

490.1003 Amendment by board of directors and shareholders.

If a corporation has issued shares, an amendment to the articles of incorporation shall be adopted in the following manner:

1. The proposed amendment shall first be adopted by the board of directors.

2. *a.* Except as provided in [sections 490.1005, 490.1007, and 490.1008](#), the amendment shall then be approved by the shareholders. In submitting the proposed amendment to the shareholders for approval, the board of directors shall recommend that the shareholders approve the amendment, unless any of the following applies:

(1) The board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation.

(2) [Section 490.826](#) applies.

b. If paragraph “*a*”, subparagraph (1) or (2) applies, the board must inform the shareholders of the basis for its so proceeding.

3. The board of directors may set conditions for the approval of the amendment by the shareholders or the effectiveness of the amendment.

4. If the amendment is required to be approved by the shareholders, and the approval is to be given at a meeting, the corporation shall notify each shareholder, regardless of whether entitled to vote, of the meeting of shareholders at which the amendment is to be submitted for approval. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the amendment. The notice must contain or be accompanied by a copy of the amendment.

5. Unless the articles of incorporation or bylaws, or the board of directors acting pursuant to [subsection 3](#), require a greater vote or a greater quorum, approval of the amendment requires the approval of the shareholders at a meeting at which a quorum consisting of a majority of the votes entitled to be cast on the amendment exists, and, if any class or series of shares is entitled to vote as a separate group on the amendment, except as provided in [section 490.1004, subsection 3](#), the approval of each such separate voting group at a meeting at which a quorum of the voting group exists consisting of a majority of the votes entitled to be cast on the amendment by that voting group.

6. *a.* If as a result of an amendment of the articles of incorporation one or more shareholders of a domestic corporation would become subject to new interest holder liability, approval of the amendment requires the signing in connection with the amendment, by each such shareholder, of a separate written consent to become subject to such new interest holder liability.

b. Paragraph “*a*” does not apply in the case of a shareholder that already has interest holder liability and the terms and conditions of the new interest holder liability are any of the following:

(1) Substantially identical to those of the existing interest holder liability.

(2) Substantially identical to those of the existing interest holder liability, other than changes that eliminate or reduce such interest holder liability.

7. As used in [subsection 6](#) and [section 490.1009](#), “*new interest holder liability*” means interest holder liability of a person resulting from an amendment of the articles of incorporation if any of the following applies:

a. The person did not have interest holder liability before the amendment becomes effective.

b. The person had interest holder liability before the amendment becomes effective, the terms and conditions of which are changed when the amendment becomes effective.

[89 Acts, ch 288, §111; 2002 Acts, ch 1154, §56, 125; 2002 Acts, ch 1175, §90; 2013 Acts, ch 31, §45, 82; 2021 Acts, ch 165, §140, 230](#)

Referred to in [§490.1004, 490.1007](#)

2021 amendment effective January 1, 2022; 2021 Acts, ch 165, §230

Section stricken and rewritten