STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 1824 By: Reinhardt

COMMITTEE SUBSTITUTE

An Act relating to business entities; amending 18 O.S. 2021, Section 1001, which relates to the Oklahoma General Corporation Act; updating statutory references; amending 18 O.S. 2021, Section 1016, which relates to powers; clarifying powers under the Oklahoma General Corporation Act; authorizing certain contracts with one or more current or prospective shareholders or beneficial owners of stock; limiting contracting power under certain circumstances; providing effect of certain contract terms; permitting submission of matters to shareholder vote; authorizing board of directors to approve certain instruments in final or substantially final form; permitting resolution ratifying instruments; providing for effect of ratification; amending 18 O.S. 2021, Section 1030, which relates to interested parties and controlling shareholder transactions; clarifying validity of acts or transactions between certain interested parties; providing for validity of acts or transaction by controlling shareholders; creating liability for controlling shareholder or member for breach of fiduciary duty under certain circumstances; clarifying effect of validity of acts or transactions; defining terms; amending 18 O.S. 2021, Section 1033, as amended by Section 18, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1033), which relates to issuance of stock; clarifying amount of minimum consideration; amending 18 O.S. 2021, Section 1034, as amended by Section 19, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1034), which relates to consideration for stock; providing constitutional citation; permitting certain consideration for treasury shares; amending 18 O.S.

2021, Section 1038, as amended by Section 20, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1038), which relates to rights and options respecting stock; clarifying when rights and options may be issued; amending 18 O.S. 2021, Section 1041, as amended by Section 21, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1041), which relates to a corporation's powers; clarifying corporation's ability to resell; amending 18 O.S. 2021, Section 1055.1, which relates to ratification; changing record date to adoption of resolution; updating requirements for certificate of validation; amending 18 O.S. 2021, Section 1065, which relates to inspection of books and records; modifying definitions; requiring certain conditions for a shareholder to inspect and copy books and records; permitting corporation to impose reasonable restrictions; authorizing redaction of books and records; limiting court order production of certain books and records; permitting court-ordered production of additional records under certain conditions; authorizing district court to impose reasonable restrictions; amending 18 O.S. 2021, Section 1073, as amended by Section 28, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1073), which relates to consent of shareholders; requiring prompt notice of the taking of action by consent when less than unanimous consent; permitting certain electronic notice; amending 18 O.S. 2021, Section 1075.2, as amended by Section 29, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1075.2), which relates to notice; clarifying effect of certain notice; amending 18 O.S. 2021, Section 1077, which relates to amendment of certificate of incorporation; modifying outstanding shares to issued shares; clarifying when a meeting or vote for adoption of certain amendments is not required; amending 18 O.S. 2021, Sections 1089 and 1090, which relate to merger, consolidation, and conversion; clarifying actions permitted in order to effect merger, consolidation, or conversion; permitting penalties or consequences provided in certain agreements; authorizing corporation to enforce payment obligations under certain agreements; providing for appointment of representatives; permitting certain agreements to be made depending upon certain facts; amending 18 O.S. 2021, Section 1090.4, as amended by Section 31, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1090.4), which relates to conversion of an entity to a domestic corporation; providing for effective date of certificate of conversion; permitting certain contents in a plan of conversion; authorizing certain corporate action in approved plan of conversion; amending 18 O.S. 2021, Section 1090.5, as amended by Section 32, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1090.5), which relates to conversion of domestic corporation to an entity; requiring a plan of conversion be adopted with resolution approving conversion; permitting certain contents in a plan of conversion; providing for amendments to certificate of incorporation of surviving corporation after agreement of merger; excluding certain disclosure documents from merger agreement unless otherwise provided in agreement; amending 18 O.S. 2021, Section 1093, which relates to mortgage or pledge of assets; permitting certain sale, lease, or exchange of property or assets without resolution under certain circumstances; excluding certain sale, lease, or exchange of property or assets from certificate of incorporation requirements; amending 18 O.S. 2021, Section 2001, as amended by Section 2, Chapter 121, O.S.L. 2024 (18 O.S. Supp. 2025, Section 2001), which relates to Oklahoma Limited Liability Company Act definitions; updating statutory reference; amending Section 17, Chapter 121, O.S.L. 2024 (18 O.S. Supp. 2025, Section 2054.8), which relates to merger and consolidation of registered series; permitting articles of merger or consolidation to amend and restate articles of registered series of the surviving registered series in its entirety; amending Section 18, Chapter 121, O.S.L. 2024 (18 O.S. Supp. 2025, Section 2054.9), which relates to division of limited liability company; permitting articles of division to amend and restate the articles of organization of the surviving company in its entirety; updating statutory references; making language gender neutral; updating statutory language; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 18 O.S. 2021, Section 1001, is amended to read as follows:

Section 1001.

SHORT TITLE

Sections 1001 through ~~1144~~ 1144-1 of this title ~~and Sections 18 and 25 through 27 of this act~~ shall be known and may be cited as the "Oklahoma General Corporation Act". Section captions are part of the Oklahoma General Corporation Act.

SECTION 2. AMENDATORY 18 O.S. 2021, Section 1016, is amended to read as follows:

Section 1016.

SPECIFIC POWERS

Every corporation created pursuant to the provisions of the Oklahoma General Corporation Act shall have power, whether or not such power is provided for in the certificate of incorporation, to:

1. Have perpetual succession by its corporate name, unless a limited period of duration is stated in its certificate of incorporation;

2. Sue and be sued in all courts and participate, as a party or otherwise, in any judicial, administrative, arbitrative or other proceeding, in its corporate name;

3. Have a corporate seal, which may be altered at pleasure, and use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

4. Purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with real or personal property, or any interest therein, wherever situated and to sell, convey, lease, exchange, transfer, or otherwise dispose of, or mortgage or pledge, all or any of its property and assets, or any interest therein, wherever situated, subject to the limitations prescribed by Section 2 of Article XXII of the Oklahoma Constitution and Section 1020 of this title;

5. Appoint or elect such officers and agents as the business of the corporation requires and to pay or otherwise provide for them suitable compensation provided that any contract or other appointment or delegation of authority that empowers an officer or agent to act on behalf of the corporation shall be subject to subsection A of Section 1027 of this title, to the extent it is applicable;

6. Adopt, amend, and repeal bylaws in accordance with Section 1013 of this title;

7. Wind up and dissolve itself in the manner provided for in this act;

8. Conduct its business, carry on its operations, and have offices and exercise its powers within or without this state;

9. Make donations for the public welfare or for charitable, scientific or educational purposes, and in time of war or other national emergency in aid thereof;

10. Be an incorporator, promoter or manager of other corporations of any type or kind;

11. Participate with others in any corporation, partnership, limited partnership, joint venture or other association of any kind, or in any transaction, undertaking or arrangement which the participating corporation would have power to conduct by itself, whether or not such participation involves sharing or delegation of control with or to others;

12. Transact any lawful business which the corporation's board of directors shall find to be in aid of governmental authority;

13. Make contracts, including contracts of guaranty and suretyship, incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage, pledge or other encumbrance of all or any of its property, franchises and income, and make contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion or attainment of the business of:

a. a corporation, all of the outstanding stock of which is owned, directly or indirectly, by the contracting corporation,

b. a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation, or

c. a corporation, all of the outstanding stock of which is owned, directly or indirectly, by a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation,

which contracts of guaranty and suretyship shall be deemed to be necessary or convenient to the conduct, promotion or attainment of the business of the contracting corporation, and to make other contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion or attainment of the business of the contracting corporation;

14. Lend money for its corporate purposes, invest and reinvest its funds, and take, hold and deal with real and personal property as security for the payment of funds so loaned or invested;

15. Pay pensions and establish and carry out pension, profit sharing, stock option, stock purchase, stock bonus, retirement, benefit, incentive and compensation plans, trusts and provisions for any or all of its directors, officers, and employees, and for any or all of the directors, officers, and employees of its subsidiaries;

16. Provide insurance for its benefit on the life of any of its directors, officers, or employees, or on the life of any shareholder

for the purpose of acquiring at ~~his~~ the shareholder's death shares of its stock owned by such shareholder; ~~and~~

17. Renounce in its certificate of incorporation or by action of its board of directors any interest or expectancy of the corporation in, or in being offered an opportunity to participate in, specified business opportunities or specified classes or categories of business opportunities that are presented to the corporation or one or more of its officers, directors or shareholders; and

18. Notwithstanding subsection A of Section 1027 of this title, make contracts with one or more current or prospective shareholders or one or more beneficial owners of stock, in its or their capacity as such, in exchange for such minimum consideration as determined by the board of directors, which may include inducing shareholders or beneficial owners of stock to take, or refrain from taking, one or more actions. Provided that, no provision of such contract shall be enforceable against the corporation to the extent such contract provision is contrary to the certificate of incorporation or would be contrary to the laws of this state, other than Section 1014.2 of this title if included in the certificate of incorporation. Without limiting the provisions that may be included in such contracts, the corporation may agree to:

a. restrict or prohibit the corporation from taking actions specified in the contract,

b. require the approval or consent of one or more persons or bodies before the corporation may take actions specified in the contract, which persons or bodies may include the board of directors or one or more current or future directors, shareholders, or beneficial owners of stock of the corporation, and

c. covenant that the corporation or one or more persons or bodies will take, or refrain from taking, actions specified in the contract, which persons or bodies may include the board of directors or one or more current or future directors, shareholders or beneficial owners of stock of the corporation.

For purposes of applying this paragraph, a restriction, prohibition, or covenant in any such contract that relates to any specified action shall not be deemed contrary to the laws of this state, the certificate of incorporation by reason of a provision of the Oklahoma General Corporation Act, or the certificate of incorporation that authorizes or empowers the board of directors, or any one or more directors, to take such action. With respect to all contracts made under this paragraph, the corporation shall be subject to the remedies available under the law governing the contract, including for any failure to perform or comply with its agreements under such contract.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1027.1 of Title 18, unless there is created a duplication in numbering, reads as follows:

SUBMISSION OF MATTERS TO SHAREHOLDER VOTE

A corporation may agree to submit a matter to a vote of its shareholders whether or not the board of directors determines at any time after approving such matter that such matter is no longer advisable and recommends that the shareholders reject or vote against the matter.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1027.2 of Title 18, unless there is created a duplication in numbering, reads as follows:

AUTHORIZATION OF AGREEMENTS AND OTHER INSTRUMENTS

A. If any section in the Oklahoma General Corporation Act expressly requires the board of directors to approve or take other action with respect to any agreement, instrument, or document, such agreement, instrument, or document may be approved by the board of directors in final form or in substantially final form.

B. If the board of directors acted to approve or take other action with respect to an agreement, instrument, or document that is required by the Oklahoma General Corporation Act to be filed with the Secretary of State or referenced in any certificate so filed, the board of directors may, at any time after providing such approval or taking such other action and before the effectiveness of such filing with the Secretary of State, adopt a resolution ratifying the agreement, instrument, or document. A ratification under this subsection shall be deemed to be effective as of the time of the original approval or other action by the board of directors and to satisfy any requirement under the Oklahoma General Corporation Act that the board of directors approve or take other action with respect to such agreement, instrument or document in a specific manner or sequence. Ratification under this subsection shall not be deemed to be the exclusive means of ratifying an agreement, instrument, or document approved by the board of directors under this section but shall be in addition to any ratification or validation that may be available under Sections 1055.1 or 1055.2 of Title 18 of the Oklahoma Statutes or under common law.

SECTION 5. AMENDATORY 18 O.S. 2021, Section 1030, is amended to read as follows:

Section 1030.

INTERESTED DIRECTORS AND OFFICERS; CONTROLLING SHAREHOLDER TRANSACTIONS; QUORUM

A. ~~No contract~~ Except for a controlling shareholder transaction under subsection B or C of this section, an act or transaction involving or between a corporation ~~and~~; one or more of ~~its directors or officers, or between a corporation~~ the corporation's subsidiaries, as one party, and one or more of the corporation's directors or officers, as second party; or involving or between a corporation or one or more of the corporation's subsidiaries, as one party, and any other corporation, limited liability company, general partnership, limited partnership, limited liability partnership, limited liability limited partnership, association, or any other entity or organization in which one or more of its directors or officers are directors, shareholders, partners, managers, members, or officers, or have a financial interest, ~~shall be void or voidable solely for this reason, or solely because~~ as a second party, may not be the subject of equitable relief or give rise to an award of damages against a director or officer of the corporation because of the foregoing circumstances or the receipt of any benefit by any such director, officer, entity, or organization or because the director or officer is present at or participates in the meeting of the board or committee thereof which authorizes the ~~contract~~ act or transaction~~,~~ or ~~solely because his or their votes are counted for such purpose~~ was involved in the initiation, negotiation, or approval of the act or transaction, including by virtue of the director's votes, if:

1. The material facts as to ~~his~~ the director's or officer's relationship or interest and as to the ~~contract~~ act or transaction, including any involvement in the initiation, negotiation, or approval of the act or transaction, are disclosed or are known to all members of the board of directors or ~~the~~ a committee of the

board of directors, and the board or the committee in good faith and without gross negligence authorizes the ~~contract~~ act or transaction by the affirmative votes of a majority of the disinterested directors then serving on the board of directors or such committee, even ~~though~~ if the disinterested directors ~~be~~ are less than a quorum; provided that, if a majority of the directors are not disinterested directors with respect to the act or transaction, such act or transaction shall be approved or recommended for approval by a committee of the board of directors that consists of two or more directors, each of whom the board of directors has determined to be a disinterested director with respect to the act or transaction;

2. The ~~material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon, and the contract~~ act or transaction is ~~specifically~~ approved or ratified ~~in good faith by vote of the shareholders~~ by an informed, uncoerced, affirmative vote of a majority of the votes cast by the disinterested shareholders; or

3. The ~~contract~~ act or transaction is fair ~~as~~ to the corporation ~~as of the time it is authorized, approved or ratified, by the board of directors, a committee thereof, or the~~ and the corporation's shareholders.

