

(1) Redeem shares of its own stock [subject to redemption] THAT THE CHARTER PROVIDES ARE REDEEMABLE; or

(2) Exchange convertible shares.

(b) Subject to the provisions of its charter and § 2-311 of this subtitle, if authorized by its board of directors, a corporation may acquire shares of its own stock in all other cases, including:

(1) Purchase of stock [subject to redemption] THAT THE CHARTER PROVIDES IS REDEEMABLE; or

(2) Gift or legacy.

2-311.

(a) (1) A corporation may not purchase or redeem shares of its stock [subject to redemption] THAT THE CHARTER PROVIDES ARE REDEEMABLE AT THE TIME OF THE REDEMPTION OR PURCHASE for a consideration greater than either:

(i) The redemption price at the time of the acquisition; or

(ii) Unless a sinking fund or similar provision of the charter requires otherwise, the net asset value per share.

(2) In determining net asset value per share under this subsection, assets are attributable to the classes of stock in the order of their respective seniority. However, in the case of redeemable stock the amount may not exceed the current redemption price.

2-313.

(a) If a corporation acquires shares of its own stock [subject to redemption] THAT THE CHARTER PROVIDES ARE REDEEMABLE, or convertible shares of its own stock surrendered for conversion, the shares are retired automatically [without a proceeding for a reduction in stated capital].

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1981.

Approved May 12, 1981.

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CHAPTER 320

(Senate Bill 853)