

273.219 Conflict of interest transaction.

- (1) A conflict of interest transaction is a transaction with the nonprofit corporation in which a director of such corporation has a direct or indirect interest. A conflict of interest transaction shall not be voidable by the corporation solely because of the director's interest in the transaction if any one of the following is true:
 - (a) The material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board of directors and the board of directors or committee authorized, approved, or ratified the transaction; or
 - (b) The transaction was fair to the corporation.
- (2) For purposes of this section, a director of a nonprofit corporation shall be considered to have an indirect interest in a transaction if:
 - (a) Another entity in which he has a material financial interest or in which he is a general partner is a party to the transaction; or
 - (b) Another entity of which he is a director, officer, or trustee is a party to the transaction and the transaction is or should be considered by the board of directors of the corporation.

Effective: July 15, 1988

History: Created 1988 Ky. Acts ch. 224, sec. 13, effective July 15, 1988.