

17-6407. Rights and options concerning stock; powers of board of directors, limitations. (a) Subject to any provisions in the articles of incorporation, every corporation may create and issue, whether or not in connection with the issue and sale of any shares of stock or other securities of the corporation, rights or options entitling the holders thereof to purchase from the corporation any shares of its capital stock of any class or classes, such rights or options to be evidenced by or in such instrument or instruments as shall be approved by the board of directors.

(b) The terms upon which, including the time or times, which may be limited or unlimited in duration, at or within which, and the price or prices, including a formula by which such price or prices may be determined, at which any such shares may be purchased from the corporation upon the exercise of any such right or option, shall be such as shall be stated in the articles of incorporation, or in a resolution adopted by the board of directors providing for the creation and issue of such rights or options, and, in every case, shall be set forth or incorporated by reference in the instrument or instruments evidencing such rights or options. In the absence of actual fraud in the transaction, the judgment of the directors as to the consideration for the issuance of such rights or options and the sufficiency thereof shall be conclusive.

(c) The board of directors, by resolution adopted by the board, may authorize one or more officers of the corporation to do one or both of the following: (1) Designate officers and employees of the corporation or any of its subsidiaries to be recipients of such rights or options created by the corporation; and (2) determine the number of such rights or options to be received by such officers and employees. The resolution so authorizing such officer or officers shall specify the total number of rights or options such officer or officers may award. The board of directors may not authorize an officer to designate the officer's self as a recipient of any such rights or options.

(d) In the event that the shares of stock in the corporation to be issued upon the exercise of such rights or options shall be shares having a par value, the price or prices so to be received therefor shall not be less than the par value thereof. In case the shares of stock so to be issued shall be shares of stock without par value, the consideration therefor shall be determined in the manner provided in K.S.A. 17-6403, and amendments thereto.

History: L. 1972, ch. 52, § 34; L. 2004, ch. 143, § 14; Jan. 1, 2005.