

Sunsets 1/1/2016

48-2c-1802 Authority to indemnify.

- (1) Except as provided in Subsection (4), a company may indemnify an individual made a party to a proceeding because he is or was a manager, against liability incurred in the proceeding if:
 - (a) his conduct was in good faith;
 - (b) he reasonably believed that his conduct was in, or not opposed to, the company's best interests; and
 - (c) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.
- (2) A manager's conduct with respect to any employee benefit plan for a purpose he reasonably believed to be in, or not opposed to, the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of Subsection (1)(b).
- (3) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the manager did not meet the standard of conduct described in this section.
- (4) A company may not indemnify a manager under this section:
 - (a) in connection with a proceeding by or in the right of the company in which the manager was adjudged liable to the company; or
 - (b) in connection with any other proceeding charging that the manager derived an improper personal benefit, whether or not involving action in his official capacity, in which proceeding he was adjudged liable on the basis that he derived an improper personal benefit.