B. A controlling shareholder transaction, other than any going private transaction, may not be the subject of equitable relief or give rise to an award of damages, against a director or officer of the corporation or any controlling shareholder or member of a control group, by reason of a claim based on a breach of fiduciary duty by a director, officer, controlling shareholder, or member of a control group, if:

1. The material facts as to such controlling shareholder transaction, including the controlling shareholder's or control group's interest therein, are disclosed or are known to all members of a committee of the board of directors to which the board of directors has expressly delegated the authority to negotiate or oversee the negotiation of and to reject such controlling shareholder transaction, and such controlling shareholder transaction is approved, or recommended for approval, in good faith and without gross negligence by a majority of the disinterested directors then serving on the committee. Provided that, the committee consists of two or more directors each of whom the board of directors has determined to be a disinterested director with respect to the controlling shareholder transaction;

2. Such controlling shareholder transaction is conditioned, by its terms, as in effect at the time it is submitted to shareholders for their approval or ratification, on the approval of or ratification by disinterested shareholders, and such controlling shareholder transaction is approved or ratified by an informed,

uncoerced, affirmative vote of a majority of the votes cast by the disinterested shareholders; or

3. Such controlling shareholder transaction is fair as to the corporation and the corporation's shareholders.

C. A controlling shareholder transaction constituting a going private transaction may not be the subject of equitable relief or give rise to an award of damages, against a director or officer of the corporation or any controlling shareholder or member of a control group by reason of a claim based on breach of fiduciary duty by a director, officer, controlling shareholder, or member of a control group, if:

1. Such controlling shareholder transaction is approved, or recommended for approval, in accordance with paragraph 1 of subsection B of this section and approved in accordance with paragraph 2 of subsection B of this section; or

2. Such controlling shareholder transaction is fair as to the corporation and the corporation's shareholders.

D. 1. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes the ~~contract~~ act or transaction.

2. Any director of a corporation that has a class of stock listed on a national securities exchange shall be presumed to be a disinterested director with respect to an act or transaction to

which such director is not a party if the board of directors has determined that such director satisfies the applicable criteria for determining director independence from the corporation and, if applicable with respect to the act or transaction, the controlling shareholder or control group, under the rules and interpretations thereof, promulgated by such exchange, treating the applicable controlling shareholder and control group as if the controlling shareholder and control group were the corporation for purposes of applying such criteria to determine independence from a controlling shareholder or control group, which presumption shall be heightened and may only be rebutted by substantial and particularized facts that such director has a material interest in such act or transaction or has a material relationship with a person with a material interest in such act or transaction.

3. The designation, nomination, or vote in the election of the director to the board of directors by any person that has a material interest in an act or transaction shall not, of itself, be evidence that a director is not a disinterested director with respect to an act or transaction to which such director is not a party.

4. No person shall be deemed a controlling shareholder unless such person satisfies the criteria in paragraph 2 of subsection E of this section. No two or more persons that are not controlling shareholders shall be a control group unless they satisfy the criteria in paragraph 1 of subsection E of this section.

5. No person who is a controlling shareholder or member of a control group shall be liable in such capacity to the corporation or its shareholders for monetary damages for breach of fiduciary duty other than for:

a. a breach of the duty of loyalty to the corporation or the other shareholders,

b. acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, or

c. any transaction from which the person derived an improper personal benefit.

6. Nothing in subsections A, B, or C of this section shall:

a. limit or eliminate the right of any person to seek equitable relief on the grounds that an act or transaction, including a controlling shareholder transaction, was not authorized or approved in compliance with the procedures set forth in the Oklahoma General Corporation Act, was not authorized or approved in compliance with the certificate of incorporation or bylaws of the corporation, or is in violation of any plan, agreement, or order of any governmental authority to which the corporation is a party or subject,

b. limit judicial review for purposes of injunctive relief of provisions or devices designed or intended to deter, delay, or preclude a change of control or other transaction involving the corporation or a change in the composition of the board of directors, or

c. limit or eliminate the right of any person to seek relief on the grounds that a shareholder or other person knowingly aided and abetted a breach of fiduciary duty by one or more of the directors of the corporation.

7. Shares irrevocably accepted for purchase or exchange under an offer contemplated under subsection H of Section 1081 of this title shall be deemed voted in favor of the act or transaction and shares owned or controlled by disinterested shareholders that have not been irrevocably accepted for purchase or exchange under such an offer shall be deemed voted against the act or transaction for purposes of determining whether the act or transaction has been approved for purposes of paragraph 2 of subsection A, paragraph 2 of subsection B, and paragraph 1 of subsection C of this section.

E. For purposes of this section:

1. "Control group" means two or more persons that are not controlling shareholders that, by virtue of an agreement,

arrangement, or understanding between or among such persons, constitute a controlling shareholder;

2. "Controlling shareholder" means any person that, together with such person's affiliates and associates:

a. owns or controls a majority in voting power of the outstanding stock of the corporation entitled to vote generally in the election of directors or in the election of directors who have a majority in voting power of the votes of all directors on the board of directors,

b. has the right, by contract or otherwise, to cause the election of nominees who are selected at the discretion of such person and who constitute either a majority of the members of the board of directors or directors entitled to cast a majority in voting power of the votes of all directors on the board of directors, or

c. has the power functionally equivalent to that of a shareholder that owns or controls a majority in voting power of the outstanding stock of the corporation entitled to vote generally in the election of directors by virtue of ownership or control of at least one-third in voting power of the outstanding stock of the corporation entitled to vote generally in the election of directors or in the election of directors who have a majority in voting power of the votes of all directors on the board of directors and power to exercise managerial authority over the business and affairs of the corporation;

3. "Controlling shareholder transaction" means an act or transaction between the corporation or one or more of its subsidiaries as one party, and a controlling shareholder or a control group as the other party, or an act or transaction from which a controlling shareholder or a control group receives a financial or other benefit not shared with the corporation's shareholders generally;

4. "Disinterested director" means a director who is not a party to the act or transaction and does not have a material interest in the act or transaction or a material relationship with a person that has a material interest in the act or transaction;

5. "Disinterested shareholder" means any shareholder that does not have a material interest in the act or transaction at issue or, if applicable, a material relationship with the controlling shareholder or any other member of the control group, or any other person that has a material interest in the act or transaction;

6. "Going private transaction" means:

a. for a corporation with a class of equity securities subject to Sections 12(g) or 15(d) of the Securities

Exchange Act of 1934 or listed on a national securities exchange, a Rule 13e-3 transaction as defined in 17 C.F.R., Section 240.13e-3(a)(3) or any successor provision, and

b. for any other corporation to which subparagraph a of this paragraph does not apply, any controlling shareholder transaction, including a merger, recapitalization, share purchase, consolidation, amendment to the certificate of incorporation, tender or exchange offer, conversion, transfer, domestication, or continuance, under which all or substantially all of the shares of the corporation's capital stock held by the disinterested shareholders, but not those of the controlling shareholder or control group, are canceled, converted, purchased, or otherwise acquired or cease to be outstanding;

7. "Material interest" means an actual or potential benefit, including the avoidance of a detriment, other than one which would devolve on the corporation or the shareholders generally, that:

a. in the case of a director, would reasonably be expected to impair the objectivity of the director's judgment when participating in the negotiation, authorization, or approval of the act or transaction at issue, and

b. in the case of a shareholder or any other person, other than a director, would be material to such shareholder or such other person; and

8. "Material relationship" means a familial, financial, professional, employment, or other relationship that:

a. in the case of a director, would reasonably be expected to impair the objectivity of the director's judgment when participating in the negotiation, authorization, or approval of the act or transaction at issue, and

b. in the case of a shareholder, would be material to such shareholder.

SECTION 6. AMENDATORY 18 O.S. 2021, Section 1033, as amended by Section 18, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1033), is amended to read as follows:

Section 1033.

ISSUANCE OF STOCK, LAWFUL CONSIDERATION - FULLY PAID STOCK

A. The consideration~~, as determined pursuant to the provisions of subsections A and B of Section 1034 of this title,~~ for subscriptions to, or the purchase of, the capital stock to be issued by a corporation shall be paid in the form and manner that the board of directors shall determine. The board of directors may authorize capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation, or any combination thereof, except for services to be performed. Stock may be issued in one or more transactions in the numbers, at the times, and for the consideration as set forth in a resolution of the board of directors.

B. In addition to the board of directors, a resolution of the board of directors may delegate to a person or body the authority to enter into one or more transactions to issue stock. With respect to such transactions, shares of stock may be issued in the numbers, at the times, and for the consideration as such person or body may determine, provided the resolution fixes:

1. A maximum number of shares that may be issued under such resolution;

2. A period during which such shares may be issued; and

3. ~~A~~ The minimum ~~amount of~~ consideration for which such shares may be issued.

No resolution shall permit a person or body to issue stock to such person or body.

C. Any provision of a resolution described by subsection A or B of this section may be made dependent on facts ascertainable outside the resolution, provided the manner in which such facts shall operate upon the resolution is clearly and expressly set forth in the resolution. As used in this subsection, “facts” includes but is not limited to the occurrence of any event, including a determination or action by any person or body including the corporation; provided, if the resolution delegates to a person or body the authority to enter into one or more transactions to issue stock under subsection B of this section, the provisions described in paragraphs 1 through 3 of subsection B of this section shall not be made dependent on a determination or action by such person or body.

D. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of the consideration, or minimum ~~amount of~~ consideration, received by the corporation for the issuance of stock shall be conclusive. The capital stock issued in accordance with the provisions of this section shall be deemed to be fully paid and nonassessable stock upon receipt by the corporation of such consideration. Nothing contained in this ~~section~~ subsection shall prevent the board of directors from issuing partly paid shares in accordance with the provisions of Section 1037 of this title.

E. The minimum consideration for which shares of stock may be issued by a corporation may not be less than the consideration, if any, required under Section 1034 of this title or Section 39 of Article IX of the Oklahoma Constitution.

SECTION 7. AMENDATORY 18 O.S. 2021, Section 1034, as amended by Section 19, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1034), is amended to read as follows:

Section 1034.

CONSIDERATION FOR STOCK

A. ~~Shares~~ Subject to Section 39 of Article IX of the Oklahoma Constitution, shares of stock with par value may be issued for such consideration, having a value not less than the par value of the shares so issued, as determined from time to time in accordance with Section 1033 of this title, or by the shareholders if the certificate of incorporation so provides.

B. Shares of stock without par value may be issued for such consideration as determined from time to time in accordance with Section 1033 of this title, or by the shareholders if the certificate of incorporation so provides.

C. Treasury shares may be disposed of by the corporation in the same manner that shares of stock are issued under subsections A through D of Section 1033 of this title, or may be disposed of for such consideration as determined by the shareholders if the certificate of incorporation so provides. The consideration received for treasury shares may have a value greater, less than, or equal to the par value, if any, of such shares and may consist of cash, any tangible or intangible property, or any benefit to the corporation, or any combination thereof.

D. If the certificate of incorporation reserves to the shareholders the right to determine the consideration for the issue of any shares, the shareholders, unless the certificate requires a greater vote, shall do so by a vote of a majority of the outstanding stock entitled to vote thereon.

SECTION 8. AMENDATORY 18 O.S. 2021, Section 1038, as amended by Section 20, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1038), is amended to read as follows:

Section 1038.

RIGHTS AND OPTIONS RESPECTING STOCK

A. Subject to any provisions in the certificate 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 acquire from the corporation any shares of its capital stock of any class or classes of the corporation.

B. Rights and options may be issued in one or more transactions, in the numbers, at the times, and for the consideration as set forth in a resolution of the board of directors. The terms upon which, including the time or times, which may be limited or unlimited in duration, at or within which, and the consideration~~, including any formula by which such consideration may be determined,~~ for which any such shares may be acquired from the corporation upon the exercise of any such right or option, shall be ~~such as shall be~~ stated in the certificate of incorporation, or in a resolution ~~adopted by~~ of the board of directors ~~or by another person or body authorized under this section~~.

C. ~~In addition to the board of directors, the~~ The board of directors may adopt a resolution to delegate to a person or body the authority to enter into one or more transactions to issue rights or options~~. With~~, and with respect to such transactions, the rights or options may be issued in the numbers, at the times, and for the consideration and the terms upon which shares may be acquired from the corporation upon the exercise of any such rights or options, as such person or body may determine, provided the resolution fixes:

1. The maximum number of ~~rights or options, and the maximum number of~~ shares issuable upon exercise ~~thereof~~ of the rights or options, that may be issued under such resolution;

2. The period during which such rights or options, and a period during which the shares issuable upon exercise thereof, may be issued; and

3. ~~A~~ The minimum ~~amount of~~ consideration, if any, for which such rights or options may be issued and ~~a~~ the minimum ~~amount of~~ consideration for the shares issuable upon exercise thereof.

No such resolution shall permit a person or body to issue rights or options to such person or body.

D. Any provision in a resolution described by subsection B or C of this section may be made dependent on facts ascertainable outside the resolution, provided the manner in which such facts shall operate upon the resolution is clearly and expressly set forth in such resolution. As used in this subsection, "facts" includes but is not limited to the occurrence of any event, including a determination or action by any person or body including the corporation; provided, if the resolution delegates to a person or body the authority to enter into one or more transactions to issue rights or options under subsection C of this section, the provisions described by paragraphs 1 through 3 of subsection C of this section may not be made dependent on a determination or action by such person or body.

E. The minimum consideration ~~to be received~~ for which the shares of stock of the corporation ~~to~~ may be issued upon exercise of such rights or options shall be no less than the ~~amount set forth in~~ consideration, if any, required by Section 1034 of this title.

SECTION 9. AMENDATORY 18 O.S. 2021, Section 1041, as amended by Section 21, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1041), is amended to read as follows:

Section 1041.

CORPORATION'S POWERS RESPECTING OWNERSHIP, VOTING, ETC. OF ITS OWN STOCK; RIGHTS OF STOCK CALLED FOR REDEMPTION

A. Every corporation may purchase, redeem, receive, take, or otherwise acquire, own, hold, sell, lend, exchange, transfer, or otherwise dispose of, pledge, use and otherwise deal in and with its own shares; provided, however, that no corporation shall:

1. Purchase or redeem its own shares of capital stock for cash or other property when the capital of the corporation is impaired or when the purchase or redemption would cause any impairment of the capital of the corporation, except that a corporation other than a

nonstock corporation may purchase or redeem out of capital any of its own shares which are entitled upon any distribution of its assets, whether by dividend or in liquidation, to a preference over another class or series of its stock, or, if no shares entitled to a preference are outstanding, any of its own shares if such shares will be retired upon their acquisition and the capital of the corporation reduced in accordance with the provisions of Sections 1078 and 1079 of this title. Nothing in this subsection shall invalidate or otherwise affect a note, debenture, or other obligation of a corporation given by it as consideration for its acquisition by purchase, redemption, or the exchange of its shares of stock if at the time such note, debenture, or obligation was delivered by the corporation its capital was not then impaired or did not thereby become impaired;

2. Purchase, for more than the price at which they may then be redeemed, any of its shares which are redeemable at the option of the corporation; or

3. a. In the case of a corporation other than a nonstock corporation, redeem any of its shares unless their redemption is authorized by subsection B of Section 1032 of this title and then only in accordance with the provisions of that section and the certificate of incorporation, or

b. In the case of a nonstock corporation, redeem any of its membership interests, unless their redemption is authorized by the certificate of incorporation and then only in accordance with the certificate of incorporation.

