

16-10a-1402 Authorization of dissolution after issuance of shares.

- (1) After shares have been issued, dissolution of a corporation may be authorized in the manner provided in Subsection (2).
- (2) For a proposal to dissolve the corporation to be authorized:
 - (a) the board of directors must recommend dissolution to the shareholders unless the board of directors determines that because of a conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders; and
 - (b) the shareholders entitled to vote on the proposal must approve the proposal to dissolve as provided in Subsection (5).
- (3) The board of directors may condition the effectiveness of the dissolution on any basis.
- (4) The corporation shall give notice in accordance with Section 16-10a-705 to each shareholder entitled to vote on the proposal to dissolve, of the proposed shareholders' meeting at which the proposal to dissolve will be voted upon. The notice shall state that the purpose or one of the purposes of the meeting is to consider the proposal to dissolve the corporation.
- (5) The proposal to dissolve must be approved by each voting group entitled to vote separately on the proposal, by a majority of all the votes entitled to be cast on the proposal by that voting group, unless a greater vote is required by the articles of incorporation, the initial bylaws or the bylaws amended pursuant to Section 16-10a-1021, or the board of directors acting pursuant to Subsection (3).

Amended by Chapter 378, 2010 General Session