

Annual Course of Study in Ethics for the Directors, Officers & Staff

October 5, 2023



- Standards of Conduct
- Governance
- Insider Training
- Conflicts of Interest
- Gifts
- Whistleblower Policy
- Lobbying Activities
- Reporting

Standards of Conduct



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- In performing our duties for the Corporation, each member of the Board of Directors and all employees shall strive for the highest ethical conduct and fundamental honesty.
- We must:
 - perform our duties at all times in good faith,
 - in a manner we reasonably believe to be in the best interest of JobsOhio, or not opposed to,
 - with the care that an ordinarily prudent person in a like position would use under similar circumstances, and
 - Maintain the confidentiality of all information regarding the activities of JobsOhio and its customers, unless the disclosure of the information has been authorized.

- Deceive, defraud, or mislead JobsOhio board members, our associates, or those with whom JobsOhio has business or other relationships.
- Misrepresent JobsOhio in any negotiations, dealings, contracts, or agreements.
- Divulge or release any information of a confidential or proprietary nature relating to JobsOhio's plans, mission, or operational activities without appropriate approval.
- Obtain, or seek to obtain, a personal advantage or benefit due to relationships established by my position with JobsOhio or by any use of the JobsOhio name.
- Withhold my best efforts to perform my duties to acceptable standards.
- Engage in unethical business practices of any type.
- Use JobsOhio property, financial resources, or services of JobsOhio personnel for my personal benefit.
- Violate any applicable laws or ordinances.

Governance



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- Set the direction for JobsOhio
- Decision making
- Oversight
- Mentorship
- *Duty of care* – Exercise the care an ordinarily prudent person in a like position would use under similar circumstances.
- *Duty of loyalty* – Act in good faith, in a manner he/she reasonably believes to be in *or not opposed to* the best interests of the corporation.
- When operating as a board, JobsOhio is 1st loyalty.
- Board acts as a whole. Individual directors have no authority act unless authorized by the Board.
- Need a quorum at meetings.

Ohio corporation law provides protection for a Directors' reliance on ...

- Officers and employees of JobsOhio
- Legal Counsel
- Public Accountants
- Consultants or other professionals
- Committees of directors

- Provide input to help the board give direction
- Execute direction given by the Board through the appropriate use of authority and observing set limits
- *Duty of care* – Exercise the care an ordinarily prudent person in a like position would use under similar circumstances.
- *Duty of loyalty* – Act in good faith, in a manner he/she reasonably believes to be *in the best interest* of the corporation. *[higher duty than that of directors]*

Prohibition on Insider Trading



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- To ensure the directors, officers, employees, and consultants (collectively, “Associated Persons,”) of JobsOhio and its subsidiaries are aware of legal prohibitions on Insider Trading (as defined below), and to prevent Insider Trading by any Associated Person.
- The term “Insider Trading” is not defined in the securities laws, but generally it refers to the use of material, non-public information to trade in securities or the communication of material, non-public information to others (“tips”).
- In accordance with the U.S. Securities and Exchange Commission (“SEC”) definitions and rules prohibiting Insider Trading, this JobsOhio Guidance document applies to all Associated Persons.

- “**Material Nonpublic Information**” is information that has not been previously disclosed to the public generally and which, if known, could reasonably be expected to affect the value of the applicable company’s securities, or which would affect the investment judgment of a person making a decision to buy or sell the applicable company’s securities.
- Information is considered “**material**” if there is a substantial likelihood that it would be considered important by a reasonable investor in deciding whether to purchase or sell securities.