B. Nothing in this section shall be construed to limit or affect a corporation's right to resell, under subsection C of Section 1034 of this title, any of its shares ~~theretofore~~ purchased or redeemed out of surplus and which have not been, or are not required by the certificate of incorporation to be, retired~~, for consideration fixed by the board of directors or by the shareholders if the certificate of incorporation so provides~~.

C. Shares of a corporation's capital stock shall neither be entitled to vote nor be counted for quorum purposes if the shares belong to:

1. The corporation;

2. Another corporation, if a majority of the shares entitled to vote in the election of directors of the other corporation is held, directly or indirectly; or

3. Any other entity, if a majority of the voting power of such other entity is held directly or indirectly by the corporation, or if such other entity is otherwise controlled directly or indirectly by the corporation.

Nothing in this section shall be construed as limiting the right of any corporation to vote stock including, but not limited to, its own stock, held by it in a fiduciary capacity.

D. Shares which have been called for redemption shall not be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter on and after the date on which written notice of redemption has been sent to holders thereof and a sum sufficient to redeem those shares has been irrevocably deposited or set aside to pay the redemption price to the holders of the shares upon surrender of the certificates.

SECTION 10. AMENDATORY 18 O.S. 2021, Section 1055.1, is amended to read as follows:

Section 1055.1.

RATIFICATION OF DEFECTIVE CORPORATE ACTS AND STOCK

A. Subject to subsection F of this section, no defective corporate act or putative stock shall be void or voidable solely as a result of a failure of authorization if ratified as provided in this section or validated by the ~~District Court~~ district court in a proceeding brought under Section 1055.2 of this title.

B. 1. In order to ratify one or more defective corporate acts pursuant to this section, other than the ratification of an election of the initial board of directors pursuant to paragraph 2 of this subsection, the board of directors of the corporation shall adopt resolutions stating:

a. the defective corporate act or acts to be ratified,

b. the date of each defective corporate act or acts,

c. if such defective corporate act or acts involved the issuance of shares of putative stock, the number and type of shares of putative stock issued and the date or dates upon which such putative shares were purported to have been issued,

d. the nature of the failure of authorization in respect of each defective corporate act to be ratified, and

e. that the board of directors approves the ratification of the defective corporate act or acts.

The resolutions may also provide that, at any time before the validation effective time for the defective act or acts, notwithstanding approval of the ratification by shareholders, the board of directors may abandon the ratification without further action of the shareholders. The quorum and voting requirements applicable to the ratification by the board of directors shall be the quorum and voting requirements applicable at the time to the type of defective corporate act proposed to be ratified when the board adopts the resolutions ratifying the defective corporate act; provided, that if the certificate of incorporation or bylaws of the corporation, any plan or agreement to which the corporation was a party or any provision of this title, in each case as in effect as of the time of the defective corporate act, would have required a larger number or portion of directors or of specified directors for a quorum to be present or to approve the defective corporate act, such larger number or portion of such directors or such specified directors shall be required for a quorum to be present or to adopt the ratifying resolutions, as applicable, except that the presence or approval of any director elected, appointed or nominated by holders of any class or series of which no shares are then outstanding, or by any person that is no longer a shareholder, shall not be required.

2. To ratify a defective corporate act in respect of the election of the initial board of directors of the corporation, a majority of the persons who, at the time the resolutions required by this paragraph are adopted, are exercising the powers of directors under claim and color of an election or appointment as such may adopt resolutions stating:

a. the name of the person or persons who first took action in the name of the corporation as the initial board of directors of the corporation,

b. the earlier of the date on which such persons first took such action or were purported to have been elected as the initial board of directors, and

c. that the ratification of the election of such person or persons as the initial board of directors is approved.

C. Each defective corporate act ratified pursuant to paragraph 1 of subsection B of this section shall be submitted to shareholders for approval as provided in subsection D of this section, unless:

1. a. No other provision of this title, and no provision of the certificate of incorporation or bylaws of the corporation, or of any plan or agreement to which the corporation is a party, would have required shareholder approval of the defective corporate act to be ratified, either at the time of the defective corporate act or at the time the board of directors adopts the resolutions ratifying the defective corporate act pursuant to paragraph 1 of subsection B of this section.

b. The defective corporate act did not result from a failure to comply with Section 1090.3 of this title; or

2. As of ~~the record date for determining the shareholders entitle to vote on the ratification of the defective corporate act~~ adoption by the board of directors of resolutions pursuant to paragraph 1 of subsection B of this section, there are no shares of

valid stock outstanding and entitled to vote thereon, regardless of whether there then exist any shares of putative stock.

D. 1. If ratification of a defective corporate act is required to be submitted to shareholders for approval pursuant to subsection C of this section, due notice of the time, place, if any, and purpose of the meeting shall be given at least twenty (20) days before the date of the meeting to each holder of valid stock and putative stock, whether voting or nonvoting, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation.

2. The notice shall also be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act, or, in the case of any defective corporate act that involved the establishment of a record date for notice of or voting at any meeting of shareholders, for action by written consent of shareholders in lieu of a meeting, or for any other purpose, as of the record date for notice of or voting at such meeting, the record date for action by written consent, or the record date for such other action, as the case may be, except that no notice need be given to holders whose identities or addresses cannot be determined from the records of the corporation.

3. The notice shall contain a copy of the resolutions adopted by the board of directors pursuant to paragraph 1 of subsection B of this section or the information required by ~~paragraphs~~ subparagraphs

a through e of paragraph 1 of subsection B of this section and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the failure of authorization, or that the ~~District Court~~ district court should declare in its discretion that a ratification in accordance with this section not be effective or be effective only on certain conditions must be brought within one hundred twenty (120) days from the validation effective time.

4. At such meeting the quorum and voting requirements applicable to the ratification of such defective corporate act shall be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time of the approval of the ratification, except that:

~~1. If~~

a. if the certificate of incorporation or bylaws of the corporation, any plan or agreement to which the corporation was a party or any provision of this title in effect as of the time of the defective corporate act would have required a larger number or portion of stock or of any class or series thereof or of specified shareholders for a quorum to be present or to approve the defective corporate act, the presence or approval of such larger number or portion of stock or of such class or series thereof or of such specified shareholders shall be required for a quorum to be present or to approve the ratification of the defective corporate act, as applicable, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a shareholder, shall not be required~~;~~,

~~2. The~~

b. the approval by shareholders of the ratification of the election of a director shall require the affirmative vote of the majority of shares present at the meeting and entitled to vote on the election of such director, except that if the certificate of incorporation or bylaws of the corporation then in effect or in effect at the time of the defective election require or required a larger number or portion of stock or of any class or series thereof or of specified shareholders to elect such director, the affirmative vote of such larger number or portion of stock or of any class or series thereof or of specified shareholders shall be required to ratify the election of such director, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a shareholder, shall not be required~~;~~, and

~~3. In~~

c. in the event of a failure of authorization resulting from failure to comply with the provisions of Section 1090.3 of this title, the ratification of the defective corporate act shall require the vote set forth in paragraph 3 of subsection A of Section 1090.3 of this title, regardless of whether such vote would have otherwise been required.

5. Shares of putative stock ~~on the record date for determining shareholders entitled to vote on any matter submitted to shareholders pursuant to subsection C of this section~~ as of adoption by the board of directors of resolutions pursuant to paragraph 1 of subsection B of this section, and without giving effect to any ratification that becomes effective after such ~~record date~~ adoption, shall neither be entitled to vote nor counted for quorum purposes in any vote to ratify any defective corporate act.

E. 1. If a defective corporate act ratified pursuant to this section would have required under any other section of this title the filing of a certificate in accordance with Section 1007 of this title, ~~then, whether or not~~ and either such certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of such certificate, or a certificate was not previously filed pursuant to Section 1007 of this title in respect of such defective corporate act ~~and~~, then, in lieu of filing the certificate otherwise required by this title, the corporation shall file a certificate of validation with respect to such defective corporate act in accordance with Section 1007 of this title.

2. A separate certificate of validation shall be required for each defective corporate act requiring the filing of a certificate of validation under this section, except that ~~(i)~~:

a. two or more defective corporate acts may be included in a single certificate of validation if the corporation filed, or to comply with this title would have filed, a single certificate under another provision of this title to effect such acts, and ~~(ii)~~

b. two or more overissues of shares of any class, classes or series of stock may be included in a single certificate of validation, provided that the increase in the number of authorized shares of each such class or series set forth in the certificate of validation shall be effective as of the date of the first such overissue.

3. The certificate of validation shall set forth:

~~1. Each~~

a. that the corporation has ratified one or more defective corporate ~~act~~ acts that ~~is the subject of the certificate of validation including, in the case of any defective corporate act involving the issuance of shares of putative stock, the number and type of shares of putative stock issued and the date or dates upon which such putative shares were purported to have been issued, the date of such defective corporate act and the nature of the failure of authorization in respect of such defective corporate act;~~ would have required the filing of a certificate pursuant to Section 1007 of this title,

~~2. A statement~~

b. that each such defective corporate act ~~was~~ has been ratified in accordance with this section ~~including the date on which the board of directors ratified such defective corporate act and the date, if any, on which the shareholders approved the ratification of such defective corporate act;~~, and

~~3. The~~

c. the information required by one of the following ~~paragraphs~~ divisions:

~~a.~~

(1) if a certificate was previously filed under Section 1007 of this title in respect of such defective corporate act and no changes to such certificate are required to give effect to such defective corporate act in accordance with this section, the certificate of validation shall set forth ~~(1)~~ the name, title, and filing date of the certificate previously filed, and of any certificate of correction thereto, and ~~(2)~~ a statement that a copy of the certificate previously filed, together with any certificate of correction thereto, is attached as an exhibit to the certificate of validation,

~~b.~~

(2) if a certificate was previously filed under Section 1007 of this title in respect of the defective corporate act and such certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of such certificate, the certificate of validation shall set forth ~~(1)~~ the name, title, and filing date of the certificate so previously filed and of any certificate of

correction thereto, ~~(2)~~ a statement that a certificate containing all of the information required to be included under the applicable section or sections of this title to give effect to the defective corporate act is attached as an exhibit to the certificate of validation, and ~~(3)~~ the date and time that such certificate shall be deemed to have become effective pursuant to this section, or

~~c.~~

(3) if a certificate was not previously filed under Section 1007 of this title in respect of the defective corporate act and the defective corporate act ratified pursuant to this section would have required under any other section of this title the filing of a certificate in accordance with Section 1007 of this title, the certificate of validation shall set forth ~~(1)~~ a statement that a certificate containing all of the information required to be included under the applicable section or sections of this title to give effect to the defective corporate act is attached as an exhibit to the certificate of validation, and ~~(2)~~ the date and time that such

certificate shall be deemed to have become effective pursuant to this section.

4. A certificate attached to a certificate of validation ~~pursuant to subparagraph b or c of paragraph 3 of this subsection~~ need not be separately executed and acknowledged and need not include any statement required by any other section of this title that such instrument has been approved and adopted in accordance with the provisions of such other section.

F. From and after the validation effective time, unless otherwise determined in an action brought pursuant to Section 1055.2 of this title:

1. Subject to ~~the last sentence~~ paragraph 5 of subsection D of this section, each defective corporate act ratified in accordance with this section shall no longer be deemed void or voidable as a result of the failure of authorization described in the adopted resolutions and such effect shall be retroactive to the time of the defective corporate act; and

2. Subject to ~~the last sentence~~ paragraph 5 of subsection D of this section, each share or fraction of a share of putative stock issued or purportedly issued pursuant to any such defective corporate act shall no longer be deemed void or voidable and shall be deemed to be an identical share or fraction of a share of outstanding stock as of the time it was purportedly issued.

G. In respect of each defective corporate act ratified by the board of directors pursuant to subsection B of this section, prompt notice of the ratification shall be given to all holders of valid stock and putative stock, whether voting or nonvoting, as of the date the board of directors adopts the resolutions approving such defective corporate act, or as of a date within sixty (60) days after the date of adoption, as established by the board of directors, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation. The notice shall also be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice shall contain a copy of the resolutions adopted pursuant to subsection B of this section or the information specified in subparagraphs a through e of paragraph 1 of subsection B of this section or subparagraphs a through c of paragraph 2 of subsection B of this section, as applicable, and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the failure of authorization, or that the district court should declare in its discretion that a ratification in accordance with this section not be effective or be effective only on certain conditions must be brought within one hundred twenty (120) days from the later of the validation effective time or the time at which the notice required by this subsection is given. Notwithstanding the foregoing, no such notice shall be required if notice of the ratification of the defective corporate act is to be given in accordance with subsection D of this section, and in the case of a corporation that has a class of stock listed on a national securities exchange, the notice required by this subsection and subsection D of this section may be deemed given if disclosed in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, or the corresponding provisions of any subsequent United States federal securities laws, rules or regulations. If any defective corporate act has been approved by shareholders acting pursuant to Section 1073 of this title, the notice required by this subsection may be included in any notice required to be given pursuant to subsection ~~F~~ E of Section 1073 of this title and, if so given, shall be sent to the shareholders entitled to notice under subsection ~~F~~ E of Section 1073 of this title and to all holders of valid and putative stock to whom notice would be required under this subsection if the defective corporate act had been approved at a meeting and the record date for determining the shareholders entitled to notice of such meeting had been the date for determining the shareholders entitled to notice under this subsection other than any shareholder who approved the action by consent in lieu of a meeting pursuant to Section 1073 of this title or any holder of putative stock who otherwise consented thereto in writing. Solely for purposes of subsection D of this section and this subsection, notice to holders of putative stock, and notice to holders of valid stock and putative stock as of the time of the defective corporate act, shall be treated as notice to holders of valid stock for purposes of Sections 1067, 1073, 1074, 1075, 1075.2 and 1075.3 of this title.

