

RCW 23B.25.130 Corporation converting to a social purpose corporation—Plan of election—Effect. (1) By complying with this chapter, any corporation that is not a social purpose corporation may become a social purpose corporation in accordance with a plan of election.

(2) The plan of election must provide that each share of the same class or series of the electing corporation shall, unless all shareholders of the class or series consent, be treated equally with respect to any cash, rights, securities, or other property to be received by, or any obligations or restrictions to be imposed on, the holder of that share.

(3) The plan of election must include an amendment to the articles of incorporation to include the matters required to be included in the articles of incorporation in accordance with RCW 23B.25.040(1).

(4) The plan of election must be approved in the following manner:

(a) The plan of election must first be approved by the board of directors.

(b) The plan of election must then be approved by the shareholders. In submitting the plan of election to the shareholders for approval, the board of directors must recommend that the shareholders approve the plan of election, unless the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation, in which case the board of directors must inform the shareholders of the basis for so proceeding.

(c) The board of directors may set conditions for the approval of the plan of election by the shareholders or the effectiveness of the plan.

(d) Unless the articles of incorporation, or the board of directors acting in accordance with (c) of this subsection, requires a greater vote, the plan of election must be approved by an affirmative vote of at least two-thirds of the voting group comprising all the votes of the electing corporation's shareholders entitled to be cast on the plan, and by two-thirds of the holders of the outstanding shares of each class or series, voting as separate voting groups, and each other voting group entitled under the articles of incorporation to vote separately on the plan.

(5) After an election to become a social purpose corporation is approved, and at any time prior to filing the articles of amendment to amend the electing corporation's articles of incorporation, the planned election may be abandoned by the electing corporation, subject to any contractual rights, without further shareholder approval, in the manner determined by the board of directors.

(6) The election to become a social purpose corporation shall be effective upon the later of the filing of the articles of amendment with the secretary of state or the effective date or time set forth in the articles of amendment.

(7) Upon the effective time of the election to become a social purpose corporation, the electing corporation shall thereafter be a social purpose corporation and shall be subject to all of the provisions of this chapter and the existence of the social purpose corporation shall be deemed to have commenced on the date the electing corporation was incorporated.

(8) The election to become a social purpose corporation shall not be deemed to affect any obligations or liabilities of the electing corporation incurred prior to its election to become a social purpose corporation or the personal liability of any person incurred prior to such election. [2024 c 22 s 28; 2012 c 215 s 14.]