

BY adding to

Article - Corporations and Associations
Section 2-418
Annotated Code of Maryland
(1975 Volume and 1980 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Corporations and Associations

[2-418.

(a) (1) In this section the following words have the meanings indicated.

(2) "Corporate representative" means an individual:

(i) Who is a present or former director, officer, agent, or employee of a Maryland corporation or who serves or served another corporation, partnership, joint venture, trust, or other enterprise in one of these capacities at the request of the Maryland corporation; and

(ii) Who by reason of his position was, is, or is threatened to be made a party to a proceeding.

(3) "Corporation" includes any constituent corporation absorbed in a consolidation or merger which, if its separate existence had continued, would have had the power to indemnify a corporate representative.

(4) "Proceeding" includes any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative.

(b) (1) With respect to any proceeding against a corporate representative, except a proceeding brought by or on behalf of the corporation, the corporation may indemnify the corporate representative against expenses, including attorneys' fees, and judgments, fines, and amounts paid in settlement actually and reasonably incurred by the corporate representative in connection with the proceeding, if:

(i) He acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation; and

(ii) With respect to any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.