

DIRECTORS IN THE CHARTER.**(B) ELECTION OF DIRECTORS; TENURE.**

(1) AT THE FIRST ANNUAL MEETING OF STOCKHOLDERS AND, EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AT EACH SUBSEQUENT ANNUAL MEETING, THE STOCKHOLDERS SHALL ELECT DIRECTORS TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF STOCKHOLDERS AND UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFY.

(2) IF THE DIRECTORS ARE DIVIDED INTO CLASSES, THE TERM OF OFFICE MAY BE PROVIDED IN THE BYLAWS, EXCEPT THAT:

(I) THE TERM OF OFFICE OF A DIRECTOR MAY NOT BE LONGER THAN FIVE YEARS OR, EXCEPT IN THE CASE OF AN INITIAL OR SUBSTITUTE DIRECTOR, SHORTER THAN THE PERIOD BETWEEN ANNUAL MEETINGS; AND

(II) THE TERM OF OFFICE OF AT LEAST ONE CLASS SHALL EXPIRE EACH YEAR.

(C) MANNER OF VOTING.

EACH SHARE OF STOCK MAY BE VOTED FOR AS MANY INDIVIDUALS AS THERE ARE DIRECTORS TO BE ELECTED AND FOR WHOSE ELECTION THE SHARE IS ENTITLED TO BE VOTED.

REVISOR'S NOTE: Subsections (a) and (b) (1) of this section presently appear as Art. 23, §52(b).

Subsection (b) (2) of this section is new language derived without substantive change from the second clause of Art. 23, §52(c). The remainder of present §52(c) appears in Subtitle 1 of this title.

Subsection (c) of this section is new language derived without substantive change from the first sentence of Art. 23, §43(b) (3).

The only other changes are in style.

For the provisions authorizing the charter and bylaws to change the number of directors, classify them, and set their tenure, see §§ 2-104 and 2-110 of this article.

2-405. DIRECTORS HOLDING OVER.

IN CASE OF FAILURE TO ELECT DIRECTORS AT THE DESIGNATED TIME, THE DIRECTORS HOLDING OVER SHALL CONTINUE TO MANAGE THE BUSINESS AND AFFAIRS OF THE