

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2341a Issuance of shares pro rata and without consideration; issuance of shares as share dividend; "share dividend" defined.

Sec. 341a.

(1) Unless the articles of incorporation provide otherwise, a corporation may issue shares pro rata and without consideration to the corporation's shareholders or to the shareholders of 1 or more classes as a share dividend.

(2) A corporation may not issue shares of 1 class as a share dividend in respect of shares of another class unless the articles authorize the issuance, the issuance is consistent with the limitations in section 301, and either a majority of the votes entitled to be cast by the class to be issued approve the issue or there are no outstanding shares of the class to be issued.

(3) As used in this section, "share dividend" means shares issued under subsection (1).

History: Add. 2014, Act 557, Imd. Eff. Jan. 15, 2015