

- (1) The common directorship or interest;
- (2) The presence of the director at the meeting of the board or a committee of the board which authorizes, approves, or ratifies the contract or transaction; or
- (3) The counting of the vote of the director for the authorization, approval, or ratification of the contract or transaction.

(b) Subsection (a) of this section applies if:

(1) The fact of the common directorship or interest is disclosed or known to:

(i) The board of directors or the committee, and the board or committee authorizes, approves, or ratifies the contract or transaction by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum; or

(ii) The stockholders entitled to vote, and the contract or transaction is authorized, approved, or ratified by a majority of the votes cast by the stockholders entitled to vote other than the votes of shares owned of record or beneficially by the interested director or corporation, firm, or other entity; or

(2) The contract or transaction is fair and reasonable to the corporation.

(c) Common or interested directors or the stock owned by them or by an interested corporation, firm, or other entity may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee of the board or at a meeting of the stockholders, as the case may be, at which the contract or transaction is authorized, approved, or ratified.

(d) (1) If a contract or transaction is not authorized, approved, or ratified in one of the ways provided for in subsection (b) (1) of this section, the person asserting the validity of the contract or transaction bears the burden of proving that the contract or transaction was fair and reasonable to the corporation at the time it was authorized, approved, or ratified.

(2) This subsection does not apply to the fixing by the board of directors of reasonable compensation for a director, whether as a director or in any other capacity.

(E) ANY PROCEDURES AUTHORIZED BY § 2-418 OF THIS SUBTITLE SHALL BE DEEMED TO SATISFY SUBSECTION (B)(1) OF THIS SECTION. ANY CHARTER, BYLAW, CONTRACT, OR TRANSACTION REQUIRING OR PERMITTING INDEMNIFICATION, INCLUDING ADVANCES OF EXPENSES, IN ACCORDANCE WITH § 2-418 OF THIS SUBTITLE IS FAIR AND REASONABLE TO THE CORPORATION.