

**NONPROFIT CORPORATION ACT (EXCERPT)**  
**Act 162 of 1982**

**450.2514 Removal of director by circuit court.**

Sec. 514. (1) The circuit court for the county in which the principal place of business or registered office of a corporation is located may remove a director of the corporation from office in a proceeding commenced by the corporation, by its shareholders holding at least 10% of the outstanding shares of any class, or by 10% of the members if the court finds that the director engaged in fraudulent, illegal, or dishonest conduct or gross abuse of authority or discretion with respect to the corporation, and removal is in the best interest of the corporation.

(2) A court that removes a director under this section may bar him or her from serving as a director of the corporation for a period prescribed by the court.

(3) If shareholders or members commence a proceeding under subsection (1), they shall make the corporation a party defendant.

**History:** Add. 2014, Act 557, Imd. Eff. Jan. 15, 2015.