H. As used in this section and in Section 1055.2 of this title only, the term:

1. "Defective corporate act" means an overissue, an election or appointment of directors that is void or voidable due to a failure of authorization, or any act or transaction purportedly taken by or on behalf of the corporation that is, and at the time such act or transaction was purportedly taken would have been, within the power of a corporation under this title, without regard to the failure of authorization identified in subparagraph d of paragraph 1 of subsection B of this section, but is void or voidable due to a failure of authorization;

2. "Failure of authorization" means:

a. the failure to authorize or effect an act or transaction in compliance with:

(1) the provisions of this title,

(2) the certificate of incorporation or bylaws of the corporation, or

(3) any plan or agreement to which the corporation is a party or the disclosure set forth in any proxy or consent solicitation statement, if and to the extent such failure would render such act or transaction void or voidable, or

b. the failure of the board of directors or any officer of the corporation to authorize or approve any act or transaction taken by or on behalf of the corporation that would have required for its due authorization the approval of the board of directors or such officer;

3. "Overissue" means the purported issuance of ~~(a)~~ :

a. shares of capital stock of a class or series in excess of the number of shares of such class or series the corporation has the power to issue under Section 1042 of this title at the time of such issuance, or ~~(b)~~

b. shares of any class or series of capital stock that is not then authorized for issuance by the certificate of incorporation of the corporation;

4. "Putative stock" means the shares of any class or series of capital stock of the corporation, including shares issued upon exercise of options, rights, warrants or other securities convertible into shares of capital stock of the corporation, or

interests with respect thereto that were created or issued pursuant to a defective corporate act, that: ~~(a)~~

a. but for any failure of authorization, would constitute valid stock, or ~~(b)~~

b. cannot be determined by the board of directors to be valid stock;

5. "Time of the defective corporate act" means the date and time the defective corporate act was purported to have been taken;

6. "Valid stock" means the shares of any class or series of capital stock of the corporation that have been duly authorized and validly issued in accordance with this title; and

7. "Validation effective time" with respect to any defective corporate act ratified pursuant to this section means the latest of ~~(a)~~:

a. the time at which the defective act submitted to the shareholders for approval pursuant to subsection C of this section is approved by such shareholders, or if no such vote of shareholders is required to approve the ratification, immediately following the time at which the board of directors adopts the resolutions required by paragraphs 1 or 2 of subsection B of this section, ~~(b)~~

b. where no certificate of validation is required to be filed pursuant to subsection E of this section, the time, if any, specified by the board of directors in the resolutions adopted pursuant to paragraphs 1 or 2 of subsection B of this section, which time shall not precede the time at which such resolutions are adopted~~;~~, and ~~(c)~~

c. the time at which any certificate of validation filed pursuant to subsection E of this section shall become effective in accordance with Section 1007 of this title.

In the absence of actual fraud in the transaction, the judgment of the board of directors that shares of stock are valid stock or putative stock shall be conclusive, unless otherwise determined by the ~~District Court~~ district court in a proceeding brought pursuant to Section 1055.2 of this title.

I. Ratification under this section or validation under Section 1055.2 of this title shall not be deemed to be the exclusive means of ratifying or validating any act or transaction taken by or on behalf of the corporation, including any defective corporate act, or any issuance of stock, including any putative stock, or of adopting or endorsing any act or transaction taken by or in the name of the corporation ~~prior to~~ before the commencement of its existence, and the absence or failure of ratification in accordance with either this section or validation under Section 1055.2 of this title shall not, of itself, affect the validity or effectiveness of any act or transaction or the issuance of any stock properly ratified under common law or otherwise, nor shall it create a presumption that any such act or transaction is or was a defective corporate act or that such stock is void or voidable.

SECTION 11. AMENDATORY 18 O.S. 2021, Section 1065, is amended to read as follows:

Section 1065.

INSPECTION OF BOOKS AND RECORDS

A. As used in this section:

1. "Books and records" means:

a. the certificate of incorporation, as defined in Section 1008 of this title, including a copy of any agreement or other instrument incorporated by reference in the certificate of incorporation,

b. the bylaws then in effect, including a copy of any agreement or other instrument incorporated by reference in the bylaws,

c. minutes of all meetings of shareholders and the signed consents evidencing all action taken by shareholders without a meeting, in each case for the three (3) years preceding the date of the demand under subsection B of this section,

d. all communications in writing or by electronic transmission to shareholders generally within the past three (3) years preceding the date of the demand under subsection B of this section,

e. minutes of any meeting of the board of directors or any committee of the board of directors and records of any action of the board of directors or any such committee,

f. materials provided to the board of directors or any committee of the board of directors in connection with actions taken by the board of directors or any such committee,

g. annual financial statements of the corporation for the three (3) years preceding the date of the demand under subsection B of this section,

h. any contract entered into under paragraph 18 of Section 1016 of this title, and

i. director and officer independence questionnaires;

2. "Proper purpose" means a purpose reasonably related to a shareholder's interest as a shareholder;

3. "Shareholder" means a shareholder of record in a stock corporation, or a person who is the beneficial owner of shares of stock held either in a voting trust or by a nominee on behalf of a person;

~~2. "Under oath" includes statements the declarant affirms to be true under penalty of perjury under the laws of the United States or any state; and~~

~~3.~~ 4. "Subsidiary" means any entity directly or indirectly owned, in whole or in part, by the corporation of which the shareholder is a shareholder and over the affairs of which the corporation directly or indirectly exercises control, and includes but is not limited to corporations, partnerships, limited partnerships, limited liability partnerships, limited liability companies, statutory trusts, and joint ventures; and

5. "Under oath" includes statements the declarant affirms to be true under penalty of perjury under the laws of the United States or any state.

B. ~~Any~~ 1. Subject to paragraph 2 of this subsection, any shareholder, in person or by attorney or other agent, upon written demand under oath ~~stating the purpose thereof,~~ shall have the right during the usual hours for business to inspect for any proper purpose, and to make copies and extracts from:

~~1. The~~

a. the corporation's stock ledger, a list of shareholders, and its other books and records~~;~~, and

~~2. A~~

b. a subsidiary's books and records, to the extent that:

~~a.~~

(1) the corporation has actual possession and control of the records of the subsidiary, or

~~b.~~

(2) the corporation could obtain the records through the exercise of control over the subsidiary, provided that as of the date of the making of the demand:

~~(1)~~

(a) shareholder inspection of the books and records of the subsidiary would not constitute a breach of an agreement between the corporation or the subsidiary and a person or person not affiliated with the corporation, and

~~(2)~~

(b) the subsidiary would not have the right under the law applicable to it to deny the corporation access to the books and records upon demand by the corporation.

2. A shareholder may inspect and copy the corporation's books and records only if all of the following apply:

a. the shareholder's demand is made in good faith and for a proper purpose,

b. the shareholder's demand describes with reasonable particularity the shareholder's purpose and the books and records the shareholder seeks to inspect, and

c. the books and records sought are specifically related to the shareholder's purpose.

3. The corporation may impose reasonable restrictions on the confidentiality, use, or distribution of books and records and may require, as a condition to producing books and records to a shareholder under any demand under this subsection, that the shareholder agree that any information included in the corporation's books and records is deemed incorporated by reference in any complaint filed by or at the direction of the shareholder in relation to the subject matter referenced in the demand. The corporation may redact portions of any books and records produced to such shareholder under this subsection to the extent the portions so redacted are not specifically related to the shareholder's purpose.

4. This section does not affect:

a. the right of a shareholder to seek discovery of books and records if the shareholder is in litigation with the corporation, to the same extent as any other litigant, or

b. the power of a court, independently of this section, to compel the production of corporate books and records for inspection and to impose reasonable restrictions as provided in paragraph 3 of this subsection, provided that, in the case of production of books and records defined in paragraph 1 of subsection A of this section at the request of a shareholder, the shareholder has met the requirements of this subsection.

5. In every instance where the shareholder is other than a record holder of stock in a stock corporation, or a member of a nonstock corporation, the demand under oath shall state the person's status as a shareholder or member, be accompanied by documentary evidence of beneficial ownership of the stock or beneficial membership, and state that the documentary evidence is a true and correct copy of what it purports to be. ~~A proper purpose shall mean a purpose reasonably related to a person's interest as a shareholder or member.~~

6. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or other writing which authorizes the attorney or other agent to so act on behalf of the shareholder.

7. The demand under oath shall be directed to the corporation at its registered office in this state or at its principal place of business.

C. 1. If the corporation or an officer or agent thereof refuses to permit an inspection sought by a shareholder or attorney or other agent acting for the shareholder pursuant to the provisions of subsection B of this section or does not reply to the demand within five (5) business days after the demand has been made, the shareholder may apply to the district court for an order to compel an inspection. The court may summarily order the corporation to permit the shareholder to inspect the corporation's stock ledger, an existing list of shareholders, and its other books and records, and to make copies or extracts therefrom; or the court may order the corporation to furnish to the shareholder a list of its shareholders as of a specific date on condition that the shareholder first pay to the corporation the reasonable cost of obtaining and furnishing the list and on other conditions as the court deems appropriate.

2. Where the shareholder seeks to inspect the corporation's books and records, other than its stock ledger or list of shareholders, the shareholder shall first establish that:

a. the shareholder is a shareholder,

b. the shareholder has complied with the provisions of this section respecting the form and manner of making demand for inspection of the documents, and

c. the inspection the shareholder seeks is for a proper purpose.

3. Where the shareholder seeks to inspect the corporation's stock ledger or list of shareholders and has complied with the provisions of this section respecting the form and manner of making demand for inspection of the documents, the burden of proof shall be upon the corporation to establish that the inspection the shareholder seeks is for an improper purpose. The court may, in its discretion, prescribe any limitations or conditions upon the inspection, or award other or further relief as the court may deem just and proper. The court may order books, documents, and records, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within this state and kept in this state upon such terms and conditions as the order may prescribe.

D. Any director shall have the right to examine the corporation's stock ledger, a list of its shareholders, ~~and~~ its ~~other~~ books and records, and other corporate records for a purpose reasonably related to his or her position as a director. The district court may summarily order the corporation to permit the director to inspect ~~any and all books and records,~~ the stock ledger, ~~and~~ the list of shareholders, the books and records, and other corporate records and to make copies ~~or extracts therefrom~~. The court, in its discretion, may prescribe any limitations or conditions with reference to the inspection, or award other or further relief as the court may deem just and proper. The burden of proof shall be upon the corporation to establish that the inspection the director seeks is for an improper purpose.

E. Except as otherwise expressly provided in subsection F or subsection G of this section, in any proceeding brought by a shareholder under subsection C of this section to compel the inspection of books and records, the district court shall not order the corporation to produce any records of the corporation other than the books and records set forth in paragraph 1 of subsection A of this section.

F. If the corporation does not have any of the books and records described in subparagraphs c, e, or g in paragraph 1 of subsection A of this section or, in the case of a corporation that has a class of stock listed on a national securities exchange, subparagraph i of paragraph 1 of subsection A of this section, the district court may order the corporation to produce additional records of the corporation constituting the functional equivalent of any such books and records in response to a demand for inspection brought by a shareholder under subsection C of this section only if, and to the extent, the shareholder has met the requirements of subsection B of this section, and only to the extent necessary and essential to fulfill the shareholder's proper purpose.

G. In any proceeding brought by a shareholder under subsection C of this section to compel the inspection of books and records, the district court may order the corporation to produce, in addition to any books and records or other records ordered to be produced under subsection F of this section, other specific records of the corporation only if and to the extent:

1. Such shareholder has met the requirements of subsection B of this section;

2. Such shareholder has made a showing of a compelling need for an inspection of such records to further the shareholder's proper purpose; and

3. Such shareholder has demonstrated by clear and convincing evidence that such specific records are necessary and essential to further such purpose.

H. The district court may impose reasonable restrictions as provided in paragraph 3 of subsection B of this section to any records of the corporation produced under subsection F or subsection G of this section.

SECTION 12. AMENDATORY 18 O.S. 2021, Section 1073, as amended by Section 28, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1073), is amended to read as follows:

Section 1073.

CONSENT OF SHAREHOLDERS IN LIEU OF MEETING

A. Unless otherwise provided for in the certificate of incorporation, any action required by the provisions of the Oklahoma General Corporation Act to be taken at any annual or special meeting of shareholders of a corporation or any action which may be taken at any annual or special meeting of shareholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation in the manner required by this section.

B. Unless otherwise provided for in the certificate of incorporation, any action required by the provisions of the Oklahoma General Corporation Act to be taken at a meeting of the members of a nonstock corporation, or any action which may be taken at any meeting of the members of a nonstock corporation, may be taken without a meeting, without prior notice and without a vote, if a consent or consents, setting forth the action taken, shall be signed by members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members having a right to vote thereon were present and voted and shall be delivered to the corporation in the manner required by this section.

C. A consent must be set forth in writing or in an electronic transmission. No consent shall be effective to take the corporate action referred to therein unless consent signed by a sufficient number of holders or members to take action is delivered to the corporation in the manner required by this section within sixty (60) days of the first date on which a consent is so delivered to the corporation. Any person executing a consent may provide, whether through instruction to an agent or otherwise, that such a consent will be effective at a future time including a time determined upon the happening of an event, no later than sixty (60) days after such instruction is given or such provision is made if evidence of such instruction or provision is provided to the corporation. If the person is not a shareholder or member of record when the consent is executed, the consent shall not be valid unless the person is a shareholder or member of record as of the record date for determining shareholders or members entitled to consent to the action. Unless otherwise provided, any such consent shall be revocable ~~prior to~~ before its becoming effective. All references to a "consent" in this section mean a consent permitted by this section.

D. A consent permitted by this section shall be delivered:

1. To the principal place of business of the corporation;

2. To an officer or agent of the corporation who has custody of the book in which proceedings of meetings of shareholders or members are recorded;

3. To the registered office of the corporation in this state in person or by certified or registered mail, return receipt requested; or

4. In accordance with Section 1014.3 of this title to an information processing system, if any, designated by the corporation for receiving such consents. Consent delivered under this paragraph shall set forth or be delivered with information that enables the corporation to determine the date of delivery of such consent and the identity of the person giving such consent. If such consent is given by a person authorized to act for a shareholder or member as proxy, such consent shall comply with the applicable provisions of paragraphs 2 and 3 of subsection C of Section 1075.2 of this title.

