

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2506 Dividing directors up to 5 classes; election or appointment; term; expiration.

Sec. 506.

(1) The articles of incorporation or a bylaw adopted by the shareholders, members, or incorporators of a corporation that is organized on a stock or membership basis may provide that in lieu of annual election of all directors the directors are divided into up to 5 classes, each of which is as nearly equal in number as possible, and elected or appointed for the terms and in the manner as specified in the articles of incorporation or bylaws. If the articles of incorporation or the bylaws do not specify the term of office for the classes of directors, the term of office of directors in the first class shall expire at the first annual meeting of shareholders or members after their election, and that of each succeeding class shall expire at the next annual meeting after their election corresponding with the number of their class. At each annual meeting after classes are established, the shareholders or members shall elect a number of directors equal to the number of the class whose term expires at the time of the meeting to hold office until the next annual meeting corresponding with the number of their class.

(2) A corporation that has more than 1 class of shares or membership may provide in its articles of incorporation or a bylaw adopted by each class of shareholders or members for the election of 1 or more directors by shareholders or members of a class, to the exclusion of other shareholders or members.

(3) The articles of incorporation or bylaws of a corporation that is organized on a directorship basis may provide that the directors are divided into up to 5 classes, elected or appointed for the terms and in the manner as specified in the articles of incorporation or bylaws.

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