

This bill repeals a provision of law requiring a corporation to give specified written notice of the amount, time, and place of payment on subscriptions for stock to each subscriber. The bill also repeals a specified provision of law requiring that a call by the board of directors for payment on subscriptions be uniform as to all stock of the same class. Further, this bill clarifies that stockholders of a corporation formed on or after October 1, 1995, do not have specified preemptive rights unless the charter expressly grants the rights.

House Bill 743, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 696.

Sincerely,

Governor

Senate Bill 696

AN ACT concerning

Maryland General Corporation Law – Altering and Updating Corporate Procedures and Miscellaneous Provisions

FOR the purpose of repealing a certain provision of law requiring a corporation to give certain written notice of the amount, time, and place of payment on subscriptions for stock to each subscriber; repealing a certain provision of law requiring that a call by the board of directors for payment on subscriptions be uniform as to all stock of the same class; clarifying that stockholders of a corporation formed on or after a certain date do not have certain preemptive rights unless the charter expressly grants the rights, and that stockholders of a corporation formed before that date have certain preemptive rights unless and until expressly changed or terminated by charter amendment; altering the circumstances under which a corporation is required to send certain information to a stockholder; requiring the information to be sent on request of a stockholder and without charge to the stockholder; authorizing a resignation of a director given in a certain manner to provide that it will be effective at a later time or on the occurrence of an event and that it is irrevocable under certain circumstances; authorizing the board of directors of a corporation to delegate to certain committees the power to recommend to stockholders the election of directors; altering the circumstances under which a committee of a board of directors may authorize or fix the terms of certain stock and the terms on which any stock may be issued; altering the definition of "director" as it relates to certain indemnification provisions to include certain directors of corporations