

§1823. Standard of conduct for officers

1. General rule. An officer of a benefit corporation shall consider the interests and factors described in section 1821, subsection 1 in the manner provided in section 1821, subsection 1 if:

A. The officer has discretion to act with respect to a matter; and [PL 2019, c. 328, §1 (NEW).]

B. It reasonably appears to the officer that the matter may have a material effect on the creation by the benefit corporation of general public benefit or a specific public benefit identified in the articles of incorporation of the benefit corporation. [PL 2019, c. 328, §1 (NEW).]

[PL 2019, c. 328, §1 (NEW).]

2. Coordination with other provisions of law. The consideration of interests and factors in the manner provided in subsection 1 does not constitute a violation of section 843.

[PL 2019, c. 328, §1 (NEW).]

3. Exoneration from personal liability. Except as provided in the articles of incorporation, an officer is not personally liable for monetary damages for:

A. An action or inaction as an officer in the course of performing the duties of an officer under subsection 1 if the officer performed the duties of the position in compliance with section 843 and this section; or [PL 2019, c. 328, §1 (NEW).]

B. Failure of the benefit corporation to pursue or create general public benefit or a specific public benefit. [PL 2019, c. 328, §1 (NEW).]

[PL 2019, c. 328, §1 (NEW).]

4. Limitation on standing. An officer does not have a duty to a person that is a beneficiary of general public benefit purpose or a specific public benefit purpose of a benefit corporation arising from the status of the person as a beneficiary.

[PL 2019, c. 328, §1 (NEW).]

5. Business judgments. An officer who makes a business judgment in good faith fulfills the duty under this section if the officer:

A. Is not interested in the subject of the business judgment; [PL 2019, c. 328, §1 (NEW).]

B. Is informed with respect to the subject of the business judgment to the extent the officer reasonably believes to be appropriate under the circumstances; and [PL 2019, c. 328, §1 (NEW).]

C. Rationally believes that the business judgment is in the best interests of the benefit corporation. [PL 2019, c. 328, §1 (NEW).]

[PL 2019, c. 328, §1 (NEW).]

SECTION HISTORY

PL 2019, c. 328, §1 (NEW).

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