



## Ohio Revised Code Section 1702.30 Authority of directors.

Effective: October 24, 2024

Legislation: House Bill 301

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(A) Except where the law, the articles, or the regulations require that action be otherwise authorized or taken, all of the authority of a corporation shall be exercised by or under the direction of its directors. For their own government, the directors may adopt bylaws that are not inconsistent with the articles or the regulations.

(B) A director shall perform the director's duties as a director, including the duties as a member of any committee of the directors upon which the director may serve, in good faith, in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation, and with the care that an ordinarily prudent person in a like position would use under similar circumstances. A director serving on a committee of directors is acting as a director.

(C) In performing a director's duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, that are prepared or presented by any of the following:

(1) One or more directors, officers, or employees of the corporation who the director reasonably believes are reliable and competent in the matters prepared or presented;

(2) Counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence;

(3) A committee of the directors upon which the director does not serve, duly established in accordance with a provision of the articles or the regulations, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

(D) For purposes of division (B) of this section, the following apply:

(1) A director shall not be found to have violated the director's duties under division (B) of this



section, unless it is proved, by clear and convincing evidence that the director has not acted in good faith, in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation, or with the care that an ordinarily prudent person in a like position would use under similar circumstances in any action brought against a director, including actions involving or affecting any of the following:

- (a) A change or potential change in control of the corporation;
- (b) A termination or potential termination of the director's service to the corporation as a director;
- (c) The director's service in any other position or relationship with the corporation.

(2) A director shall not be considered to be acting in good faith if the director has knowledge concerning the matter in question that would cause reliance on information, opinions, reports, or statements that are prepared or presented by the persons described in divisions (C)(1) to (3) of this section, to be unwarranted.

(3) Nothing in this division limits relief available under section 1702.301 of the Revised Code.

(E) A director shall be liable in damages for any action that the director takes or fails to take as a director only if it is proved by clear and convincing evidence in a court of competent jurisdiction that the director's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the corporation or undertaken with a reckless disregard for the best interests of the corporation.

Nothing in this division affects the liability of directors under section 1702.55 of the Revised Code.

This division does not apply if, and only to the extent that, at the time of a director's act or omission that is the subject of complaint, the articles or the regulations of the corporation state by specific reference to this division that the provisions of this division do not apply to the corporation.

(F) For purposes of this section, a director, in determining what the director reasonably believes to be in the best interests of the corporation, shall consider the purposes of the corporation and, in the



director's discretion, may consider any of the following:

- (1) The interests of the corporation's employees, suppliers, creditors, and customers;
  - (2) The economy of this state and nation;
  - (3) Community and societal considerations;
  - (4) The long-term as well as short-term interests of the corporation, including the possibility that these interests may be best served by the continued independence of the corporation.
- (G) Nothing in division (D) or (E) of this section affects the duties of a director who acts in any capacity other than in the capacity as a director.