

§717. General standards for directors

1. Discharge duties. A director shall discharge the director's duties:

A. In good faith; [PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

B. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and [PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

C. In a manner the director reasonably believes to be in the best interests of the corporation. [PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]
[PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

2. Rely on information. In discharging the director's duties, a director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:

A. One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented; [PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

B. Legal counsel or a public accountant or other person as to matters the director reasonably believes are within the person's professional or expert competence; or [PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

C. A committee of the board of directors of which the director is not a member, as to the matters within its jurisdiction, if the director reasonably believes the committee merits confidence. [PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

A director is not acting in good faith if the director relies on information, opinions, reports or statements that the director knows or has reason to believe are unwarranted.

[PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

3. Performance; compliance. A director is not liable for the performance of the duties of the director's office if the director acted in compliance with this section and, if a conflict-of-interest transaction is involved, the transaction was fair to the corporation or was approved pursuant to section 718.

[PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

4. Trustee. A director is not considered a trustee with respect to the director's corporation or with respect to any property held or administered by that corporation, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of the property.

[PL 2001, c. 550, Pt. C, §18 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

SECTION HISTORY

PL 2001, c. 550, §C18 (NEW). PL 2001, c. 550, §C29 (AFF).

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