308C.465 LIMITATION OF DIRECTOR'S LIABILITY.

Subdivision 1. **Articles may limit liability.** A director's personal liability to the cooperative or members for monetary damages for breach of the standards of conduct may be eliminated or limited in the articles or bylaws except as provided in subdivision 2.

Subd. 2. **Restrictions on liability limitation.** The articles or bylaws may not eliminate or limit the liability of a director:

(1) for a breach of the director's obligation to act in good faith in a manner the director reasonably believes to be in the best interests of the cooperative, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances;

(2) for acts or omissions that are not in good faith or involve intentional misconduct or a knowing violation of law;

(3) for knowing violations of laws or for illegal distributions;

(4) for a transaction from which the director derived an improper personal benefit; or

(5) for an act or omission occurring before the date when the provision in the articles or bylaws eliminating or limiting liability becomes effective.

History: *2024 c 96 art 1 s 35*