AN ACT

To repeal sections 351.015 and 351.295, RSMo, and to enact in lieu thereof three new sections relating to corporations.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 351.015 and 351.295, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 351.015, 351.295, and 351.296, to read as follows:

351.015. As used in this chapter, unless the context otherwise requires:

1. "Articles of incorporation" includes the original articles of incorporation and all amendments thereto, and includes articles of merger or consolidation;
2. "Authorized shares" means the aggregate number of shares of stock of all classes, whether with or without par value, which the corporation is authorized to issue. Shares of its own stock belonging to a corporation shall be deemed to be issued shares but not outstanding shares;
3. "Blockchain" means a digital ledger or database which is chronological, consensus-based, decentralized, and mathematically verified in nature;
4. "Certificate of stock" means a written instrument signed by or bearing the facsimile signature of the proper corporate officers, as required by this chapter, evidencing the fact that the person therein named is the holder of record of the share or shares therein described;
5. "Certificate token" means a representation of shares that is stored in an electronic format that contains the information specified under section 351.295, and the information is:
   a. Entered into a blockchain or other secure, auditable database;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.
(b) Linked to or associated with the certificate token; and

c) Able to be transmitted electronically to the issuing corporation, the person to whom the certificate token was issued, and any transferee;

(6) "Control share acquisition" means the acquisition, directly or indirectly, by any person of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares. For the purposes of this chapter, shares acquired within ninety days of any acquisition of shares or shares acquired pursuant to a plan to make a control share acquisition are considered to have been acquired in the same acquisition. For the purposes of this chapter, a person who acquires shares in the ordinary course of business for the benefit of others in good faith and not for the purpose of circumventing this chapter has voting power only of shares in respect of which that person would be able to exercise or direct the exercise of votes without further instruction from others. The acquisition of any shares of an issuing public corporation does not constitute a control share acquisition if the acquisition is consummated in any of the following circumstances:

(a) Prior to June 13, 1984;

(b) Pursuant to a contract in existence prior to June 13, 1984;

(c) Pursuant to a will or other testamentary disposition, the laws of descent and distribution or by [inter vivos] inter vivos gift where such gift is made in good faith and not for the purpose of circumventing section 351.407;

(d) Pursuant to a public offering, a private placement, or any other issuance of shares by an issuing public corporation;

(e) By, on behalf of, or pursuant to any benefit or other compensation plan or arrangement of an issuing public corporation;

(f) Pursuant to the conversion of debt securities into shares of an issuing public corporation under the terms of such debt securities;

(g) Pursuant to a binding contract, other than any contract created by, pursuant to, or in connection with a tender offer, whereby the holders of shares representing at least two-thirds of the voting power of an issuing public corporation, such holders acting simultaneously, agreed to sell such shares to any person;

(h) Pursuant to the satisfaction of a pledge or other security interest created in good faith and not for the purpose of circumventing section 351.407;

(i) Pursuant to a merger or consolidation effected in compliance with sections 351.410 to 351.458 if the issuing public corporation is a party to the agreement of merger or consolidation;

(j) Pursuant to a binding contract or other arrangement with any individual, foreign or domestic corporation (whether or not for profit), partnership, limited liability company,
unincorporated society or association, or other entity which, at any time within one year prior to
the acquisition in question, owned shares representing more than fifty percent of the voting
power of the issuing public corporation;

(k) By or from any person whose shares have been previously accorded voting rights
pursuant to section 351.407; provided, the acquisition entitles the person making the acquisition,
directly or indirectly, alone or as a part of a group, to exercise or direct the exercise of voting
power of the corporation in the election of directors within a range of the voting power not in
excess of the range of voting power associated with the shares to which voting rights have been
previously accorded;

(5) "Control shares" means shares that, except for this chapter, would have voting
power with respect to shares of an issuing public corporation that, when added to all other shares
of the issuing public corporation owned by a person or in respect to which that person may
exercise or direct the exercise of voting power, would entitle that person, immediately after
acquisition of the shares, directly or indirectly, alone or as a part of a group, to exercise or direct
the exercise of the voting power of the issuing public corporation in the election of directors
within any of the following ranges of voting power:

(a) One-fifth or more but less than one-third of all voting power;
(b) One-third or more but less than a majority of all voting power;
(c) A majority or more of all voting power; provided, however, that shares which the
person or the group have owned or of which the person or the group could have exercised or
directed the voting for more than ten years shall not be deemed to be control shares and shall not
be aggregated for the purpose of determining inclusion within the above-stated ranges;

(8) "Corporation" or "domestic corporation" includes corporations organized under
this chapter or subject to some or all of the provisions of this chapter except a foreign
corporation;

(9) "Foreign corporation" means a corporation for profit organized under laws other
than the laws of this state;

(10) "Incorporator" means a signer of the original articles of incorporation;

(11) "Interested shares" means the shares of an issuing public corporation in respect
of which any of the following persons may exercise or direct the exercise of the voting power
of the corporation in the election of directors:

(a) An acquiring person or member of a group with respect to a control share acquisition;
(b) Any officer of the issuing public corporation elected or appointed by the directors of
the issuing public corporation;
(c) Any employee of the issuing public corporation who is also a director of such
corporation;
"Issuing public corporation", unless the articles of incorporation provide otherwise as to the applicability of this section, means a corporation that has a class of voting stock registered with the securities and exchange commission under Section 12 of the Exchange Act and is either (a) a corporation incorporated under the laws of the state of Missouri, or, (b) subdivision (2) of section 351.690 notwithstanding, any insurance company organized pursuant to the laws of Missouri and doing business under the provisions of chapter 376, provided that the bylaws of such insurance company expressly state that such insurance company shall, for the purposes of this chapter, be included within the definition of "issuing public corporation";

"Net assets", for the purpose of determining the right of a corporation to purchase its own shares and of determining the right of a corporation to declare and pay dividends and the liabilities of directors therefor, shall not include shares of its own stock belonging to a corporation;

"Network signature" means a string of alphanumeric characters that, when broadcast by a person to the data address's corresponding distributed or other electronic network or database, provides reasonable assurances to a recipient that the broadcasting person has knowledge or possession of the private key uniquely associated with the data address;

"Paid-in surplus" means all that part of the consideration received by the corporation for, or on account of, all shares issued which does not constitute stated capital minus such formal reductions from said sum as may have been effected in a manner permitted by this chapter;

"Person" includes, without limitation, an individual, a foreign or domestic corporation whether not for profit or for profit, a partnership, a limited liability company, an unincorporated society or association, two or more persons having a joint or common interest, or any other entity;

"Registered office" means that office maintained by the corporation in this state, the address of which is on file in the office of the secretary of state;

"Shareholder" means one who is a holder of record of shares in a corporation;

"Shares" are the units into which the shareholders' rights to participate in the control of the corporation, in its surplus or profits, or in the distribution of its assets, are divided;

"Stated capital" means at any particular time the sum of:

(a) The par value of all shares then issued having a par value; and

(b) The consideration received by the corporation for all shares then issued without par value except such part thereof as may have been allocated otherwise than to stated capital in a manner permitted by law; and

(c) Such amounts not included in paragraphs (a) and (b) of this subdivision as may have been transferred to the stated capital account of the corporation, whether upon the issue of shares
as a share dividend or otherwise, minus such formal reductions from said sum as may have been
effected in a manner permitted by this chapter;

"Subscriber" means one who subscribes for shares in a corporation, whether
before or after incorporation.

351.295. 1. The shares of a corporation shall be represented by certificates, provided
that the articles of incorporation or bylaws, or a resolution or resolutions of the board of directors
of the corporation, may provide that some or all of any or all classes or series of its stock shall
be uncertificated shares. Any such provision of the articles of incorporation or bylaws or
resolution of the board of directors shall not apply to shares represented by a certificate until such
certificate is surrendered to the corporation. Notwithstanding such a provision of the articles of
incorporation or bylaws, or the adoption of such a resolution by the board of directors, every
holder of stock represented by certificates shall be entitled to have a certificate. Except as
otherwise provided in the articles of incorporation or bylaws, such certificate shall be signed by
the president or a vice president and by the secretary or an assistant secretary or the treasurer or
an assistant treasurer of such corporation and sealed with the seal of the corporation. Any or all
the signatures on the certificate may be electronic or a facsimile and the seal may be electronic,
facsimile, engraved, or printed. In case any officer, transfer agent or registrar who has signed
or whose facsimile signature has been placed on a certificate shall have ceased to be such officer,
transfer agent or registrar before such certificate is issued, the certificate may nevertheless be
issued by the corporation with the same effect as if the person were an officer, transfer agent or
registrar at the date of issue. Every holder of uncertificated shares is entitled to receive a
statement of holdings as evidence of share ownership. Each certificate shall state on its face the name of the person to whom or, in the case of a certificate token, the data address to which the token was issued.

2. Every certificate for shares without par value shall have plainly stated upon its face the number of shares which it represents, and no certificate shall express any par value for such shares or a rate of dividend to which such shares shall be entitled in terms of percentage of any par or other value.

3. The articles of incorporation or bylaws of a corporation may specify that all or a portion of the shares of the corporation may be represented by share certificates in the form of certificate tokens. The electronic message, command, or transaction that transmits the certificate tokens to the data address to which a certificate token was issued shall be authorized at the time of issuance by one or more messages, commands, or transactions signed with the network signatures of two officers designated in the bylaws or by the board of directors of the corporation.

351.296. As used in this chapter, any reference to:
(1) Share certificate, share, stock, share of stock, or words of similar import shall be construed to include a certificate token;

(2) A requirement to print information on a share certificate or words of similar import shall be construed to be satisfied if the information satisfies the requirements under subsection 3 of section 351.295;

(3) Certificated shares or words of similar import shall be construed to include shares represented by certificate tokens, and any reference to the delivery or deposit of these shares to the corporation shall be construed to refer to any method of granting control of the tokens to the corporation; and

(4) A certificate being duly endorsed or words of similar import shall be construed to mean that the transaction authorizing transfer of control of the certificate token was signed by the lawful holder of the token with the network signature corresponding to the lawful holder's data address to which the certificate token was issued or last lawfully transferred.