Any copy, facsimile, or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any purposes for which the original writing could be used, provided that the copy, facsimile, or other reliable reproduction shall be a complete reproduction of the entire original writing. A consent may be documented and signed in accordance with Section 1014.3 of this title, and when so documented and signed shall be deemed to be in writing for purposes of this title. If such consent is delivered under paragraph 1, 2, or 3 of this subsection, such consent must be reproduced and delivered in paper form.

E. ~~Prompt~~ If an action by consent under subsections A or B of this section has been taken by shareholders or members by less than unanimous consent, prompt notice of the taking of ~~the corporate action without a meeting by less than unanimous consent~~ the action by consent shall be given to those shareholders or members as of the record date for the action by consent who have not consented and who~~, if the action had been taken at a meeting,~~ would have been entitled to notice of the meeting if the action had been taken at a meeting and the record date for the notice of the meeting ~~had been the date that consents signed by a sufficient number of shareholders or members to take the action were delivered to the corporation as provided in this section~~ were the record date for the action by consent. The notice required by this subsection may be provided by a notice that constitutes a Notice of Internet Availability of Proxy Materials authorized by rules promulgated pursuant to the Securities Exchange Act of 1934. In the event that the action for which consent is given is an action that would have required the filing of a certificate under any other section of this title if the action had been voted on by shareholders or by members at a meeting thereof the certificate filed under the other section shall state, in lieu of any statement required by the section concerning any vote of shareholders or members, that consent has been given in accordance with the provisions of this section.

SECTION 13. AMENDATORY 18 O.S. 2021, Section 1075.2, as amended by Section 29, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1075.2), is amended to read as follows:

Section 1075.2.

ELECTRONIC NOTICE; EFFECTIVENESS; REVOCATION OF CONSENT

A. Without limiting the manner of which notice otherwise may be given effectively to shareholders, any notice to shareholders given by the corporation under any provision of the Oklahoma General Corporation Act, the certificate of incorporation, or the bylaws may be given in writing directed to the shareholder's mailing address or by electronic transmission directed to the shareholder's electronic mail address, as applicable, as it appears on the records of the corporation, and shall be given:

1. If mailed, when the notice is deposited with the United States Postal Service, postage prepaid;

2. If delivered by courier service, the earlier of when the notice is received or left at the shareholder's address; or

3. If given by electronic mail, when directed to such shareholder's electronic mail address unless the shareholder has notified the corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail, or if such notice is prohibited by subsection ~~E~~ D of this section. A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the corporation.

B. Without limiting the manner by which notice otherwise may be given effectively to shareholders, but subject to subsection ~~E~~ D of this section, any notice to shareholders given by the corporation under any provision of this title, the certificate of incorporation, or the bylaws shall be effective if given by a form of electronic transmission consented to by the shareholder to whom the notice is given. Any such consent shall be revocable by the shareholder by written notice or electronic transmission to the corporation. A corporation may give a notice by electronic mail in accordance with subsection A of this section without obtaining the consent required by this subsection.

C. Notice given pursuant to subsection ~~A~~ B of this section shall be deemed given if by:

1. Facsimile telecommunication, when directed to a number at which the shareholder has consented to receive notice;

2. A posting on an electronic network together with separate notice to the shareholder of the specific posting, upon the later of:

a. the posting, and

b. the giving of the separate notice; and

3. Any other form of electronic transmission, when directed to the shareholder.

D. Notwithstanding the provisions of this section, a notice may not be given by an electronic transmission from and after the time that:

1. The corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation; and

2. The inability becomes known to the secretary or assistant secretary of the corporation or to the transfer agent, or other

person responsible for the giving of notice; provided, however, the inadvertent failure to discover such inability shall not invalidate any meeting or other action.

E. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

F. For purposes of the Oklahoma General Corporation Act:

1. "Electronic mail" means an electronic transmission directed to a unique electronic mail address. Electronic mail shall be deemed to include any files attached thereto and any information hyperlinked to a website if such electronic mail includes the contact information of an officer or agent of the corporation who is available to assist with accessing such files and information;

2. "Electronic mail address" means a destination, commonly expressed as a string of characters, consisting of a unique user name or mailbox, commonly referred to as the local part of the address, and a reference to an internet domain, commonly referred to as the domain part of the address, whether or not displayed, to which electronic mail can be sent or delivered; and

3. "Electronic transmission" means any form of communication, not directly involving the physical transmission of paper including the use of, or participation in, one or more electronic networks or

databases including one or more distributed electronic networks or databases, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

G. If a notice is given pursuant to paragraph 1 or 2 of subsection A of this section, each document enclosed, annexed, or appended shall be deemed part of the notice solely for purposes of determining whether notice was fully given under this title, the certificate of incorporation, or bylaws.

H. No provision of this section, except for paragraph 1 of subsection A or paragraphs 1 and 2 of subsection D of this section, shall apply to Sections 1045, 1111, 1119, or 1123 of this title.

SECTION 14. AMENDATORY 18 O.S. 2021, Section 1077, is amended to read as follows:

Section 1077.

AMENDMENT OF CERTIFICATE OF INCORPORATION AFTER RECEIPT OF PAYMENT FOR STOCK - NONSTOCK CORPORATIONS

A. 1. After a corporation has received payment for any of its capital stock, or after a nonstock corporation has members, it may amend its certificate of incorporation, from time to time, in any and as many respects as may be desired, so long as its certificate of incorporation as amended would contain only such provisions as it would be lawful and proper to insert in an original certificate of incorporation filed at the time of the filing of the amendment; and if a change in stock or the rights of shareholders, or an exchange, reclassification, subdivision, combination, or cancellation of stock or rights of shareholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, subdivision, combination, or cancellation. In particular, and without limitation upon the general power of amendment, a corporation may amend its certificate of incorporation, from time to time, so as:

a. to change its corporate name,

b. to change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes,

c. to increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares or by subdividing or combining the ~~outstanding~~ issued shares of any class or series of a class of shares into a greater or lesser number of ~~outstanding~~ issued shares,

d. to cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared,

e. to create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued,

f. to change the period of its duration, or

g. to delete:

(1) such provisions of the original certificate of incorporation which named the incorporator or incorporators, the initial board of directors and the original subscribers for shares, and

(2) such provisions contained in any amendment to the certificate of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective.

2. Any or all changes or alterations provided for in paragraph 1 of this subsection may be effected by one certificate of amendment.

B. Every amendment authorized by the provisions of subsection A of this section shall be made and effected in the following manner:

1. If the corporation has capital stock, its board of directors shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the shareholders entitled to vote in respect thereof for the consideration of the amendment or directing that the amendment proposed be considered at the next annual meeting of shareholders~~; provided, however, that unless otherwise expressly required by the certificate of incorporation, no meeting or vote of shareholders shall be required to adopt an amendment that effects only changes described in paragraph (a) or (g) of subsection A of this section~~. The special or annual meeting shall be called and held upon notice in accordance with the provisions of Section 1067 of this title. The notice shall set forth the amendment in full or a brief summary of the changes to be effected thereby, unless such notice constitutes a ~~notice~~ Notice of Internet ~~availability~~ Availability of ~~proxy materials~~ Proxy Materials under the rules promulgated under the Securities Exchange Act of 1934. At the meeting a vote of the shareholders entitled to vote thereon shall be taken for and against any proposed amendment that requires adoption by shareholders. If no vote of shareholders is required to effect such amendment, or if a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote

thereon as a class, has been voted in favor of the amendment, a certificate setting forth the amendment and certifying that the amendment has been duly adopted in accordance with the provisions of this section shall be executed, acknowledged and filed and shall become effective in accordance with the provisions of Section 1007 of this title.

2. The holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote thereon by the provisions of the certificate of incorporation, if the amendment would increase or decrease the aggregate number of authorized shares of the class, increase or decrease the par value of the shares of the class, or alter or change the powers, preferences or special rights of the shares of the class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences or special rights of one or more series of any class so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for the purposes of this paragraph. The number of authorized shares of any such class or classes of stock may be increased or decreased, but not below the number of shares thereof then outstanding, by the affirmative vote of the holders of a majority of the stock of the corporation entitled to vote irrespective of the provisions of this paragraph, if so provided in the original

certificate of incorporation, in any amendment thereto which created the class or classes of stock or which was adopted ~~prior to~~ before the issuance of any shares of the class or classes of stock, or in any amendment thereto which was authorized by a resolution or resolutions adopted by the affirmative vote of the holders of a majority of the class or classes of stock.

3. If the corporation is a nonstock corporation, then the governing body thereof shall adopt a resolution setting forth the amendment proposed and declaring its advisability. If a majority of all the members of the governing body shall vote in favor of the amendment, a certificate thereof shall be executed, acknowledged and filed and shall become effective in accordance with the provisions of Section 1007 of this title. The certificate of incorporation of any nonstock corporation may contain a provision requiring an amendment thereto to be approved by a specified number or percentage of the members or of any specified class of members of the corporation in which event the proposed amendment shall be submitted to the members or to any specified class of members of the corporation in the same manner, so far as applicable, as is provided for in this section for an amendment to the certificate of incorporation of a stock corporation; and in the event of the adoption thereof by the members, a certificate evidencing the amendment shall be executed, acknowledged and filed and shall become

effective in accordance with the provisions of Section 1007 of this title.

4. Whenever the certificate of incorporation shall require action by the board of directors of a corporation other than a nonstock corporation or by the governing body of a nonstock corporation, by the holders of any class or series of shares or by the members, or by the holders of any other securities having voting power, the vote of a greater number or proportion than is required by the provisions of the Oklahoma General Corporation Act, the provision of the certificate of incorporation requiring a greater vote shall not be altered, amended, or repealed except by a greater vote.

C. The resolution authorizing a proposed amendment to the certificate of incorporation may provide that at any time ~~prior to~~ before the effectiveness of the filing of the amendment with the Secretary of State, notwithstanding authorization of the proposed amendment by the shareholders of the corporation or by the members of a nonstock corporation, the board of directors or governing body may abandon the proposed amendment without further action by the shareholders or members.

D. Notwithstanding the provisions of subsection B of this section, unless otherwise expressly required by the certificate of incorporation:

1. No meeting or vote of shareholders shall be required to adopt an amendment that:

a. affects only changes described in subparagraphs a or g of paragraph 1 of subsection A of this section, or

b. reclassifies by subdividing the issued shares of a class of stock into a greater number of issued shares of the same class of stock and, in connection therewith, such amendment may increase the number of authorized shares of such class of stock up to an amount proportionate to the subdivision, provided the corporation has only one class of stock outstanding and such class is not divided into series; and

2. An amendment to increase or decrease the authorized number of shares of a class of capital stock or an amendment to reclassify by combining the issued shares of a class of capital stock into a lesser number of issued shares of the same class of stock may be made and effected, without obtaining the vote or votes of shareholders otherwise required by subsection B of this section if:

a. the shares of such class are listed on a national securities exchange immediately before such amendment becomes effective and meet the listing requirements of such national securities exchange relating to the minimum number of holders immediately after such amendment becomes effective,

b. at a meeting called in accordance with paragraph 1 of subsection B of this section, a vote of the shareholders entitled to vote thereon, voting as a single class, is taken for and against the proposed amendment, and the votes cast for the amendment exceed the votes cast against the amendment, and

c. if the amendment increases or decreases the authorized number of shares of a class of capital stock for which no provision has been made under the last sentence of paragraph 2 of subsection B of this section, the votes cast for the amendment by the holders of such class exceed the votes cast against the amendment by the holders of such class.

SECTION 15. AMENDATORY 18 O.S. 2021, Section 1089, is amended to read as follows:

Section 1089.

POWERS OF CORPORATION SURVIVING OR RESULTING FROM MERGER OR CONSOLIDATION OR UPON CONVERSION; ISSUANCE OF STOCK, BONDS OR OTHER INDEBTEDNESS

A. When two or more corporations are merged or consolidated, or an entity is converted to a domestic corporation, the corporation surviving or resulting from the merger or consolidation or upon conversion may issue bonds or other obligations, negotiable or otherwise, and with or without coupons or interest certificates thereto attached, to an amount sufficient with its capital stock to provide for all payments it will be required to make, or obligations it will be required to assume, in order to effect the merger, ~~or~~ consolidation, or conversion.

B. For the purpose of securing the payment of any ~~such~~ bonds and obligations~~, it shall be lawful for~~ issued pursuant to subsection A of this section, the surviving ~~or~~, resulting, or converted corporation ~~to~~ may mortgage its corporate franchise, rights, privileges, and property, real, personal or mixed.

C. The surviving ~~or~~, resulting, or converted corporation may ~~issue certificates~~ take any of the following actions in order to effect the merger or consolidation in the manner and on the terms specified in the agreement or in order to effect the conversion in the manner and on the terms, under a plan of conversion, approved by the other entity, as applicable:

1. Issue shares of its capital stock ~~or uncertificated stock if authorized to do so and other securities to the shareholders of the constituent corporations in exchange or payment for the original shares, in such amount as shall be necessary in accordance with the terms of the agreement of merger or consolidation in order to effect such merger or consolidation in the manner and on the terms specified in the agreement~~ and other securities upon conversion or for the shares, rights, or securities of or interests in any constituent corporation or other converting entity, or

2. Cancel any shares, rights, securities, or interests.

SECTION 16. AMENDATORY 18 O.S. 2021, Section 1090, is amended to read as follows:

Section 1090.

