

NONPROFIT CORPORATION ACT (EXCERPT)

Act 162 of 1982

CHAPTER 6

450.2601 Amendment of articles of incorporation; contents.

Sec. 601. (1) A corporation may amend its articles of incorporation if the amendment contains only provisions that original articles of incorporation filed at the time the amendment is made might lawfully contain.

(2) Subject to section 301(6), a corporation may amend its articles of incorporation to become a business corporation by adopting restated articles of incorporation under section 641 if the restated articles of incorporation contain only those provisions that original articles of incorporation of a business corporation formed under the business corporation act might contain. The adoption and filing of restated articles of incorporation under this subsection does not constitute a dissolution of the corporation.

(3) Subject to section 301(6), a corporation may amend its articles of incorporation to become a professional corporation by adopting restated articles of incorporation under section 641 if the restated articles of incorporation contain only those provisions that original articles of incorporation of a professional corporation formed under chapter 2A of the business corporation act, MCL 450.1281 to 450.1289, might contain. The adoption and filing of restated articles of incorporation under this subsection does not constitute a dissolution of the corporation.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

450.2602 Amendment of articles of incorporation; purposes.

Sec. 602. Without limiting the general power of amendment under section 601, a corporation may amend its articles of incorporation to do any of the following:

- (a) Change its corporate name.
- (b) Enlarge, limit, or otherwise change its corporate purposes or powers.
- (c) Change the duration of the corporation.
- (d) Increase or decrease the aggregate number of shares, or shares of any class that the corporation has authority to issue.
- (e) Exchange, classify, reclassify, or cancel any of its issued or unissued shares.
- (f) Change the designation of any of its issued or unissued shares, or change the qualifications, preferences, limitations, and relative rights of any of its issued or unissued shares or of its members.
- (g) Change the issued or unissued shares of any class into a different number of shares of the same class or into the same or a different number of shares of other classes.
- (h) Create new classes of shares or members that have rights and preferences superior to, inferior to, or equal with, the issued or unissued shares or the memberships of any class then authorized.
- (i) Cancel or otherwise affect the right of the holders of the shares or memberships of any class to receive distributions which have accrued but have not been declared.
- (j) Limit, deny, or grant to shareholders or members of a class the preemptive right to acquire shares or memberships of the corporation.
- (k) Change its registered office or change its resident agent.
- (l) Strike out, change, or add any provision for management of and conduct of the affairs of the corporation, or creating, defining, limiting, and regulating the powers of the corporation, its directors, shareholders, members, or any class of shareholders or members, including any provision that under this act is required or permitted to be set forth in the bylaws.
- (m) Change its form of organization to a stock corporation or a nonstock corporation that is organized on a membership or directorship basis. An amendment under this subsection must comply with section 202(c) and (d) or section 202(e) and (f), as applicable.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

450.2611 Amendment of articles by incorporation; amendment without shareholder or member action; manner of adoption; notice of meeting; vote on proposed amendment; requirements; adoption; number of amendments acted upon at 1 meeting; certificate of amendment.

Sec. 611. (1) The articles of incorporation may be amended by either of the following:

- (a) Before the first meeting of the board, the incorporators by complying with section 631(1).
- (b) If the corporation is organized on a stock or membership basis and has not yet issued shares or

memberships or accepted any written subscription for shares or memberships, the board of directors by complying with section 631(2).

(2) Unless the articles of incorporation provide otherwise, the board of a corporation that is organized on a stock or membership basis may adopt 1 or more of the following amendments to its articles of incorporation without shareholder or member action:

(a) Extend the duration of the corporation if it was incorporated at a time when limited duration was required by law.

(b) Delete the names and addresses of the initial directors.

(c) Delete the name and address of a prior resident agent, if a statement of change is on file with the administrator.

(d) Delete descriptions of the property of the corporation or its value.

(e) Change each issued and unissued authorized share of an outstanding class into a greater number of whole shares if the corporation has only shares of that class outstanding.

(f) Change the corporate name by adding, deleting, or changing the word "corporation", "incorporated", "company", "limited", "association", or "society" or the abbreviation "corp.", "inc.", "co.", "ltd.", or "assn.", or a similar word or abbreviation in the corporate name, or by adding, deleting, or changing a geographical attribution for the corporate name.

