302A.409 RIGHTS TO PURCHASE.

Subdivision 1. **Definition.** "Right to purchase" means the right, however designated, pursuant to the terms of a security or agreement, entitling a person to subscribe to, purchase, or acquire securities of a corporation, whether by the exchange or conversion of other securities, or by the exercise of options, warrants, or other rights, or otherwise, but excluding preemptive rights.

Subd. 2. **Transferability; separability.** Rights to purchase may be either transferable or nontransferable and either separable or inseparable from other securities of the corporation, as the board may determine under this section.

Subd. 3. **Issuance permitted.** A corporation may issue rights to purchase after the terms, provisions, and conditions of the rights to purchase to be issued, including the conversion basis or the price at which securities may be purchased or subscribed for, are fixed by the board, or by an officer pursuant to board authorization, subject to any restrictions in the articles. Notwithstanding any provision of this chapter, a corporation may issue rights to purchase or amend the instrument or agreement fixing the terms, provisions, and conditions of the rights to purchase to include terms and conditions that prevent the holder of a specified percentage of the outstanding shares of the corporation, including subsequent transferees of the holder, from exercising those rights to purchase.

Subd. 4. **Terms set forth.** The instrument evidencing the right to purchase or, if no instrument exists, a written agreement, shall set forth in full, summarize, or incorporate by reference all the terms, provisions, and conditions applicable to the right to purchase.

History: *1981 c 270 s 58; 1987 c 104 s 21; 1995 c 128 art 4 s 1; 1997 c 10 art 1 s 14; 2000 c 264 s 5*