



## Ohio Revised Code

### Section 1701.15 Pre-emptive rights.

Effective: March 17, 2000

Legislation: House Bill 78 - 123rd General Assembly

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(A) The shareholders of a corporation do not have a pre-emptive right to acquire the corporation's unissued shares except to the extent the articles so provide. If the articles provide that the holders of the shares of any class, other than shares that are limited as to dividend or distribution rate and liquidation price, have pre-emptive rights, those holders, upon the offering or sale for cash of shares of the same class, shall have the right, during a reasonable time and on reasonable terms fixed by the directors, to purchase the shares in proportion to their respective holdings of shares of such class, at a price fixed as provided in this chapter, unless the shares offered or sold are in any of the following categories:

(1) Treasury shares;

(2) Issued as a share dividend or distribution;

(3) Issued or agreed to be issued for considerations other than money;

(4) Issued or agreed to be issued upon exercise of options granted and authorized in accordance with section 1701.16 of the Revised Code;

(5) Issued or agreed to be issued upon conversion of convertible shares authorized in the articles, or upon exercise of conversion rights conferred and authorized in accordance with section 1701.22 of the Revised Code;

(6) Offered to shareholders in satisfaction of their pre-emptive rights and not purchased by such shareholders, and thereupon issued or agreed to be issued for a consideration not less than that at which the shares were so offered to such shareholders, less reasonable expenses, compensation, or discount paid or allowed for the sale, underwriting, or purchase of the shares, unless by the affirmative vote or written order of the holders of two-thirds of the shares otherwise entitled to the pre-emptive rights, the pre-emptive rights are restored as to any of the shares not previously issued or



agreed to be issued;

(7) Released from pre-emptive rights by the affirmative vote or written consent of the holders of two-thirds of the shares entitled to the pre-emptive rights. Any such vote or consent shall be entered in the records of the corporation and shall be binding on all shareholders and their transferees for the time specified in the vote or consent up to but not exceeding one year, and shall protect all persons who within that time acquire the shares or options on or conversion or other rights with respect to the shares so released;

(8) Released from pre-emptive rights by the affirmative vote or written consent of the holders of a majority of the shares entitled to the pre-emptive rights, for offering and sale, or the grant of options with respect thereto, to any or all employees of the corporation or of subsidiary corporations or to a trustee on their behalf, under a plan adopted or to be adopted by the directors for that purpose.

(B) No action shall be brought upon any cause of action arising under division (A) of this section at any time after two years from the day on which a written notice or other communication is given or mailed to each shareholder having the cause of action informing the shareholder of the transaction giving rise to the cause of action, and no action shall in any event be brought upon any cause of action of that nature at any time after four years from the day on which the cause of action arose, or from the effective date of this provision, whichever is the later.

(C) The provisions of division (A) of this section as they existed prior to the effective date of this amendment, shall continue to apply to any corporation incorporated prior to the effective date of this amendment, until the shareholders of the corporation adopt an amendment to its articles expressly providing that the provisions of division (A) of this section that take effect on the effective date of this amendment apply to the corporation or amended articles of incorporation.