

The foregoing provisions shall not apply in respect of any class of the stock of any corporation of this State where (1) on the record date determined for the stockholders entitled to vote on the matter, such class of stock is listed on a national securities exchange; or (2) such stock is stock of the surviving corporation in a merger unless either (i) the merger alters the contract rights, as expressly set forth in the charter of any such stock and the charter does not reserve the right to make such amendment, or (ii) such stock is, in the merger, to be changed or converted, in whole or in part, into something other than stock of the surviving corporation and any cash, scrip or other rights or interests arising out of arrangements for handling fractional shares OF STOCK OF THE SURVIVING CORPORATION; and in such cases all holders of such stock shall be bound by the terms of the consolidation, merger or transfer or charter amendment.

101.

(a) No transfer of the stock of a close corporation shall be valid unless:

(1) such transfer has been consented to no more than three months prior to the date of the transfer by all stockholders of the corporation by a signed written instrument; or

(2) such transfer is made pursuant to a provision of a stockholders' agreement authorized by Section 104 of this subtitle [requiring the purpose of stock by, or the offer of stock to (i)] *permitting transfer to the corporation, or to or in trust for the principal benefit of [ii] (i) one or more of its stockholders or its security holders, or the wives, children or grandchildren of such stockholders or such security holders or [(iii)] (ii) one or more persons named in such agreement.*

105. *Board of Directors Not Required—Close Corporations.*

(a) A close corporation [may, by] *shall initially have one or more directors, to serve until such time as may be elected pursuant to Section 105(b), and thereafter may, by election pursuant to its charter, provide that it will have no board of directors, in which case:*

SEC. 2. *And be it further enacted, That this Act shall take effect July 1, 1970.*

Approved May 21, 1970.

CHAPTER 690

(House Bill 35)

AN ACT to repeal Sections 713 through 715C, inclusive, of Article 66C of the Annotated Code of Maryland (1967 Replacement Volume and 1969 Supplement), title "Natural Resources," subtitle "Oysters and Clams," and to enact new Section 713 in lieu thereof, to stand in the place of the section so repealed, to revise generally the laws