

RCW 23B.06.300 Shareholders' preemptive rights. (1) The shareholders of a corporation do not have a preemptive right to acquire the corporation's unissued shares except to the extent the articles of incorporation provide otherwise or as set forth in subsection (2) of this section. A statement included in the articles of incorporation that "the corporation elects to have preemptive rights," or words of similar import, means that the provisions set forth in subsection (3) of this section apply except to the extent that the articles of incorporation provide otherwise.

(2) Unless the articles of incorporation provide otherwise, the shareholders of a corporation formed before January 1, 2020, have a preemptive right to acquire the corporation's unissued shares.

(3) If shareholders of a corporation have a preemptive right to acquire the corporation's unissued shares under this section, the following provisions apply:

(a) Unless the articles of incorporation provide otherwise, such preemptive right is granted on uniform terms and conditions prescribed by the board of directors to provide a fair and reasonable opportunity to exercise the right, to acquire proportional amounts of the corporation's unissued shares upon the decision of the board of directors to issue them.

(b) Unless the articles of incorporation provide otherwise, a shareholder may waive the shareholder's preemptive right. A waiver evidenced by a writing is irrevocable even though it is not supported by consideration.

(c) Unless the articles of incorporation provide otherwise, there is no preemptive right with respect to:

(i) Shares issued as compensation to directors, officers, agents, employees, or other service providers of the corporation, or its subsidiaries or affiliates;

(ii) Shares issued to satisfy conversion or option rights created to provide compensation to directors, officers, agents, or employees of the corporation, or its subsidiaries or affiliates;

(iii) Shares issued pursuant to the corporation's initial plan of financing; and

(iv) Shares issued for consideration other than money.

(d) Unless the articles of incorporation provide otherwise:

(i) Holders of shares of any class without general voting rights but with preferential rights to distributions or assets have no preemptive rights with respect to shares of any class; and

(ii) Holders of shares of any class with general voting rights but without preferential rights to distributions or assets have no preemptive rights with respect to shares of any class with preferential rights to distributions or assets unless the shares with preferential rights are convertible into or carry a right to subscribe for or acquire shares without preferential rights.

(e) Unless the articles of incorporation provide otherwise, shares subject to preemptive rights that are not acquired by shareholders may be issued to any person for a period of one year after being offered to shareholders at a consideration set by the board of directors that is not lower than the consideration set for the exercise of preemptive rights. An offer at a lower consideration or after the expiration of one year is subject to the shareholders' preemptive rights.

(f) For purposes of this section, "shares" includes a security convertible into or carrying a right to subscribe for or acquire

shares. [2020 c 57 § 46; 2019 c 141 § 2; 2002 c 297 § 19; 1989 c 165
§ 57.]