Material Non-Public Information May Include:

- Unpublished financial results
- Unpublished projections of a material change in anticipated earnings (up or down)
- News of proposed public or private offerings of securities
- Loan defaults or changes in a company's credit rating
- Impending announcements of bankruptcy or financial liquidity problems
- News of pending or proposed mergers, acquisitions, joint ventures, or sales of significant assets or other strategic plans
- Non-public regulatory approvals, patents, investigations, etc.
- News of a proposed offering or issuance of new securities
- Occurrence of, or important developments in, major disputes, claims or significant litigation (whether or not meritorious)
- A change in management
- New product announcements
- The gain or loss of significant customers, suppliers or business partners

“Public” v. “Non-Public” Information:

- To be considered **public**, there should be evidence that the information has been **widely disseminated** and that the investing **public has had time to absorb** the information.
- Generally, information is considered “**nonpublic**” until **after** the **second business day** after the information is publicly released, such as by press release or widely circulated public disclosure documents filed with the SEC, such as prospectuses or 10-K, 10-Q or 8-K reports.
- For example, if information is disclosed via press release on a *Monday*, it can be considered public beginning that *Thursday*.

Safeguarding Material “Non-Public” Information:

- Associated Persons are **required to safeguard** Material Nonpublic Information and **not** communicate it to any person, directly or indirectly, unless such person has a need to know the information for legitimate, JobsOhio-related reasons.
- Except as set forth in the immediately preceding sentence, **no** Associated Person may **disclose or tip** Material Nonpublic Information, directly or indirectly, to third parties, to any other person, including family members, or make recommendations or express opinions on the basis of Material Nonpublic Information with regard to trading securities.
- **Tips:** An Associated Person may be held liable under securities laws for the improper trades of anyone to whom the Associated Person disclosed Material Nonpublic Information.

- No Associated Person may **buy or sell securities of another** company at any time **when they have Material Nonpublic Information about that company**, including, but not limited to, any company that JobsOhio conducts business with or evaluates, such as candidates for funding consideration, customers, vendors, or suppliers.
- Even the **appearance** of an improper transaction **must be avoided** to preserve JobsOhio’s reputation for adhering to the highest standards of conduct.
- Be aware that any review of trading activities will be performed with the benefit of hindsight, so one should **carefully evaluate how others may view such trading** activities.



- The consequences of Insider Trading violations are serious and significant.
- Potential penalties include **civil** penalties, **criminal** fines, and **imprisonment**.
- In addition, **JobsOhio may be found liable** for Insider Trading violations by an Associated Person, and JobsOhio could suffer significant **reputational harm** from Insider Trading violations by an Associated Person.



Conflicts of Interest

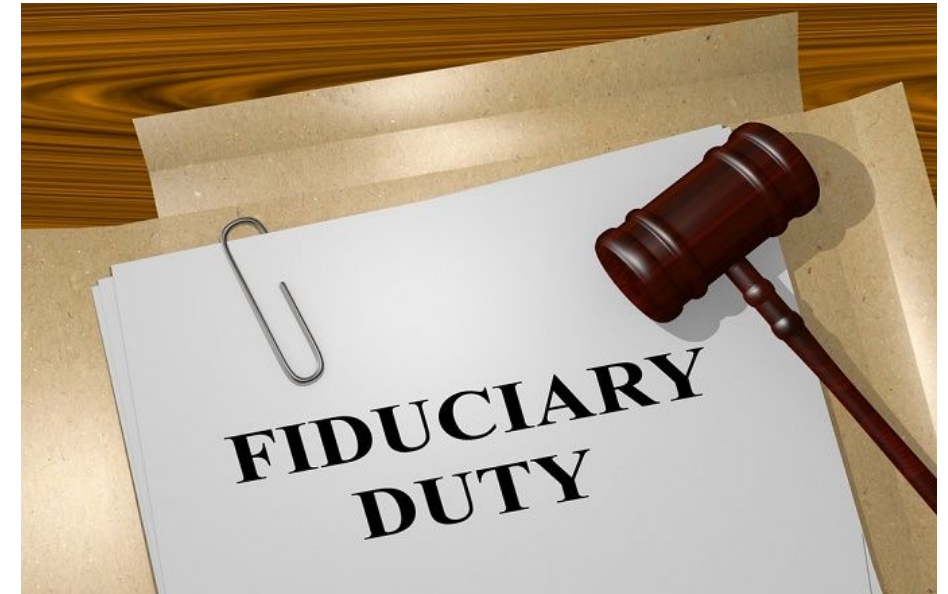


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- A financial ownership interest or investment interest between you or your family and any person or entity, such as:
 - An equity interest in a non-publicly traded entity;
 - An equity interest of 1% or more of any publicly-traded company;
 - Income from intellectual property rights.
- For the purposes of JobsOhio's Conflict of Interest policy, financial interest do not include your JO salary, a pension, your mutual funds or bank accounts.

