

490.853 Advance for expenses.

1. A corporation may, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding because the person is a director if the person delivers all of the following to the corporation:

a. A written affirmation of the director's good faith belief that the director has met the relevant standard of conduct described in [section 490.851](#) or that the proceeding involved conduct for which liability has been eliminated under a provision of the articles of incorporation as authorized by [section 490.202, subsection 2](#), paragraph "d".

b. The director's written undertaking to repay any funds advanced if the director is not entitled to mandatory indemnification under [section 490.852](#) and it is ultimately determined under [section 490.854](#) or [section 490.855](#) that the director has not met the relevant standard of conduct described in [section 490.851](#).

2. The undertaking required by [subsection 1](#), paragraph "b", must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to the financial ability of the director to make repayment.

3. Authorizations under [this section](#) shall be made according to one of the following:

a. By the board of directors:

(1) If there are two or more disinterested directors, by a majority vote of all the disinterested directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more disinterested directors appointed by such a vote.

(2) If there are fewer than two disinterested directors, by the vote necessary for action by the board in accordance with [section 490.824, subsection 3](#), in which authorization directors who do not qualify as disinterested directors may participate.

b. By the shareholders, but shares owned by or voted under the control of a director who at the time does not qualify as a disinterested director may not be voted on the authorization.

89 Acts, ch 288, §101; 2002 Acts, ch 1154, §47, 125; 2002 Acts, ch 1175, §89

Referred to in [§490.850](#), [490.854](#), [490.858](#), [491.3](#), [491.16](#), [497.34](#), [498.36](#), [499.59A](#), [508C.16](#), [524.801](#), [534.605](#), [534.607](#)