(g) Any other change that is expressly permitted under this act to be made without shareholder or member approval.

(3) Except for an amendment described in subsections (1) and (2) and except as otherwise provided in this act, a corporation must adopt any amendment to the articles of incorporation in 1 of the following manners:

(a) If the corporation is organized on a membership basis, by a vote of the members that are entitled to vote on the amendment.

(b) If the corporation is organized on a stock basis, by a vote of the shareholders that are entitled to vote on the amendment.

(c) If the corporation is organized on a directorship basis, unless the articles of incorporation specify a different manner, by a vote of the directors.

(4) A corporation or a member, shareholder, or director that proposes an amendment to the articles of incorporation shall give notice of a meeting to consider an amendment to the articles of incorporation to each member, shareholder, or director that is entitled to vote on the amendment, as applicable. The notice shall contain the proposed amendment or a summary of the changes that will occur if the amendment is adopted. The corporation or a member, shareholder, or director that proposes an amendment to the articles of incorporation shall provide the notice within the time and in the manner provided in this act for giving notice of meetings of shareholders, members, or directors, except that, in the case of a corporation that is organized on a directorship basis, the notice of the meeting shall be given to each director who is then in office at least 10 days before the meeting.

(5) At a meeting to consider an amendment to the articles of incorporation, a vote of shareholders, members, or directors entitled to vote shall be taken on the proposed amendment. The proposed amendment is approved if a majority of the votes that are held by shareholders or members entitled to vote on the proposed amendment are cast in favor of the amendment or, in the case of a corporation that is organized on a directorship basis, if it receives the affirmative vote of a majority of the directors then in office. If any class of shares or members is entitled to vote on the proposed amendment as a class, a majority of the votes that are held by shareholders or members of that class must also be cast in favor of the amendment to approve it. The voting requirements of this section are subject to any greater requirements under this act for specific amendments, or as provided in the articles of incorporation or bylaws. In addition, unless a greater vote is required in the articles of incorporation, or in a bylaw adopted by the shareholders, members, or directors of a corporation that is organized on a directorship basis, the proposed amendment is approved if a majority of the votes cast by members or shareholders present in person, by proxy, or by electronic transmission at the meeting are cast in favor of the amendment and, if any class of shares or members is entitled to vote on the proposed amendment as a class, a majority of the votes held by shareholders or members of each of those classes that are present in person, by proxy, or by electronic transmission at the meeting are cast in favor of the amendment, or a majority of a quorum of the board of directors of a corporation that is organized on a directorship basis vote in favor of the amendment, if due notice of the time, place, and object of the meeting was given by mail, at the last known address, to each shareholder, member, or director entitled to vote at least 20 days before the date of the meeting or by publication in a publication distributed by the corporation to its shareholders or members at least 20 days before the date of the meeting.

(6) The shareholders, members, or directors may act on any number of amendments at 1 meeting.

(7) If an amendment to the articles of incorporation is adopted, the corporation shall file a certificate of

amendment as provided in section 631.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 1984, Act 209, Eff. Nov. 1, 1985;—Am. 2008, Act 222, Imd. Eff. July 16, 2008;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

450.2615 Voting as class on proposed amendment.

Sec. 615. (1) The holders of a class of outstanding shares of a corporation that is organized on a stock basis or the members of a class of a corporation that is organized on a membership basis may vote as a class on a proposed amendment, whether or not entitled to vote on the amendment under the articles of incorporation, if the amendment would increase or decrease the aggregate number of authorized shares of the class or alter or change the powers, preferences, or special rights of the shares or members of the class or other classes so as to affect the class adversely.

(2) This section does not confer voting rights on members of a corporation that is organized on a directorship basis.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

450.2631 Certificate of amendment; signing and execution; filing; contents.

Sec. 631. (1) If an amendment to the articles of incorporation is approved under section 611(1)(a), a majority of the incorporators shall sign and file a certificate of amendment on behalf of the corporation that sets forth the amendment and certifies that the amendment was adopted by unanimous consent of the incorporators before the first meeting of the board.

(2) If an amendment to the articles of incorporation is approved under section 611(1)(a) or section 611(2), an officer of the corporation shall execute and file a certificate of amendment on behalf of the corporation that sets forth the amendment and certifies that it was adopted by the board of directors.

