

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2338 Issuing fractions of shares; powers of corporation; providing opportunity to purchase additional fractions of share or scrip.

Sec. 338. (1) A corporation may issue fractions of a share and may do any 1 or more of the following:

(a) Issue certificates for fractions of shares that entitle the holders to exercise voting rights and receive distributions permitted under section 301 in proportion to their fractional holdings.

(b) Pay in cash the fair value of fractions of shares as of the time when those entitled to receive the fractions are determined.

(c) Issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the corporation or of its agent, exchangeable as provided in the scrip for full shares. The scrip does not entitle the holder to any right of a shareholder except as provided in the scrip. A corporation shall issue scrip subject to the condition that it becomes void if it is not exchanged for certificates that represent full shares before a specified date. The scrip may be subject to the condition that the shares for which the scrip is exchangeable may be sold by the corporation and the proceeds of the sale distributed to the holders of the scrip, or subject to any other condition that is established by the board.

(2) A corporation may provide reasonable opportunity for a person that is entitled to fractions of a share or scrip to sell them or to purchase additional fractions of a share or scrip that the person needs to acquire a full share.

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