

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2511 Removal of director; vote.

Sec. 511. (1) The shareholders or members of a corporation that is organized on a stock or membership basis may remove 1 or more directors with or without cause unless the articles of incorporation provide that directors may be removed only for cause. A vote of a majority of the shares or members entitled to vote at an election of directors is required for removal, except that the articles of incorporation may require a higher vote for removal without cause. This subsection does not invalidate any bylaw adopted before the effective date of the amendatory act that added this sentence to the extent that the bylaw applies to removal without cause.

(2) The directors of a corporation that is organized on a directorship basis may remove 1 or more directors with cause. The vote of a majority of the directors then in office is required for a removal under this subsection. If authorized in the articles of incorporation or bylaws, a director of a corporation that is organized on a directorship basis who is appointed or elected by a person or persons other than the board of directors of the corporation may also be removed, with or without cause, by the person or persons that appointed or elected that director.

(3) If a corporation has cumulative voting, and less than the entire board is to be removed, no 1 of the directors may be removed if the votes cast against his or her removal are sufficient to elect him or her if cumulatively voted at an election of the entire board of directors, or, if there are classes of directors, at an election of the class of directors of which he or she is a part.

(4) If holders of a class of stock or of bonds or members of a class are entitled under the articles of incorporation or a bylaw adopted under section 506(2) to elect 1 or more directors, this section applies, with respect to removal of a director so elected, to the vote of the holders of the outstanding shares of that class of stock, the holders of those bonds, or the members of that class.

History: 1982, Act 162, Eff. Jan. 1, 1983;—Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015.