B) The conflicts of interest policy adopted pursuant to section 187.01 of the Revised Code shall protect JobsOhio's interest when it is considering a transaction or arrangement that might benefit the private interest of a director or officer of JobsOhio or might directly benefit that individual in other than a de minimis manner. An interested individual shall disclose the existence of a financial interest to each member of the board of directors of JobsOhio. The interested individual shall be given an opportunity to disclose all material facts to the directors. After disclosure of the financial interest and all material facts, the board of directors shall decide if a conflict of interest exists. If the board decides by a majority vote of the disinterested directors that a conflict exists, the disinterested directors shall determine whether JobsOhio can obtain with reasonable efforts a more advantageous transaction or arrangement from a person 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 shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in JobsOhio's best interest, for its own benefit, and whether it is fair and reasonable.



(C) If the board of directors has reasonable cause to believe a director or officer has failed to disclose an actual or possible conflict of interest, it shall inform the individual of the basis for such belief and provide the individual with an opportunity to explain the alleged failure to disclose. If the board determines the individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including, but not limited to, initiating an action for breach of fiduciary duty.

(D) Minutes of board meetings considering possible or actual conflicts of interest shall be kept. The minutes shall contain both of the following:

(1) The names of the individuals who disclosed, or 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 board's decision as to whether a conflict of interest existed;

(2) The names of the individuals who were present for discussions 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.

(E) An officer or employee of JobsOhio whose responsibility includes compensation matters and who receives compensation, directly or indirectly, from JobsOhio for services is precluded from voting or providing information to a compensation committee, if any, on matters pertaining to that individual's compensation.

(F) The conflicts of interest policy adopted pursuant to section 187.01 of the Revised Code shall prohibit any director of JobsOhio from soliciting or accepting employment with any person that receives or has received an incentive or other assistance as a result of a decision the director participated in as a director of JobsOhio.

(G) Each director or officer shall annually sign a statement that affirms the individual:

(1) Has received a copy of the conflicts of interest policy;



(2) Has read and understands the policy;

(3) Has agreed to comply with the policy;

(4) Understands JobsOhio's statutory purpose and that it is a nonprofit corporation.

(H) To ensure JobsOhio operates in a manner consistent with its statutory purpose or contractual obligations, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, determine all of the following:

(1) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining;

(2) Whether JobsOhio's operations are consistent with its articles of incorporation, regulations, and contractual obligations, and are properly documented;

(3) Whether transactions are fair to JobsOhio, reflect reasonable investment or payments for goods and services, further JobsOhio's statutory purpose or contractual obligations, and do not result in direct private benefit to directors, officers, or other persons, in other than a de minimis manner.