

Article – Corporations and Associations

2-510.

[(a)] One or more stockholders of a corporation may confer the right to vote or otherwise represent their stock to a trustee [for a period not exceeding ten years] by:

- (1) Entering into a written voting trust agreement which specifies the terms and conditions of the voting trust;
- (2) Depositing an executed copy of the agreement with the corporation at its principal office; and
- (3) Transferring their stock for purposes of the agreement to a trustee.

[(b)] Notwithstanding subsection (a) of this section, a voting trust may be extended for one additional period not to exceed 10 years if:

- (1) (i) All stock in the voting trust is stock in a single corporation; and
(ii) The stock in the voting trust represents a 5 percent or more interest in the corporation;

(2) Immediately before the establishment of the voting trust, the stock in the voting trust:

- (i) Was held by a testamentary or inter vivos trust; and
- (ii) Represented more than 50 percent of the value of the assets of the trust;

(3) For a period of 10 years or more before the establishment of the voting trust, the inter vivos or testamentary trust had legal ownership of 50 percent or more of the stock, valued after adjustment for stock acquired as a result of a stock dividend or stock split, transferred to the voting trust;

(4) As of the date the voting trust is established, the recipients of more than 50 percent of the income and the ultimate recipients of more than 50 percent of the principal of the testamentary or inter vivos trust are charitable or educational institutions that:

(i) Are exempt from federal income taxes under § 501(c)(3) of the Internal Revenue Code; and

(ii) Carry on a substantial portion of the institutions' charitable activity in the State; and

(5) The testamentary or inter vivos trust provides that upon termination and final distribution of the trust assets, the trustee may:

- (i) Create a voting trust of stock that is part of the trust corpus; and
- (ii) Distribute to the beneficiaries, certificates of beneficial interest in the voting trust in lieu of the stock.]