



## Ohio Revised Code Section 1701.96 Benefit corporations.

Effective: March 24, 2021

Legislation: Senate Bill 21 - 133rd General Assembly

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(A) A benefit corporation owes no duty to a person who is a beneficiary of a beneficial purpose of the benefit corporation based solely on the status of that person as a beneficiary.

(B) A benefit corporation is not liable in monetary damages for any failure to seek, achieve, or comply with any beneficial purpose of the benefit corporation set forth in the articles of the corporation.

(C) An action to require a benefit corporation to comply with a beneficial purpose set forth in its articles may be brought only by the benefit corporation or in a derivative action on behalf of the benefit corporation by any of the following:

(1) A director of the corporation;

(2) Persons who, in the aggregate, hold twenty-five per cent of all shares outstanding and entitled to vote at a meeting of the shareholders, unless the articles, the regulations adopted by the shareholders, or the regulations adopted by the directors pursuant to division (A)(1) of section 1701.10 of the Revised Code prescribe a smaller proportion;

(3) If the benefit corporation has issued and has outstanding shares listed on a national securities exchange or regularly quoted in an over-the-counter market by one or more members of a national or affiliated securities association, persons who, in the aggregate, hold shares of at least two million dollars in market value;

(4) Any other person that the articles or regulations authorize to bring such an action.

(D) The provisions of divisions (B) and (C) of this section do not alter the obligation of a benefit corporation to comply with all laws otherwise applicable to a domestic corporation or contracts by which the benefit corporation is bound, and divisions (B) and (C) of this section shall not limit or



restrict the imposition of any remedy available under such otherwise applicable laws or contracts.

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