(3) Except for an amendment to the articles of incorporation described in subsection (1) or (2) or as otherwise provided in this act, if an amendment is approved, an officer of the corporation shall execute and file a certificate of amendment on behalf of the corporation that sets forth the amendment and certifies that the amendment was adopted in the manner required under section 611(3).

(4) If a corporation amends an article in its articles of incorporation that is divided into separately identified sections, the certificate of amendment may only set forth the section of the article that was amended. Otherwise, the certificate of amendment must set forth the entire article that was amended.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

450.2641 Integrating provisions of articles into single instrument; adoption of restated articles of incorporation; adoption before first meeting; amendments subject to other provisions of act.

Sec. 641. (1) A corporation may integrate into a single instrument the provisions of its articles of incorporation that are then in effect and operative, as amended, and at the same time may also further amend its articles of incorporation by adopting restated articles of incorporation.

(2) All of the incorporators may adopt restated articles of incorporation before the first meeting of the board by complying with sections 611(1)(a), 642, and 643(1).

(3) Other restated articles of incorporation shall be approved as follows:

(a) If the restated articles of incorporation merely restate and integrate, but do not further amend the articles of incorporation as previously amended, the board may adopt the restated articles of incorporation without a vote of the shareholders or members, or the shareholders or members may adopt them, in which case the procedure and vote required under section 611(3) are applicable.

(b) If the restated articles of incorporation restate, integrate, and also further amend the articles of incorporation, but those amendments include only amendments adopted under section 611(1)(b) or (2), the board may adopt the restated articles of incorporation without a vote of the shareholders or members.

(c) If the restated articles of incorporation restate and integrate and also further amend in any material respect the articles of incorporation, as previously amended, in a way that is not previously addressed under this section, a vote of the shareholders, members, or directors under section 611(3) is required to adopt restated articles of incorporation.

(4) An amendment that is adopted in connection with the restatement of the articles of incorporation is subject to any other provision of this act, not inconsistent with this section, that would apply if a certificate of amendment were filed to effect that amendment.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

450.2642 Restated articles of incorporation; heading or introductory paragraph; designation;

required statements; omitted provisions.

Sec. 642. (1) The heading of restated articles of incorporation shall specifically designate them as such. They shall state, either in the heading or in an introductory paragraph, the corporation's present name, and, if it has been changed, all of its former names and the date of filing of its original articles of incorporation. Restated articles of incorporation shall state that they were duly adopted by the incorporators, directors, shareholders, or members under section 641.

(2) If adopted by the incorporators under section 641(2), restated articles of incorporation shall state that they were duly adopted by unanimous consent of the incorporators before the first meeting of the board under section 611(1)(a). If adopted by the board without a vote of the shareholders or members according to the procedure and vote required under section 641(3), the restated articles of incorporation shall state all of the following:

(a) That they only restate and integrate and do not further amend the existing articles as previously amended, or that the restated articles of incorporation only restate and integrate the articles and include only amendments adopted under section 611(1) or section 611(2).

(b) That there is no material discrepancy between those provisions and the provisions of the restated articles of incorporation.

(3) Restated articles of incorporation may omit any provisions of the original, amended, or previously restated articles of incorporation that named the incorporators, the initial board, or original subscribers for shares or original members or describe or value corporate property, and the omission is not considered a further amendment.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

450.2643 Restated articles of incorporation; signing, filing, and executing; effect.

Sec. 643. (1) A majority of incorporators shall sign and file restated articles of incorporation adopted under section 641(3) as provided in section 131.

(2) Except as provided in subsection (1), a corporation shall execute and file restated articles of incorporation as provided in section 131.

(3) When a filing of restated articles of incorporation becomes effective, the corporation's original articles of incorporation and previous amendments are superseded, and the restated articles of incorporation, including any amendments that are included in the restated articles of incorporation, are the articles of incorporation of the corporation.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.

450.2651 Abandonment of amendment; certificate.

Sec. 651. Before the effective date of an amendment to the articles of incorporation for which shareholder, member, or director approval is required by this act, the amendment may be abandoned pursuant to provisions therefor, if any, set forth in the resolution of the shareholders, members, or directors approving the amendment. If a certificate of amendment has been filed by the corporation, it shall file a certificate of abandonment, but not later than the proposed effective date within 10 days after the abandonment.

History: 1982, Act 162, Eff. Jan. 1, 1983.