

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2408 Taking corporate action without meeting; shareholder or member action by ballot; requirements; revocation of ballot; inclusion of proposed action in ballot; statement of certificate.

Sec. 408.

(1) A corporation may provide in its articles of incorporation or in bylaws that are approved by the shareholders or members that any action the shareholders or members are required or permitted to take at an annual or special meeting, including the election of directors, may be taken without a meeting if the corporation provides a ballot to each shareholder or member that is entitled to vote on the action in the manner provided in section 404 for providing notice of meetings of shareholders or members. A provision in the articles of incorporation or bylaws authorizing shareholder or member action by ballot shall not preclude calling or holding annual or special meetings of shareholders or members.

(2) The ballot provided to shareholders or members under subsection (1) shall meet all of the following:

(a) Set forth each proposed action.

(b) Provide an opportunity for the shareholders or members to vote for or against each proposed action.

(c) Specify a time by which the corporation must receive a ballot in order to be counted as a vote of the shareholder or member. The time specified shall be not less than 20 or more than 90 days after the date the corporation provides the ballot to the shareholders or members.

(3) An action is considered approved by the shareholders or members by ballot if the total number of shareholders or members voting or the total number of shareholder or member votes cast in ballots received by the corporation by the time specified in the ballots equals or exceeds the quorum required to be present at a meeting to take the action, and the number of favorable votes equals or exceeds the number of votes that would be required to approve the action at a meeting at which the number of votes cast by shareholders or members present was the same as the number of votes cast by ballot. Except as otherwise provided in the articles of incorporation, an invalid ballot, an abstention, or the submission of a ballot marked "abstain" with respect to any action does not constitute a vote cast on that action.

(4) Except as otherwise provided in the articles of incorporation or bylaws, a shareholder or member may not revoke a ballot received by the corporation.

(5) Subject to subsection (6), a corporation that provides in its articles of incorporation or bylaws for shareholder or member action by ballot may establish procedures that enable shareholders or members or a specified number or percentage of shareholders or members to include proposed actions in a ballot.

(6) If holders of at least 10% of all the voting shares or of at least 10% of the member votes submit a proposal for action by the shareholders or members, a corporation that provides in its articles of incorporation or bylaws for membership action by ballot shall include the proposed action in a ballot and submit that ballot to the shareholders or members as provided in this section.

(7) If any other section of this act requires the filing of a certificate with the department if an action is approved by vote of the shareholders or members at a meeting, the shareholders or members may approve that action by ballot under subsection (1) and, in lieu of any statement required under that section concerning the vote of the shareholders or members at a meeting, the certificate shall state that the action was approved by ballot under this section.

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