

GENERAL ASSEMBLY OF NORTH CAROLINA  
1985 SESSION

CHAPTER 117  
HOUSE BILL 312

AN ACT TO AMEND THE BUSINESS CORPORATION ACT TO AUTHORIZE  
CORPORATIONS TO ISSUE STOCK REDEEMABLE AT THE  
SHAREHOLDER'S OPTION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 55-40(e) is rewritten to read:

"Any authorized class of shares or any series thereof, may, by its terms, be made subject to redemption by the corporation at its option or at the option of the holders of such shares or at any designated time or times or upon the happening of a specified event or contingency. Subject to the provisions of G.S. 55-52, any class of shares that may be made redeemable under this section may be redeemed for cash, property or rights, including the shares or other securities of the same or another corporation, at such time or times, price or prices, or rate or rates, and with such adjustments as shall be stated in the Articles of Incorporation or in the resolution or resolutions providing for the classification of such shares or series pursuant to G.S. 55-42."

Sec. 2. G.S. 55-43(e) is amended in the first sentence by deleting the phrase "a subscription by an employee" and substituting the phrase: "the case of shares subject to redemption or repurchase in accordance with G.S. 55-40(e) or in accordance with a written agreement falling within G.S. 55- 52(b)(4)"; and by deleting the phrase "; provided, that nothing herein shall invalidate the provisions of written agreements falling within G.S. 55-52(b)(4)".

Sec. 3. G.S. 55-52(b)(4) is amended by inserting immediately after the word "disability" the phrase: ", or to perform its obligations or exercise its rights to purchase shares of a shareholder under any other written agreement to which all shareholders are parties, or if all shareholders are not parties then under such written agreement that has been approved by a majority of the outstanding shares, regardless of limitation on voting rights, other than shares owned by the shareholders who are parties to such agreement".

Sec. 4. This act is effective upon ratification and applies to all series and classes of shares authorized, and to all agreements entered into, on, before, or after that date.

In the General Assembly read three times and ratified, this the 23rd day of April, 1985.