



Ohio Revised Code

Section 1729.09 Voting on amendment.

Effective: August 5, 1998

Legislation: House Bill 600 - 122nd General Assembly

(A)(1) Unless the board provides that division (A)(3) of this section applies to an amendment to the articles of incorporation, a holder of stock other than membership stock or patronage stock who is affected by a proposed amendment to the articles shall be entitled to cast one vote on the amendment regardless of the par or stated value of the stock, the number of shares, or the number of affected classes of stock held.

(2) A member holding stock affected by a proposed amendment may vote only as a member and shall not be entitled to vote or demand fair cash value as an affected stockholder.

(3) The board may provide that a stockholder otherwise entitled to vote under division (A)(1) of this section shall instead be entitled to payment of fair cash value of the affected stock held by such stockholder in accordance with section 1729.46 of the Revised Code.

(B) For purposes of this section, a holder of stock is affected as to any class of stock owned by the holder only if an amendment would expressly do any of the following:

(1) Decrease the dividends to which that class may be entitled or change the method by which the dividend rate on that class is fixed;

(2) Further restrict rights to transfer that class;

(3) Give to another existing or any new class of stock or equity interest not previously entitled thereto any preference, as to dividends or upon dissolution, that is higher than preferences of that class;

(4) Change the par value of shares of that class or of any other class having the same or higher preferences as to dividends or upon dissolution;



(5) Increase the number of authorized shares of any class having a higher preference as to dividends or upon dissolution;

(6) Require or permit an exchange of shares of any class with lower preferences as to dividends or upon dissolution for shares of any other class with higher preferences.

(C) If any proposed amendment will alter or change the powers, preferences, or special rights of one or more series of any class so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for the purposes of division (B) of this section.

(D) If stockholders are entitled to vote on an amendment, the amendment is adopted only if all of the following conditions are met:

(1) Notice of the meeting, an exact copy of the proposed amendment, and a ballot on the amendment have been sent to each affected stockholder;

(2) Approval by the members under section 1729.08 of the Revised Code;

(3) Approval by a simple majority of the affected stockholders present and voting at a meeting of the stockholders.

(E) This section does not apply to stock issued prior to the effective date of this section, unless the association adopts an amendment to its articles of incorporation making the stock subject to this section. As to such stock, an amendment shall first be approved by two-thirds of the directors and shall then be adopted by a vote representing a majority of all the members of the association.