

§1805. Termination of benefit corporation status

1. Termination. A benefit corporation may terminate its status as such and cease to be subject to this chapter by amending its articles of incorporation to delete the provision required by section 1803 or 1804 to be stated in the articles of a benefit corporation. In order to be effective, the amendment must be adopted by at least the minimum status vote.

[PL 2019, c. 328, §1 (NEW).]

2. Mergers, conversions and share exchanges. This subsection governs mergers, conversions and share exchanges when the resulting entity is not a benefit corporation.

A. Except as provided in paragraph B, if a plan of merger, conversion or share exchange would have the effect of terminating the status of a corporation as a benefit corporation, the plan must be adopted by at least the minimum status vote in order to be effective. [PL 2019, c. 328, §1 (NEW).]

B. Paragraph A does not apply in the case of a corporation that is a party to a merger if the shareholders of the corporation are not entitled to vote on the merger pursuant to section 1105. [PL 2019, c. 328, §1 (NEW).]

C. Any sale, lease, exchange or other disposition of all or substantially all of the assets of a benefit corporation, unless the transaction is in the usual and regular course of business, is not effective unless the transaction is approved by at least the minimum status vote. [PL 2019, c. 328, §1 (NEW).]

[PL 2019, c. 328, §1 (NEW).]

SECTION HISTORY

PL 2019, c. 328, §1 (NEW).

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