

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2491a Definitions.

Sec. 491a. As used in this section and sections 492a to 497:

(a) "Derivative proceeding" means a civil suit in the right of a domestic corporation or a foreign corporation that is authorized to or does conduct affairs in this state.

(b) "Director" includes an individual who was serving on the board of a corporation organized on a directorship basis at the time of the act or omission complained of and an individual who becomes a member of the board of that corporation after the act or omission.

(c) "Disinterested director" means an individual who is currently serving on the board of a corporation and is not a party to a derivative proceeding, or an individual who is currently serving on the board of a corporation and is a party to a derivative proceeding if the corporation demonstrates that the claim asserted against the director is frivolous or insubstantial.

(d) "Member" means a record or beneficial owner of a membership in a corporation that is organized on a membership basis and includes a beneficial owner whose membership is held in a voting trust or held by a nominee on the owner's behalf.

(e) "Shareholder" means a record or beneficial owner of shares of a corporation that is organized on a stock basis and includes a beneficial owner whose shares are held in a voting trust or held by a nominee on the owner's behalf.

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