Conflicts of Interest: Fiduciary Interest

- An obligation to act in the best interests (financial success) of another, such as membership on a Board or management role in a company.
- The Conflicts of Interest Policy defines family as spouse or domestic partner, dependent children or other individuals claimed as dependents for tax purposes.



Financial Disclosure Statement (FDS)

- Per R.C. 187.03(B)(2): Directors and employees with significant **administrative, supervisory, contracting, or investment authority** must file.
- FDS due usually on May 15th.

Gifts



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Employees must abide by the law just like any other private entity that is doing or seeking to do business with a public officials.



- Gift = **ANYTHING** of value that holds no expectation of receiving anything in return.
- Applies to gifts received by/for JobsOhio Employees.
- “**Business Associate**” = person/entity, other than JO colleagues, with whom the employee interacts on a professional basis.
- Employee may not solicit anything of value that could reasonably be expected to influence the employee in the performance of their duties.



- Consider the following when accepting a gift:
 - It was given without an express or implied understanding of obligation;
 - It does not violate law;
 - It does not place a JO employee in a compromising position; *and*
 - It is not of such a character to create the impression of favoritism
- No cash or cash equivalent (exception = one gift card \$35 or less)
- Attempts to circumvent the gift policy may result in disciplinary action
- Cannot accept a gift under the guise of a “purchase”
- Understand the cumulative cost of the gift.

Corporate Gift Giving & Prohibitions

- Applies to gifts given by JobsOhio employees
- Gift = **ANYTHING** of value that holds no expectation of receiving anything in return. (e.g. travel expenses, tickets to sporting events, offers of future employment, better loan rate)
- “Business Associate” = Same as in Gift Policy
- Promotion Items = OK
- Prohibitions:



Corporate Gift Giving – Permissible Gifts

- Small gift or token of esteem or gratitude
- Relevant connection to or made in Ohio
- Give openly and transparently
- Properly recorded in giver's books
- Provide only to reflect esteem or gratitude
- Permitted under local law



Corporate Gift Giving – Permissible Amounts

- <\$75 = No prior approval
- \$75 – \$125 = Supervisor approval
- \$125 – \$225 = Leadership Team approval
- >\$225 = President and CIO approval



- SDOC approval if to a Foreign National
- All gifts >\$75 – Corporate Gift Giving Form
- If Business Associate cannot accept a gift, *do not* offer to staff / family
- Cannot circumvent or exceed the policy by paying for it personally!!!

Whistleblower



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- Expectation
- Why Important?
- Reporting
- Retaliation

Political Activity & Lobbying



- JobsOhio is an Executive Agency and a reportable entity.
 - If an Executive Agency Lobbyist (EAL) purchases any gift or food/beverage for a JobsOhio reportable agent, the EAL must report it.
 - JobsOhio employs 2 EALs. If JobsOhio staff pays expenses for a legislator or reportable staff person, it must track and report it
 - JobsOhio and the EALs file Activity & Expenditure Reports 3 times per year with the Joint Legislative Executive Committee (“JLEC”)
- Potential Client Company with Registered Lobbyists

Reporting



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- IRS Form 990 Required Disclosure
 - Family/business relationships between Board Members
 - Conflicts of Interest by Directors, Officers, and key employees
 - Acknowledgement of ethics, conflict of interest and whistleblower policies and corporate governance practices
- Individuals - FDS

