

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2562 Indemnification against expenses of director, officer, partner, trustee, employee, nondirector volunteer, or agent in connection with action or suit by or in right of corporation; conditions; limitations.

Sec. 562.

Unless otherwise provided by law or in the articles of incorporation or bylaws of the corporation, a corporation has the power to indemnify a person that was or is a party or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee, nondirector volunteer, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, for expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders or members. A corporation shall not indemnify a person for a claim, issue, or matter in which the person is found liable to the corporation except to the extent authorized under section 564c.

History: 1982, Act 162, Eff. Jan. 1, 1983 ;-- Am. 1987, Act 170, Eff. Jan. 1, 1988 ;-- Am. 1993, Act 129, Imd. Eff. July 22, 1993 ;-- Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015