

490.851 Permissible indemnification.

1. Except as otherwise provided in [this section](#), a corporation may indemnify an individual who is a party to a proceeding because the individual is a director against liability incurred in the proceeding if any of the following apply:

a. All of the following apply:

(1) The director's conduct was in good faith.

(2) The director reasonably believed:

(a) In the case of conduct in an official capacity, that the director's conduct was in the best interests of the corporation.

(b) In all other cases, that the director's conduct was at least not opposed to the best interests of the corporation.

(3) In the case of any criminal proceeding, the director had no reasonable cause to believe the director's conduct was unlawful.

b. The director engaged in conduct for which broader indemnification has been made permissible or obligatory under a provision of the articles of incorporation, as authorized by [section 490.202, subsection 2](#), paragraph "e".

2. A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies the requirement of [subsection 1](#), paragraph "a", subparagraph (2), subparagraph division (b).

3. The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the director did not meet the relevant standard of conduct described in [this section](#).

4. Unless ordered by a court under [section 490.854, subsection 1](#), paragraph "c", a corporation shall not indemnify a director in any of the following circumstances:

a. In connection with a proceeding by or in the right of the corporation, except for expenses incurred in connection with the proceeding if it is determined that the director has met the relevant standard of conduct under [subsection 1](#).

b. In connection with any proceeding with respect to conduct for which the director was adjudged liable on the basis of receiving a financial benefit to which the director was not entitled, regardless of whether it involved action in the director's official capacity.

[89 Acts, ch 288, §99; 2002 Acts, ch 1154, §45, 125; 2003 Acts, ch 44, §84, 116; 2021 Acts, ch 165, §111, 230](#)

Referred to in §490.854, 490.855, 490.858, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801
2021 amendment effective January 1, 2022; 2021 Acts, ch 165, §230
Section stricken and rewritten