



## Ohio Revised Code

### Section 1702.30 Authority of directors.

Effective: May 4, 2012

Legislation: House Bill 48 - 129th General Assembly

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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 duties of 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 the duties of a director, 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 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:

(1) A director shall not be found to have failed to perform the director's duties in accordance with



that division, unless it is proved, by clear and convincing evidence, in an action brought against the director 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. Such an action includes, but is not limited to, an action that involves or affects 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) The provisions of this division do not limit relief available under section 1702.301 of the Revised Code.

(E)(1) Subject to divisions (E)(2) and (3) of this section, a director is liable in damages for any act that the director takes or fails to take as director only if it is proved, by clear and convincing evidence, in a court with jurisdiction that the act or omission of the director was one undertaken with a deliberate intent to cause injury to the corporation or was one undertaken with a reckless disregard for the best interests of the corporation.

(2) Division (E)(1) of this section does not affect the liability of a director under section 1702.55 of the Revised Code.

(3) Subject to division (E)(2) of this section, division (E)(1) of this section does not apply if, and only to the extent that, at the time of an act or omission of a director that is the subject of complaint, the articles or the regulations of the corporation state, by specific reference to that division, that its provisions do not apply to the corporation.



(F) For purposes of this section, in determining what a director reasonably believes to be in or not opposed to the best interests of the corporation, a director shall consider the purposes of the corporation and may consider any of the following:

(1) The interests of the employees, suppliers, creditors, and customers of the corporation;

(2) The economy of this state and of the nation;

(3) Community and societal considerations;

(4) The long-term and short-term best interests of the corporation, including, but not limited to, the possibility that those interests may be best served by the continued independence of the corporation.

(G) Divisions (D) and (E) of this section do not affect the duties of a director who acts in any capacity other than in the capacity as a director.