

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1141

(Reference to Senate engrossed bill)

1 Page 28, between lines 15 and 16, insert:

2 C. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE STANDARDS OF
3 CONDUCT AND PRESUMPTIONS PRESCRIBED IN CHAPTER 8 OF THIS TITLE APPLY TO
4 DIRECTORS OF BENEFIT CORPORATIONS."

5 Reletter to conform

6 Line 16, strike "and"

7 Line 17, strike "in"; strike "section 10-2401, SUBSECTION C"

8 Line 23, after the period strike remainder of line; strike lines 24 and 25

9 Between lines 31 and 32, insert:

10 "Sec. 24. Section 10-2432, Arizona Revised Statutes, is amended to
11 read:

12 10-2432. Standard of conduct for officers

13 A. Each officer of a benefit corporation shall consider the interests
14 and factors described in section 10-2431, subsection A, in the manner
15 provided in that subsection, if both of the following apply:

16 1. The officer has discretion to act with respect to a matter.

17 2. It reasonably appears to the officer that the matter may have a
18 material effect on the general public benefit or specific public benefit
19 identified in the articles of incorporation of the benefit corporation.

20 B. The consideration of interests and factors in the manner described
21 in subsection A of this section does not constitute a violation of section
22 10-842.

23 C. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE STANDARDS OF
24 CONDUCT AND PRESUMPTIONS PRESCRIBED IN CHAPTER 8 OF THIS TITLE APPLY TO
25 OFFICERS OF BENEFIT CORPORATIONS.

26 C. D. Except as provided in the articles of incorporation or bylaws,
27 an officer is not personally liable for monetary damages for either of the
28 following:

29 1. An action or inaction as an officer in the course of performing the
30 duties of an officer under subsection A of this section if the officer

1 ~~performed the duties of the position in compliance with section 10-842 and~~
2 ~~this section.~~

3 ~~2.~~ failure of the benefit corporation to pursue or create general
4 public benefit or a specific public benefit.

5 ~~D.~~ E. An officer does not have a duty to a person that is a
6 beneficiary of the general public benefit purpose or the specific public
7 benefit purpose of a benefit corporation arising from the status of the
8 person as a beneficiary.

9 ~~E.~~ F. An officer who makes a business judgment in good faith fulfills
10 the duty under this section if all of the following apply:

11 1. The officer is not interested in the subject of the business
12 judgment.

13 2. The officer is informed with respect to the subject of the business
14 judgment to the extent the officer reasonably believes to be appropriate
15 under the circumstances.

16 3. The officer rationally believes that the business judgment is in
17 the best interests of the benefit corporation."

18 Rerumber to conform

19 Amend title to conform

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