

AN ACT

ENTITLED, An Act to revise the number of qualified directors of a corporation needed to take certain actions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 47-1A-862 be amended to read:

47-1A-862. Directors' action respecting a transaction is effective for purposes of subdivision 47-1A-861.1(1) if the transaction received the affirmative vote of a majority, but no fewer than one, of those qualified directors on the board of directors or on a duly empowered committee of the board who voted on the transaction after either required disclosure to them, to the extent the information was not known by them, or compliance with § 47-1A-861.1. However, action by a committee is effective only if:

- (1) At least one of its members is a qualified director; and
- (2) Its members are either all the qualified directors on the board or are appointed by the affirmative vote of a majority of the qualified directors on the board.

Section 2. That § 47-1A-862.2 be amended to read:

47-1A-862.2. A majority, but no fewer than one, of all the qualified directors on the board of directors, or on the committee, constitutes a quorum for purposes of action that complies with §§ 47-1A-862 and 47-1A-862.1. Directors' action that otherwise complies with §§ 47-1A-862 and 47-1A-862.1 is not affected by the presence or vote of a director who is not a qualified director.

An Act to revise the number of qualified directors of a corporation needed to take certain actions.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1202

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1202

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State