

490.604 Fractional shares.

1. A corporation may issue fractions of a share or in lieu of doing so may do any of the following:

a. Pay in cash the value of fractions of a share.

b. Issue scrip in registered or bearer form entitling the holder to receive a full share upon surrendering enough scrip to equal a full share.

c. Arrange for disposition of fractional shares by the holders of such shares.

2. Each certificate representing scrip must be conspicuously labeled “scrip” and must contain the information required by [section 490.625, subsection 2](#).

3. The holder of a fractional share is entitled to exercise the rights of a shareholder, including the rights to vote, to receive dividends, and to receive distributions upon dissolution. The holder of scrip is not entitled to any of these rights unless the scrip provides for them.

4. The board of directors may authorize the issuance of scrip subject to any condition, including any of the following:

a. That the scrip will become void if not exchanged for full shares before a specified date.

b. That the shares for which the scrip is exchangeable may be sold and the proceeds paid to the scripholders.

[89 Acts, ch 288, §39; 2021 Acts, ch 165, §46, 230](#)