

**NONPROFIT CORPORATION ACT (EXCERPT)**  
**Act 162 of 1982**

**450.2564c Indemnification of director, officer, employee, nondirector volunteer, or agent; application to court; determination.**

Sec. 564c.

A director, officer, employee, nondirector volunteer, or agent of the corporation that is a party or threatened to be made a party to an action, suit, or proceeding may apply for indemnification to the court that is conducting the proceeding or to another court of competent jurisdiction. After receiving an application, the court after giving any notice it considers necessary may order indemnification if it determines that all of the following are met:

(a) Indemnification is not prohibited under section 497(a) and is consistent with other applicable law and with any restrictions in the articles of incorporation or the bylaws.

(b) The person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the person met the applicable standard of conduct set forth in section 561 or 562 or was adjudged liable as described in section 562. However, if the person is found liable, indemnification is limited to reasonable expenses incurred by the person.

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