

CHAPTER 629

(House Bill 637)

AN ACT concerning

Corporations – Executive and Other Committees

FOR the purpose of allowing executive committees and other committees of the board of directors of a corporation to consist of one or more directors; altering a certain exception to the authority of a board of directors to delegate its powers to a committee; clarifying the power of committees of the board of directors to take action with respect to the issuance of capital stock; and generally relating to committees of the board of directors of a corporation.

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 2-411

Annotated Code of Maryland

(1993 Replacement Volume and 1995 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Corporations and Associations

2-411.

(a) The bylaws of a corporation may authorize its board of directors to:

(1) Appoint from among its members an executive committee and other committees composed of [two] ONE or more directors; and

(2) Delegate to these committees any of the powers of the board of directors, except the power to:

(i) [Declare] AUTHORIZE dividends [or distributions] on stock;

(ii) Issue stock other than as provided in subsection (b) of this section;

(iii) Recommend to the stockholders any action which requires stockholder approval;

(iv) Amend the bylaws; or

(v) Approve any merger or share exchange which does not require stockholder approval.

(b) If the board of directors has given general authorization for the issuance of stock PROVIDING FOR OR ESTABLISHING A METHOD OR PROCEDURE FOR DETERMINING THE MAXIMUM NUMBER OF SHARES TO BE ISSUED, a committee of the board, in accordance with [a general formula or method specified by the board by resolution or by adoption of a] THAT GENERAL AUTHORIZATION OR ANY stock option