

450.2209 Articles of incorporation; additional provisions.

Sec. 209. The articles of incorporation may contain any provision consistent with any of the following:

- (a) A provision regarding the management of the corporation or creating, defining, limiting, or regulating the powers of the corporation, its directors, officers, members, or shareholders, or a class of shareholders or members.
- (b) A provision that is required or permitted under this act to be included in the bylaws of the corporation.
- (c) A provision that eliminates the personal liability of a volunteer director or volunteer officer to the corporation, its shareholders, or its members for monetary damages for a breach of the director's or officer's fiduciary duty. The provision does not eliminate or limit the liability of a director or officer for any of the

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following:

- (i) A breach of the director's or officer's duty of loyalty to the corporation, its shareholders, or its members. (ii) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of

law.

- (iii) A violation of section 551(1).
- (iv) A transaction from which the director or officer derived an improper personal benefit.
- (v) An act or omission occurring before the effective date of the provision granting limited liability.
- (vi) An act or omission that is grossly negligent.
- (d) For a tax exempt corporation under section 501(c)(3) of the internal revenue code, a provision that the

corporation assumes all liability to any person other than the corporation, its shareholders, or its members for all acts or omissions of a volunteer director occurring on or after January 1, 1988 incurred in the good faith performance of the volunteer director's duties.

- (e) A provision that a nonprofit corporation assumes the liability for all acts or omissions of a volunteer director, volunteer officer, or other volunteer occurring on or after the effective date of the provision granting limited liability if all of the following are met:

- (i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
- (ii) The volunteer was acting in good faith.
- (iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (iv) The volunteer's conduct was not an intentional tort.
- (v) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor

vehicle for which tort liability may be imposed as provided in section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws.

History: 1982, Act 162, Eff. Jan. 1, 1983;"Am. 1987, Act 170, Eff. Jan. 1, 1988;"Am. 1990, Act 39, Imd. Eff. Mar. 29, 1990;" Am. 1993, Act 129, Imd. Eff. July 22, 1993;"Am. 1996, Act 397, Imd. Eff. Oct. 9, 1996.