

16-10a-631 Corporation's acquisition of its own shares.

- (1) A corporation may acquire its own shares and shares so acquired constitute authorized but unissued shares.
- (2) If the articles of incorporation prohibit the reissuance of acquired shares:
 - (a) the number of authorized shares is reduced by the number of shares acquired by the corporation, effective upon amendment of the articles of incorporation; and
 - (b) as provided in Section 16-10a-1002, the board of directors may adopt an amendment to the articles of incorporation under Subsection (2)(a) without shareholder action in order to reduce the number of authorized shares by an amount equal to the number of shares acquired by the corporation.
- (3) A corporation amending its articles of incorporation pursuant to Subsection (2) shall deliver to the division for filing articles of amendment setting forth:
 - (a) the name of the corporation;
 - (b) the reduction in the number of authorized shares, itemized by class and series;
 - (c) the total number of authorized shares, itemized by class and series, remaining after reduction of the shares; and
 - (d) a statement that the amendment was adopted by the board of directors without shareholder action and that shareholder action was not required.

Enacted by Chapter 277, 1992 General Session