REMEDIES; APPOINTMENT OF SHAREHOLDER REPRESENTATIVES; EFFECT OF MERGER UPON PENDING ACTIONS

A. Except for a merger effected under subsection G of Section 1081 of this title, any agreement of merger or consolidation governed by Sections 1081, 1082, 1084, 1085, 1086, 1087, 1090.1, or 1090.2 of this title may provide:

1. That:

a. a party to the agreement that fails to perform its obligations under the agreement in accordance with the terms and conditions of the agreement, or that otherwise fails to comply with the terms and conditions of the agreement, in each case, required to be performed or complied with before the time the merger or consolidation becomes effective, or that otherwise fails to consummate or fails to cause the consummation of the merger or consolidation, whether before a specified date, upon satisfaction or, to the extent permitted by law, waiver of all conditions to the consummation set forth in the agreement, or otherwise, shall be subject, in addition to any other remedies available at law or in equity, to such penalties or consequences as are set forth in the agreement of merger or consolidation, which penalties or consequences may include an obligation to pay to the other party or parties to the agreement an amount representing, or based on the loss of, any premium or other economic entitlement the shareholders of the other party would be entitled to receive under the terms of the agreement if the merger or consolidation were consummated in accordance with the terms of the agreement, and

b. if, under the terms of the agreement, a corporation is entitled to receive payment from another party to an agreement of merger or consolidation of any amount representing a penalty or consequence, as specified in subparagraph a of this paragraph, the corporation shall be entitled to enforce the other party's payment obligation and, upon receipt of any payment, shall be entitled to retain the amount of the payment received; and

2. a. For the appointment, at or after the time at which the agreement of merger or consolidation is adopted by the shareholders of a constituent corporation to the merger or consolidation in accordance with the

requirements of the Oklahoma General Corporation Act, of one or more persons, which may include the surviving or resulting entity or any officer, manager, representative or agent thereof, as representative of the shareholders of a constituent corporation of this state, including those whose shares of capital stock shall be canceled, converted, or exchanged in the merger or consolidation and for the delegation to such person or persons of the sole and exclusive authority to take action on behalf of the shareholders under the agreement, including taking such actions as the representative determines to enforce, including by entering into settlements with respect to, the rights of the shareholders under the agreement of merger or consolidation, on the terms and subject to the conditions set forth in the agreement,

b. That any appointment under subparagraph a of this paragraph shall be irrevocable and binding on all the shareholders from and after the adoption of the agreement of merger or consolidation by the requisite vote of the shareholders under the Oklahoma General Corporation Act, and

c. That any provision adopted under this paragraph may not be amended after the merger or consolidation has become effective or may be amended only with the consent or approval of persons specified in the agreement of merger or consolidation.

B. Any provision of the agreement of merger or consolidation adopted under subsection A of this section may be made dependent upon facts including, but not limited to, the occurrence of any event, including a determination or action by any person or body including the corporation, ascertainable outside of the agreement, provided that the manner in which the facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation.

C. Any action or proceeding, whether civil, criminal or administrative, pending by or against any corporation which is a party to a merger or consolidation shall be prosecuted as if such merger or consolidation had not taken place, or the corporation surviving or resulting from such merger or consolidation may be substituted in such action or proceeding.

SECTION 17. AMENDATORY 18 O.S. 2021, Section 1090.4, as amended by Section 31, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1090.4), is amended to read as follows:

Section 1090.4.

CONVERSION OF AN ENTITY TO A DOMESTIC CORPORATION

A. As used in this section, the term “entity” means a domestic or foreign partnership, whether general or limited and including a limited liability partnership and a limited liability limited partnership, a foreign corporation including a public benefit corporation, a domestic or foreign limited liability company including a public benefit limited liability company, and any unincorporated nonprofit or for-profit association, trust or enterprise having members or having outstanding shares of stock or other evidences of financial, beneficial or membership interest therein, whether formed by agreement or under statutory authority or otherwise and whether formed or organized under the laws of this state or the laws of any other jurisdiction.

B. Any entity may convert to a domestic corporation by complying with subsection G of this section and filing in the office of the Secretary of State a certificate of conversion that has been executed in accordance with subsection H of this section and filed in accordance with Section 1007 of this title, to which shall be attached, a certificate of incorporation that has been prepared, executed and acknowledged in accordance with Section 1007 of this title. Each of the certificates required by this subsection shall be filed simultaneously in the office of the Secretary of State <u>and, if such certificates are not to become effective upon their filing as permitted by Section 1007 of this title, then each such certificate shall provide for the same future effective date or time in accordance with Section 1007 of this title</u>.

C. The certificate of conversion to a corporation shall state:

1. The date on which the entity was first formed;

2. The name, jurisdiction of formation or organization, and type of entity of the entity when formed and, if changed, its name, jurisdiction and type of entity immediately before the filing of the certificate of conversion;

3. The name of the corporation as set forth in its certificate of incorporation filed in accordance with subsection B of this section; and

4. The future effective date or time, which shall be a date or time certain not later than ninety (90) days after the filing, of the conversion to a corporation if the conversion is not to be effective upon the filing of the certificate of conversion and the certificate of incorporation provides for the same future effective date as authorized in subsection D of Section 1007 of this title.

D. Upon the effective date or time of the certificate of conversion and the certificate of incorporation, the entity shall be converted to a domestic corporation and the corporation shall thereafter be subject to all of the provisions of this title, except that notwithstanding Section 1007 of this title, the existence of the corporation shall be deemed to have commenced on the date the entity commenced its existence.

E. The conversion of any entity to a domestic corporation shall not be deemed to affect any obligations or liabilities of the entity incurred before its conversion to a domestic corporation or the personal liability of any person incurred before such conversion.

F. When an entity has converted to a domestic corporation under this section, the domestic corporation shall be deemed to be the same entity as the converting entity. All of the rights, privileges and powers of the entity that has converted, and all property, real, personal and mixed, and all debts due to the entity, as well as all other things and causes of action belonging to the entity, shall remain vested in the domestic corporation to which the entity has converted and shall be the property of the domestic corporation and the title to any real property vested by deed or otherwise in the entity shall not revert or be in any way impaired by reason of the conversion; but all rights of creditors and all liens upon any property of the entity shall be preserved unimpaired, and all debts, liabilities and duties of the entity that has converted shall remain attached to the domestic corporation to which the entity has converted, and may be enforced against it to the same extent as if the debts, liabilities and duties had originally been incurred or contracted by it in its capacity as a domestic corporation. The rights, privileges, powers and interests in property of the entity, as well as the debts, liabilities and duties of the entity, shall not be deemed, as a consequence of the conversion, to have been transferred to the domestic corporation to which the entity has converted for any purpose of the laws of this state.

G. Unless otherwise agreed or otherwise provided by any laws of this state applicable to the converting entity, the converting entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the conversion shall not be deemed to constitute a dissolution of such entity and shall constitute a continuation of the existence of the converting entity in the form of a domestic corporation.

H. Before the time a certificate of conversion becomes effective in accordance with Section 1007 of this title, the conversion shall be approved in the manner provided for by the document, instrument, agreement or other writing, as the case may be, governing the internal affairs of the entity and the conduct of its business or by applicable law, as appropriate, and a certificate of incorporation shall be approved by the same authorization required to approve the conversion.

I. The certificate of conversion to a corporation shall be signed by an officer, director, trustee, manager, partner or other person performing functions equivalent to those of an officer or director of a domestic corporation, however named or described, and who is authorized to sign the certificate of conversion on behalf of the entity.

J. In a conversion of an entity to a domestic corporation under this section, rights or securities of, or memberships or membership, economic or ownership interests in, the entity which is to be converted to a domestic corporation may be exchanged for or converted into cash, property or shares of stock, rights or securities of the domestic corporation or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property or shares of stock, rights or securities of or interests in another domestic corporation or entity or may be canceled.

K. In connection with a conversion under this section, the other converting entity may adopt a plan of conversion that may state:

1. The terms and conditions of the conversion;

2. That the certificate of incorporation of the converted corporation of this state shall be as set forth in attachment to the plan of conversion;

3. The manner, if any, of exchanging or converting shares of stock, rights or securities of, or interests in, the other entity that is to be converted to a corporation of this state, in accordance with subsection J of this section;

4. Any corporate action to be taken by the converted corporation of this state in connection with the conversion of the other entity, each of which shall require approval in accordance with all laws applicable to the other entity, including any approval required under such applicable law for the authorization of the type of corporate action specified in the plan of conversion;

5. Any details or provisions as are deemed desirable; and

6. Such other provisions or facts as shall be required to be set forth in a plan of conversion by the laws applicable to the other entity. Any of the terms of the plan of conversion may be made dependent upon facts ascertainable outside of such plan, provided that the manner in which such facts shall operate upon the terms of the plan of conversion is clearly and expressly set forth in the plan of conversion. As used in this paragraph, "facts" includes, but is not limited to, the occurrence of any event, including a determination, or action by any person or body, including the other entity or the converted corporation.

L. Any corporate action to be taken by the converted corporation of this state in connection with the conversion of the other entity that is set forth in a plan of conversion approved in the manner provided for by subsection K of this section and that is within the power of a corporation under the Oklahoma General Corporation Act shall be deemed authorized, adopted, and approved, as applicable, by the converted corporation of this state and the board of directors, shareholders, or members of the corporation, as applicable, and shall not require any further action of the board of directors, shareholders, or members of the corporation under the Oklahoma General Corporation Act. In the event that any such action requires the filing of a certificate under any other section of the Oklahoma General Corporation Act, the certificate shall state that in accordance with this section, no action by the board of directors, shareholders, or members, or as otherwise required by such other section of the Oklahoma General Corporation Act, is required.

SECTION 18. AMENDATORY 18 O.S. 2021, Section 1090.5, as amended by Section 32, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1090.5), is amended to read as follows:

Section 1090.5.

CONVERSION OF DOMESTIC CORPORATION TO AN ENTITY

A. A domestic corporation may, upon the authorization of such conversion in accordance with this section, convert to an entity. As used in this section, the term “entity” means a domestic or foreign partnership, whether general or limited, and including a limited liability partnership and a limited liability limited partnership, a foreign corporation including a public benefit corporation, a domestic or foreign limited liability company including a public benefit limited liability company, and any unincorporated nonprofit or for-profit association, trust or enterprise having members or having outstanding shares of stock or other evidences of financial, beneficial or membership interest therein, whether formed by agreement or under statutory authority or otherwise and whether formed or organized under the laws of this state or the laws of any other jurisdiction.

B. The board of directors of the corporation which desires to convert under this section shall adopt a resolution approving such conversion, specifying the type of entity into which the corporation shall be converted and recommending the approval of the conversion by the shareholders of the corporation. <u>If a plan of conversion is to be adopted in accordance with subsection K of this section, such plan shall be approved together with the resolution approving the conversion.</u> The resolution shall be submitted to the shareholders of the corporation at an annual or special meeting. Due notice of the time and purpose of the meeting shall be mailed to each holder of shares, whether voting or nonvoting, of the corporation at the address of the shareholder as it appears on the records of the corporation, at least twenty (20) days prior to the date of the meeting. At the meeting, the resolution shall be considered and a vote taken for its adoption or rejection. If a majority of the outstanding shares of stock of the corporation entitled to vote shall vote for the adoption of the resolution, the conversion shall be authorized provided that, if the corporation is converting to a partnership having one or more general partners, then in addition to such approval, authorization of the conversion shall require approval of each shareholder of the corporation who will become a general partner of such partnership as a result of the conversion.

C. If the corporation has converted in accordance with this section ~~and the governing act of the domestic entity to which the corporation is converting does not provide for the filing of a conversion notice with the Secretary of State or the corporation is~~

~~converting~~ to a foreign entity, the corporation shall file with the Secretary of State a certificate of conversion executed in accordance with Section 1007 of this title which certifies:

1. The name of the corporation and, if it has been changed, the name under which it was originally incorporated;

2. The date of filing of its original certificate of incorporation with the Secretary of State;

3. The name of the entity to which the corporation shall be converted, its jurisdiction of formation if a foreign entity, and the type of entity;

4. That the conversion has been approved in accordance with the provisions of this section;

5. The future effective date or time of the conversion to an entity, which shall be a date or time certain not later than ninety (90) days after the filing, if it is not to be effective upon the filing of the certificate of conversion;

6. The agreement of the foreign entity that it may be served with process in this state in any action, suit or proceeding for enforcement of any obligation of the foreign entity arising while it was a domestic corporation and for enforcement of any obligation of such other entity arising from the conversion including any suit or other proceeding to enforce the right of any shareholders as determined in appraisal proceedings under Section 1091 of this title, and that it irrevocably appoints the Secretary of State as

its agent to accept service of process in any such action, suit or proceeding;

7. The address to which a copy of the process referred to in this subsection shall be mailed by the Secretary of State. In the event of such service upon the Secretary of State in accordance with the provisions of Section 2004 of Title 12 of the Oklahoma Statutes, the Secretary of State shall immediately notify such corporation that has converted out of this state by letter, certified mail, return receipt requested, directed to the corporation at the address specified unless the corporation shall have designated in writing to the Secretary of State a different address for this purpose, in which case it shall be mailed to the last address so designated. The notice shall include a copy of the process and any other papers served on the Secretary of State pursuant to the provisions of this subsection. It shall be the duty of the plaintiff in the event of such service to serve process and any other papers in duplicate, to notify the Secretary of State that service is being effected pursuant to the provisions of this subsection, and to pay the Secretary of State the fee provided for in paragraph 7 of subsection A of Section 1142 of this title, which fee shall be taxed as part of the costs in the proceeding. The Secretary of State shall maintain an alphabetical record of any such service setting forth the name of the plaintiff and the defendant, the title, docket number, and nature of the proceeding in which process has been served upon the

Secretary of State, the fact that service has been effected pursuant to the provisions of this subsection, the return date thereof, and the date service was made. The Secretary of State shall not be required to retain such information longer than five (5) years from receipt of the service of process by the Secretary of State; and

8. ~~If the entity to which the corporation is converting was required to make a filing with the Secretary of State as a condition of its formation, the type and date of such filing~~ If a plan of conversion is adopted in accordance with subsection K of this section, that all provisions of the plan of conversion shall be approved in accordance with this section.

D. Upon the filing of a certificate of conversion ~~notice~~ with the Secretary of State, whether under subsection C of this section or under the governing act of the domestic entity to which the corporation is converting, the filing of any formation document required by the governing act of the domestic entity to which the corporation is converting, and payment to the Secretary of State of all prescribed fees, the corporation shall cease to exist as a domestic corporation at the time the certificate of conversion becomes effective in accordance with Section 1007 of this title. A copy of the certificate of conversion issued by the Secretary of State shall be prima facie evidence of the conversion by the corporation.

E. The conversion of a domestic corporation under this section and the resulting cessation of its existence as a domestic corporation shall not be deemed to affect any obligations or liabilities of the corporation incurred before such conversion or the personal liability of any person incurred before the conversion, nor shall it be deemed to affect the choice of law applicable to the corporation with respect to matters arising before the conversion.

