

490.853 Advance for expenses.

1. A corporation may, before final disposition of a proceeding, advance funds to pay for or reimburse expenses incurred in connection with the proceeding by an individual who is a party to the proceeding because that individual is a director, if the director delivers to the corporation a signed written undertaking of the director to repay any funds advanced and all of the following apply:

a. The director is not entitled to mandatory indemnification under [section 490.852](#).

b. It is ultimately determined under [section 490.854](#) or [490.855](#) that the director is not entitled to indemnification.

2. The undertaking required by [subsection 1](#) 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 by any of the following:

a. By the board of directors as follows:

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

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

b. By the shareholders, but shares owned by or voted under the control of a director who at the time is not a qualified director shall not be voted on the authorization.

[89 Acts, ch 288, §101; 2002 Acts, ch 1154, §47, 125; 2002 Acts, ch 1175, §89; 2013 Acts, ch 31, §36, 82; 2021 Acts, ch 165, §113, 230](#)

Referred to in [§490.143, 490.854, 490.858, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801](#)

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

Section stricken and rewritten