

§1821. Standard of conduct for directors

1. Consideration of interests. In discharging the duties of their respective positions and in considering the best interests of the benefit corporation, the board of directors, committees of the board and individual directors of a benefit corporation shall consider the effects of any action or inaction upon:

- A. The shareholders of the benefit corporation; [PL 2019, c. 328, §1 (NEW).]
- B. The employees and workforce of the benefit corporation, its subsidiaries and its suppliers; [PL 2019, c. 328, §1 (NEW).]
- C. The interests of customers as beneficiaries of general public benefit or specific public benefit purposes of the benefit corporation; [PL 2019, c. 328, §1 (NEW).]
- D. Community and societal factors, including those of each community in which offices or facilities of the benefit corporation, its subsidiaries or its suppliers are located; [PL 2019, c. 328, §1 (NEW).]
- E. The local and global environment; [PL 2019, c. 328, §1 (NEW).]
- F. The short-term and long-term interests of the benefit corporation, including benefits that may accrue to the benefit corporation from its long-term plans and the possibility that these interests may be best served by the continued independence of the benefit corporation; and [PL 2019, c. 328, §1 (NEW).]
- G. The ability of the benefit corporation to accomplish its general public benefit purpose and any specific public benefit purpose. [PL 2019, c. 328, §1 (NEW).]

The board of directors, committees of the board and individual directors of a benefit corporation may also consider other pertinent factors or the interests of any other group that they consider appropriate and may give priority to an interest or factor according to the benefit corporation's articles of incorporation.

[PL 2019, c. 328, §1 (NEW).]

2. Coordination with other provisions of law. The consideration of interests and factors in the manner provided by subsection 1 does not constitute a violation of section 832.

[PL 2019, c. 328, §1 (NEW).]

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

- A. Any action or inaction in the course of performing the duties of a director under subsection 1 if the director performed the duties of office in compliance with section 832 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. A director 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. A director who makes a business judgment in good faith fulfills the duty under this section if the director:

- 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 director 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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