F. Unless otherwise provided in a resolution of conversion adopted in accordance with this section, the converting corporation shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the conversion shall not constitute a dissolution of such corporation.

G. In a conversion of a domestic corporation to an entity under this section, shares of stock of the converting domestic corporation may be exchanged for or converted into cash, property, shares of stock, rights or securities of, or memberships or membership, economic or ownership interests in, the entity to which the domestic corporation is being converted or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, shares of stock, rights or securities of, or interests in, another corporation or entity or may be canceled.

H. When a corporation has converted to an entity under this section, the entity shall be deemed to be the same entity as the corporation. All of the rights, privileges and powers of the corporation that has converted, and all property, real, personal and mixed, and all debts due to the corporation, as well as all other things and causes of action belonging to the corporation, shall remain vested in the entity to which the corporation has converted and shall be the property of the entity, and the title to any real property vested by deed or otherwise in the corporation shall not revert or be in any way impaired by reason of the conversion; but all rights of creditors and all liens upon any property of the corporation shall be preserved unimpaired, and all debts, liabilities and duties of the corporation that has converted shall remain attached to the entity to which the corporation has converted, and may be enforced against it to the same extent as if the debts, liabilities and duties had originally been incurred or contracted by it in its capacity as the entity. The rights, privileges, powers and interest in property of the corporation that has converted, as well as the debts, liabilities and duties of the corporation, shall not be deemed, as a consequence of the conversion, to have been transferred to the entity to which the corporation has converted for any purpose of the laws of this state.

I. No vote of shareholders of a corporation shall be necessary to authorize a conversion if no shares of the stock of the corporation shall have been issued before the adoption by the board of directors of the resolution approving the conversion.

J. Nothing in this section shall be deemed to authorize the conversion of a charitable nonstock corporation into another entity, if the charitable status of such charitable nonstock corporation would thereby be lost or impaired.

K. In connection with a conversion under this section, the converting corporation may adopt a plan of conversion that may state:

1. The terms and conditions of the conversion;

2. That the document, instrument, agreement, or other writing governing the internal affairs of the entity to which the converting corporation is being converted to and the conduct of its business shall be as set forth in an attachment to the plan of conversion;

3. The manner, if any, of exchanging or converting shares of stock of the converting corporation that are to be exchanged for or converted into cash, property, shares of stock, rights, or securities of, or interests in, the entity to which the corporation of this state is being converted or, in addition to or in lieu thereof, cash, property, shares of stock, rights, or securities of, or interests in, another domestic corporation or other entity or canceling such shares, in accordance with subsection G of this section;

4. Any details or provisions as are deemed desirable; and

5. Such other provisions or facts as shall be required to be set forth in a plan of conversion by the laws applicable to the

entity to which the domestic corporation is being converted. Any of the terms of the plan of conversion may be made dependent upon facts ascertainable outside of such plan, provided that the manner in which such facts shall operate upon the terms of the plan of conversion is clearly and expressly set forth in the plan of conversion. As used in this paragraph, “facts” includes, but is not limited to, the occurrence of any event, including a determination, or action by any person or body, including the entity to which the domestic corporation is being converted or the converting corporation.

SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1090.6 of Title 18, unless there is created a duplication in numbering, reads as follows:

AMENDMENTS TO CERTIFICATE OF INCORPORATION OF THE SURVIVING CORPORATION; DISCLOSURE SCHEDULES

A. If an agreement of merger entered into under any provision of the Oklahoma General Corporation Act, other than subsection G of Section 1081 of Title 18 of the Oklahoma Statutes, provides, with respect to any constituent corporation, that all of the shares of capital stock of the constituent corporation issued and outstanding immediately before the time at which the merger becomes effective shall be converted into or exchanged for cash, property, rights, or securities, excluding stock of the surviving corporation, then, notwithstanding any other provision of the Oklahoma General Corporation Act, with respect to the constituent corporation:

1. The agreement of merger as approved by the board of directors shall not be required to include any provision regarding the certificate of incorporation of the surviving corporation in order for the agreement of merger to be considered in final form or substantially final form;

2. Any amendment or amendment and restatement of the certificate of incorporation of the surviving corporation may be adopted by the board of directors of the constituent corporation or any person acting at the direction thereof, or if under the terms of the agreement of merger the shares or equity interests of a constituent entity are to be converted into all of the shares of capital stock of the surviving corporation, the board of directors or governing body of the constituent entity or other person acting at the direction thereof; and

3. No alteration or change of the certificate of incorporation shall be deemed to constitute an amendment to the agreement of merger.

B. Unless otherwise expressly provided by an agreement of merger or consolidation, any disclosure letter, disclosure schedules, or similar documents or instruments delivered in connection with the agreement that modify, supplement, qualify, or make exceptions to representations, warranties, covenants, or conditions contained in the agreement shall not be deemed part of the agreement for purposes of any provision of the Oklahoma General Corporation Act but shall have the effects provided in the agreement.

SECTION 20. AMENDATORY 18 O.S. 2021, Section 1093, is amended to read as follows:

Section 1093.

MORTGAGE OR PLEDGE OF ASSETS

A. The authorization or consent of shareholders to the mortgage or pledge of a corporation's property and assets shall not be necessary, except to the extent that the certificate of incorporation otherwise provides.

B. Without limiting the rights of a secured party under applicable law, no resolution by shareholders shall be required by subsection A of Section 1092 of this title for a sale, lease, or exchange of property or assets if such property or assets are collateral that secures a mortgage or are pledged to a secured party and either:

1. The secured party exercises its rights under the law governing such mortgage or pledge or other applicable law, whether under the Uniform Commercial Code - Secured Transactions, a real property law, or other law, to effect such sale, lease, or exchange without the consent of the corporation; or

2. In lieu of the secured party exercising such rights, the board of directors of the corporation authorizes an alternative sale, lease, or exchange of such property or assets, whether with the secured party or with another person, that results in the reduction or elimination of the total liabilities or obligations secured by such property or assets, provided that:

a. the value of such property or assets is less than or equal to the total amount of such liabilities or obligations being eliminated or reduced, and

b. such sale, lease, or exchange is not prohibited by the law governing the mortgage or pledge.

The provision of consideration to the corporation or to its shareholders shall not create a presumption that the value of such property or assets is greater than the total amount of such liabilities or obligations being eliminated or reduced.

C. A failure to satisfy the requirements in subparagraph a of paragraph 2 of subsection B of this section shall not result in the invalidation of a sale, lease, or exchange if the transferee of the property or assets provided value therefor, which may include the reduction or elimination of the total liabilities or obligations secured by such property or assets, and acted in good faith, as defined in paragraph (20) of subsection (b) of Section 1-201 of Title 12A of the Oklahoma Statutes. This subsection shall not apply to a proceeding against the corporation and any other necessary parties to enjoin such sale, lease, or exchange before the consummation thereof and shall not eliminate any liability for monetary damages for any claim, including a claim in the right of the corporation, based upon a violation of fiduciary duty by a current or former director, officer, or shareholder.

D. Any provision of a certificate of incorporation that requires the authorization or consent of shareholders for a sale, lease, or exchange of property or assets shall not apply to a transaction permitted by subsection B of this section unless such provision expressly requires. This subsection shall apply only to certificates of incorporation provisions that become effective on or after the effective date of this act.

SECTION 21. AMENDATORY 18 O.S. 2021, Section 2001, as amended by Section 2, Chapter 121, O.S.L. 2024 (18 O.S. Supp. 2025, Section 2001), is amended to read as follows:

Section 2001.

DEFINITIONS

As used in the Oklahoma Limited Liability Company Act, unless the context otherwise requires:

1. "Articles of organization" means documents filed for the purpose of forming a limited liability company, and the articles as amended;

2. "Bankrupt" means bankrupt under the United States Bankruptcy Code, as amended, or insolvent under any state insolvency act;

3. "Business" means any trade, occupation, profession or other activity regardless of whether engaged in for gain, profit or livelihood;

4. "Capital contribution" means anything of value that a person contributes to the limited liability company as a prerequisite for, or in connection with, membership including cash, property, services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services;

5. "Capital interest" means the fair market value as of the date contributed of a member's capital contribution as adjusted for any additional capital contributions or withdrawals, a person's share of the profits and losses of a limited liability company and a person's right to receive distributions of the limited liability company's assets;

6. "Charitable entity" means any nonprofit limited liability company or other entity that is exempt from taxation under ~~Section 501(c)(3) of the United States Internal Revenue Code,~~ 26 U.S.C., Section 501(c)(3), or any successor provisions;

7. "Corporation" means a corporation organized under the laws of this state or the laws of any jurisdiction other than this state;

8. "Court" includes every court and judge having jurisdiction in the case;

9. "Document" means:

a. any tangible medium on which information is inscribed including handwritten, typed, printed, or similar instruments and copies of such instruments, and

b. an electronic transmission;

10. "Electronic transmission" means any form of communication not directly involving the physical transmission of paper including the use of or participation in one or more electronic networks or databases, including one or more distributed electronic networks or databases, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process;

11. "Foreign corporation" means a corporation organized under the laws of any jurisdiction other than this state;

12. "Foreign limited liability company" means:

a. an unincorporated association,

b. formed under the laws of any jurisdiction other than this state, and

c. formed under a statute pursuant to which an association may be formed that affords to each of its members limited liability with respect to the liabilities of the entity;

13. "Foreign limited partnership" means a limited partnership formed under the laws of any jurisdiction other than this state;

14. “Jurisdiction”, when used to refer to a political entity, means the United States, a state, a tribal government, a foreign country or a political subdivision of a foreign country;

15. “Limited liability company” or “domestic limited liability company” means an entity formed under the Oklahoma Limited Liability Company Act and existing under the laws of this state;

16. “Limited partnership” means a limited partnership formed under the laws of this state or a foreign limited partnership as defined in this section;

17. “Manager” or “managers” means a person or persons designated by the members of a limited liability company to manage the limited liability company as provided in the articles of organization or an operating agreement and includes a manager of the limited liability company generally and a manager associated with a series of the limited liability company. Unless the context otherwise requires, references in this act to a manager shall be deemed to be references to a manager of the limited liability company generally and to a manager associated with a series with respect to such series;

18. “Member” means a person with an ownership interest in a limited liability company, with the rights and obligations specified under the Oklahoma Limited Liability Company Act and includes a member of the limited liability company generally and a member associated with a series of the limited liability company. Unless

the context otherwise requires, references in this act to a member shall be deemed to be references to a member of the limited liability company generally and to a member associated with a series with respect to such series;

19. "Membership interest" or "interest" means a member's rights in the limited liability company, collectively including the member's share of the profits and losses of the limited liability company, the right to receive distributions of the limited liability company's assets and capital interest, any right to vote or participate in management and such other rights accorded to members under the articles of organization, operating agreement or the Oklahoma Limited Liability Company Act;

20. "Operating agreement", regardless of whether referred to as an operating agreement and whether oral, in a record, implied or in any combination thereof, means any agreement of the members, including a sole member, as to the affairs of a limited liability company including any protected series or registered series thereof and the conduct of its business including the agreement as amended or restated;

21. "Person" means an individual, a general partnership, a limited partnership, a limited liability company, a trust, an estate, an association, a corporation or any other legal or commercial entity;

22. "Protected series" means a designated series of members, managers, membership interests, or assets that is established in accordance with Section 2054.4 of this title;

23. "Registered series" means a designated series of members, managers, membership interests, or assets that is formed in accordance with Section ~~14~~ 2054.5 of this ~~act~~ title; and

24. "State" means a state, territory or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

SECTION 22. AMENDATORY Section 17, Chapter 121, O.S.L. 2024 (18 O.S. Supp. 2025, Section 2054.8), is amended to read as follows:

Section 2054.8.

MERGER AND CONSOLIDATION OF REGISTERED SERIES

A. Under an agreement of merger or consolidation, one or more registered series may merge or consolidate with or into one or more other registered series of the same limited liability company with such registered series as the agreement shall provide being the surviving or resulting registered series. Unless otherwise provided in the operating agreement, an agreement of merger or consolidation shall be approved by each registered series which is to merge or consolidate by members of the registered series who own a majority of the then current percentage or other interest in the profits of the registered series owned by all of the members of the registered series. In connection with a merger or consolidation hereunder, rights or securities of, or interests in, a registered series which is a constituent party to the merger or consolidation may be exchanged for or converted into cash, property, rights, or securities of, or interests in, the surviving or resulting registered series or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights, or securities of, or interests in, a domestic limited liability company or other business entity which is not the surviving or resulting registered series in the merger or consolidation, may remain outstanding, or may be canceled. Notwithstanding prior approval, an agreement of merger or consolidation may be terminated or amended under a provision for such termination or amendment contained in the agreement of merger or consolidation.

B. If a registered series is merging or consolidating under this section, the registered series surviving or resulting in or from the merger or consolidation shall file articles of merger or consolidation of registered series executed by one or more authorized persons on behalf of the registered series when it is the surviving or resulting registered series in the Office of the Secretary of State. The articles of merger or consolidation of registered series shall state:

1. The name of each registered series which is to merge or consolidate and the name of the limited liability company that formed the registered series;

2. That an agreement of merger or consolidation has been approved and executed by or on behalf of each registered series which is to merge or consolidate;

3. The name of the surviving or resulting registered series;

4. Such ~~amendment~~ amendments, if any, to the articles of registered series ~~of the registered series~~ that is the surviving registered series ~~to change the name of the surviving registered series,~~ as ~~is~~ are desired to be effected by the merger. Such amendments may amend and restate the articles of registered series of the surviving registered series in its entirety;

5. The future effective date or time, which shall be a date or time certain, of the merger or consolidation if it is not to be effective upon the filing of the articles of merger or consolidation of registered series;

6. That the agreement of merger or consolidation is on file at a place of business of the surviving or resulting registered series or the limited liability company that formed such registered series, and shall state the address thereof; and

7. That a copy of the agreement of merger or consolidation will be furnished by the surviving or resulting registered series, on

request and without cost, to any member of any registered series which is to merge or consolidate.

C. Unless a future effective date or time is provided in articles of merger or consolidation of registered series, a merger or consolidation under this section shall be effective upon the filing in the Office of the Secretary of State of articles of merger or consolidation of registered series.

D. Articles of merger or consolidation of registered series cancel the articles of registered series of the registered series which is not the surviving or resulting registered series in the merger or consolidation. Articles of merger or consolidation of registered series that set forth any amendment in accordance with paragraph 4 of subsection B of this section is deemed to be an amendment to the articles of registered series of the surviving registered series, and no further action shall be required to amend the articles of registered series of the surviving registered series under Section ~~14~~ 2054.5 of this ~~act~~ title with respect to such amendments set forth in such articles of merger or consolidation. Whenever this section requires the filing of articles of merger or consolidation of registered series, such requirement is deemed satisfied by the filing of an agreement of merger or consolidation containing the information required by this section to be set forth in such articles of merger or consolidation.

E. An agreement of merger or consolidation approved in accordance with subsection A of this section may effect any amendment to the operating agreement relating solely to the registered series that are constituent parties to the merger or consolidation. Any amendment to an operating agreement relating solely to the registered series that are constituent parties to the merger or consolidation made under this subsection shall be effective at the effective time or date of the merger or consolidation and shall be effective notwithstanding any provision of the operating agreement relating to amendment of the operating agreement, other than a provision that by its terms applies to an amendment to the operating agreement in connection with a merger or consolidation. The provisions of this subsection shall not be construed to limit the accomplishment of a merger or of any of the matters referred to herein by any other means provided for in an operating agreement or other agreement or as otherwise permitted by law, including that the operating agreement relating to any constituent registered series to the merger or consolidation, including a registered series formed for the purpose of consummating a merger or consolidation, shall be the operating agreement of the surviving or resulting registered series.

F. When any merger or consolidation shall have become effective under this section, for all purposes of the laws of this state, all of the rights, privileges, and powers of each of the registered series that have merged or consolidated, and all property, real, personal, and mixed, and all debts due to any of the registered series, as well as all other things and causes of action belonging to each of the registered series, shall be vested in the surviving or resulting registered series, and shall thereafter be the property of the surviving or resulting registered series as they were of each of the registered series that have merged or consolidated. The title to any real property vested by deed or otherwise, under the laws of this state, in any of the registered series, shall not revert or be in any way impaired by reason of this act; but all rights of creditors and all liens upon any property of any of the registered series shall be preserved unimpaired, and all debts, liabilities, and duties of each of the registered series that have merged or consolidated shall remain attached to the surviving or resulting registered series, and may be enforced against it to the same extent as if the debts, liabilities, and duties had been incurred or contracted by it. Unless otherwise agreed, a merger or consolidation of a registered series of a limited liability company, including a registered series which is not the surviving or resulting registered series in the merger or consolidation, shall not require the registered series to wind up its affairs under Section ~~14~~ 2054.5 of this ~~act~~ title, or pay its liabilities and distribute its assets under Section ~~14~~ 2054.5 of this ~~act~~ title, and the merger or consolidation shall not constitute a dissolution of the registered series.

G. An operating agreement may provide that a registered series of a limited liability company shall not have the power to merge or consolidate as set forth in this section.

SECTION 23. AMENDATORY Section 18, Chapter 121, O.S.L. 2024 (18 O.S. Supp. 2025, Section 2054.9), is amended to read as follows:

Section 2054.9.

DIVISION OF A LIMITED LIABILITY COMPANY

A. As used in this act:

1. "Dividing company" means the domestic limited liability company that is effecting a division in the manner provided in this section;

2. "Division" means the division of a dividing company into two or more domestic limited liability companies in accordance with this section;

3. "Division company" means a surviving company, if any, and each resulting company;

4. "Division contact" means, in connection with any division, a natural person who is a resident of this state, any division company in the division or any other domestic limited liability company, or other entity as defined in Section 2054 of ~~Title 18 of the Oklahoma Statutes~~ this title formed or organized under the laws of this

state, which division contact shall maintain a copy of the plan of division for a period of six (6) years from the effective date of the division and shall comply with paragraph 3 of subsection G of this section;

5. "Organizational documents" means the articles of organization and operating agreement of a domestic limited liability company;

6. "Resulting company" means a domestic limited liability company formed as a consequence of a division; and

7. "Surviving company" means a dividing company that survives the division.

B. Under a plan of division, any domestic limited liability company may, in the manner provided in this section, be divided into two or more domestic limited liability companies. The division of a domestic limited liability company in accordance with this section and, if applicable, the resulting cessation of the existence of the dividing company under articles of division shall not be deemed to affect the personal liability of any person incurred before the division with respect to matters arising before the division, nor shall it be deemed to affect the validity or enforceability of any obligations or liabilities of the dividing company incurred before the division; provided, that the obligations and liabilities of the dividing company shall be allocated to and vested in, and valid and enforceable obligations of, the division company or companies to which the obligations and liabilities have been allocated under the plan of division, as provided in subsection H of this section. Each resulting company in a division shall be formed in compliance with the requirements of this act and subsection H of this section.

C. If the operating agreement of the dividing company specifies the manner of adopting a plan of division, the plan of division shall be adopted as specified in the operating agreement. If the operating agreement of the dividing company does not specify the manner of adopting a plan of division and does not prohibit a division of the limited liability company, the plan of division shall be adopted in the same manner as is specified in the operating agreement for authorizing a merger or consolidation that involves the limited liability company as a constituent party to the merger or consolidation. If the operating agreement of the dividing company does not specify the manner of adopting a plan of division or authorizing a merger or consolidation that involves the limited liability company as a constituent party and does not prohibit a division of the limited liability company, the adoption of a plan of division shall be authorized by the approval of members who own a majority of the then current percentage or other interest in the profits of the dividing company owned by all of the members. Notwithstanding prior approval, a plan of division may be terminated or amended under a provision for the termination or amendment contained in the plan of division.

D. Unless otherwise provided in a plan of division, the division of a domestic limited liability company under this section shall not require the limited liability company to wind up its affairs under Section 2039 of ~~Title 18 of the Oklahoma Statutes~~ this title or pay its liabilities and distribute its assets under Section 2040 of ~~Title 18 of the Oklahoma Statutes~~ this title, and the division shall not constitute a dissolution of the limited liability company.

E. In connection with a division under this section, rights or securities of, or interests in, the dividing company may be exchanged for or converted into cash, property, rights, or securities of, or interests in, the surviving company or any resulting company or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights, or securities of, or interests in, a domestic limited liability company or any other business entity which is not a division company or may be canceled or remain outstanding, if the dividing company is a surviving company.

F. A plan of division adopted in accordance with subsection C of this section:

1. May effect any amendment to the operating agreement of the dividing company if it is a surviving company in the division; or

2. May effect the adoption of a new operating agreement for the dividing company if it is a surviving company in the division; and

3. Shall effect the adoption of an operating agreement for each resulting company. Any amendment to an operating agreement or adoption of a new operating agreement for the dividing company, if it is a surviving company in the division, or adoption of an operating agreement for each resulting company made under the foregoing sentence shall be effective at the effective time or date of the division. Any amendment to an operating agreement or adoption of an operating agreement for the dividing company, if it is a surviving company in the division, shall be effective notwithstanding any provision in the operating agreement of the dividing company relating to amendment or adoption of a new operating agreement, other than a provision that by its terms applies to an amendment to the operating agreement or the adoption of a new operating agreement, in either case, in connection with a division, merger, or consolidation.

G. If a domestic limited liability company is dividing under this section, the dividing company shall adopt a plan of division which shall set forth:

1. The terms and conditions of the division, including:

a. any conversion or exchange of the membership interests of the dividing company into or for membership interests or other securities or obligations of any division company or cash, property, or rights or securities or obligations of or interests in any other business entity or domestic limited liability company which is not a division company, or that the membership interests of the dividing company shall remain outstanding or be canceled, or any combination of the foregoing, and

b. the allocation of assets, property, rights, series, debts, liabilities, and duties of the dividing company among the division companies;

2. The name of each resulting company and, if the dividing company will survive the division, the name of the surviving company;

3. The name and business address of a division contact which shall have custody of a copy of the plan of division. The division contact, or any successor division contact, shall serve for a period of six (6) years following the effective date of the division. During the six-year period the division contact shall provide, without cost, to any creditor of the dividing company, within thirty (30) days following the division contact's receipt of a written request from any creditor of the dividing company, the name and business address of the division company to which the claim of the creditor was allocated under the plan of division; and

4. Any other matters that the dividing company determines to include therein.

H. If a domestic limited liability company divides under this section, the dividing company shall file articles of division executed by one or more authorized persons on behalf of the dividing company in the Office of the Secretary of State in accordance with Section 2006 of ~~Title 18 of the Oklahoma Statutes~~ this title and articles of organization that comply with Section 2005 of ~~Title 18 of the Oklahoma Statutes~~ this title for each resulting company executed by one or more authorized persons in accordance with Section 2006 of ~~Title 18 of the Oklahoma Statutes~~ this title. The articles of division shall state:

1. The name of the dividing company and, if it has been changed, the name under which its articles of organization were originally filed and whether the dividing company is a surviving company;

2. The date of filing of the dividing company's original articles of organization with the Secretary of State;

3. The name of each division company;

4. The amendments, if any, to the articles of organization of the surviving company that are desired to be effected in the division. Such amendments may amend and restate the articles of organization of the surviving company in their entirety;

5. The name and business address of the division contact required by paragraph 3 of subsection G of this section;

~~5.~~ 6. The future effective date or time, which shall be a date or time certain, of the division if it is not to be effective upon the filing of the articles of division;

~~6.~~ 7. That the division has been approved in accordance with this section;

~~7.~~ 8. That the plan of division is on file at a place of business of the division company as is specified therein, and shall state the address thereof;

~~8.~~ 9. That a copy of the plan of division will be furnished by the division company as is specified therein, on request and without cost, to any member of the dividing company; and

~~9.~~ 10. Any other information the dividing company determines to include therein.

I. The articles of division and each of the articles of organization for each resulting company required by subsection H of this section shall be filed simultaneously in the Office of the Secretary of State and, if the articles are not to become effective upon their filing as permitted by subsection C of Section 2007 of ~~Title 18 of the Oklahoma Statutes~~ this title, then each of the articles shall provide for the same effective date or time in accordance with subsection C of Section 2007 of ~~Title 18 of the Oklahoma Statutes~~ this title. Concurrently with the effective date or time of a division, the operating agreement of each resulting company shall become effective.

J. The articles of division shall act as a cancellation of the articles of organization for a dividing company which is not a surviving company.

K. An operating agreement may provide that a domestic limited liability company shall not have the power to divide as set forth in this section.

L. Upon the division of a domestic limited liability company becoming effective:

1. The dividing company shall be divided into the distinct and independent resulting companies named in the plan of division, and, if the dividing company is not a surviving company, the existence of the dividing company shall cease;

2. For all purposes of the laws of this state, all of the rights, privileges, and powers, and all the property, real, personal, and mixed, of the dividing company and all debts due on whatever account to it, and all other things and other causes of action belonging to it, shall without further action be allocated to and vested in the applicable division company in the manner and basis and with the effect as is specified in the plan of division, and the title to any real property or interest therein allocated to and vested in any division company shall not revert or be in any way impaired by reason of the division;

3. Each division company shall, from and after effectiveness of the articles of division, be liable as a separate and distinct

domestic limited liability company for the debts, liabilities, and duties of the dividing company as are allocated to the division company under the plan of division in the manner and on the basis provided in subparagraph b of paragraph 1 of subsection G of this section;

4. Each of the debts, liabilities, and duties of the dividing company shall without further action be allocated to and be the debts, liabilities, and duties of the division company as is specified in the plan of division as having the debts, liabilities, and duties allocated to it, in the manner and basis and with the effect as is specified in the plan of division, and no other division company shall be liable therefor, so long as the plan of division does not constitute a fraudulent transfer under applicable law, and all liens upon any property of the dividing company shall be preserved unimpaired, and all debts, liabilities, and duties of the dividing company shall remain attached to the division company to which the debts, liabilities, and duties have been allocated in the plan of division, and may be enforced against the division company to the same extent as if the debts, liabilities, and duties had originally been incurred or contracted by it in its capacity as a domestic limited liability company;

5. In the event that any allocation of assets, debts, liabilities, and duties to division companies in accordance with a plan of division is determined by a court of competent jurisdiction

to constitute a fraudulent transfer, each division company shall be jointly and severally liable on account of the fraudulent transfer notwithstanding the allocations made in the plan of division; provided, however, the validity and effectiveness of the division are not otherwise affected thereby;

6. Debts and liabilities of the dividing company that are not allocated by the plan of division shall be the joint and several debts and liabilities of all of the division companies;

7. It shall not be necessary for a plan of division to list each individual asset, property, right, series, debt, liability, or duty of the dividing company to be allocated to a division company so long as the assets, property, rights, series, debts, liabilities, or duties so allocated are reasonably identified by any method where the identity of the assets, property, rights, series, debts, liabilities, or duties is objectively determinable;

8. The rights, privileges, powers, and interests in property of the dividing company that have been allocated to a division company, as well as the debts, liabilities, and duties of the dividing company that have been allocated to the division company under a plan of division, shall remain vested in the division company and shall not be deemed, as a result of the division, to have been assigned or transferred to the division company for any purpose of the laws of this state; and

9. Any action or proceeding pending against a dividing company may be continued against the surviving company as if the division did not occur, but subject to paragraph 4 of this subsection ~~L of this section~~ and against any resulting company to which the asset, property, right, series, debt, liability, or duty associated with the action or proceeding was allocated under the plan of division by adding or substituting the resulting company as a party in the action or proceeding.

M. In applying the provisions of this act on distributions, a direct or indirect allocation of property or liabilities in a division is not deemed a distribution for purposes of this act.

N. The provisions of this section shall not be construed to limit the means of accomplishing a division by any other means provided for in an operating agreement or other agreement or as otherwise permitted by this act or as otherwise permitted by law.

O. All limited liability companies formed on or after November 1, 2023, shall be governed by this section. All limited liability companies formed before November 1, 2023, shall be governed by this section; provided, that if the dividing company is a party to any written contract, indenture, or other agreement entered into before November 1, 2023, that, by its terms, restricts, conditions, or prohibits the consummation of a merger or consolidation by the dividing company with or into another party, or the transfer of assets by the dividing company to another party, then the restriction, condition, or prohibition is deemed to apply to a division as if it were a merger, consolidation, or transfer of assets, as applicable.

SECTION 24. This act shall become effective November 1, 2026.

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