
By: Delegates Frank and Doory

Introduced and read first time: February 1, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Corporations - Stockholders Meetings**

3 FOR the purpose of authorizing a corporation to include in its charter or bylaws a
4 provision that alters the circumstances under which stockholders may require a
5 special meeting to be held; allowing stockholders to participate in meetings by
6 conference telephone or similar communications equipment under certain
7 circumstances; providing that participation in a meeting by conference telephone or
8 similar communications equipment constitutes presence in person at the meeting;
9 and generally relating to meetings of stockholders of corporations.

10 BY repealing and reenacting, with amendments,
11 Article - Corporations and Associations
12 Section 2-502
13 Annotated Code of Maryland
14 (1993 Replacement Volume and 1995 Supplement)

15 BY adding to
16 Article - Corporations and Associations
17 Section 2-502.1
18 Annotated Code of Maryland
19 (1993 Replacement Volume and 1995 Supplement)

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

22 **Article - Corporations and Associations**

23 2-502.

24 (a) A special meeting of the stockholders of a corporation may be called by:

25 (1) The president;

26 (2) The board of directors; or

27 (3) Any other person specified in the charter or the bylaws.

1 (b) (1) Except as provided in [subsection (c)] SUBSECTIONS (C) AND (D) of
2 this section, the secretary of a corporation shall call a special meeting of the stockholders
3 on the written request of stockholders entitled to cast at least 25 percent of all the votes
4 entitled to be cast at the meeting.

5 (2) A request for a special meeting shall state the purpose of the meeting
6 and the matters proposed to be acted on at it.

7 (3) The secretary shall:

8 (i) Inform the stockholders who make the request of the reasonably
9 estimated cost of preparing and mailing a notice of the meeting; and

10 (ii) On payment of these costs to the corporation, notify each
11 stockholder entitled to notice of the meeting.

12 (c) Unless requested by stockholders entitled to cast a majority of all the votes
13 entitled to be cast at the meeting, a special meeting need not be called to consider any
14 matter which is substantially the same as a matter voted on at any special meeting of the
15 stockholders held during the preceding 12 months.

16 (D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A CORPORATION
17 MAY INCLUDE IN ITS CHARTER OR BYLAWS A PROVISION THAT REQUIRES THE
18 WRITTEN REQUEST OF STOCKHOLDERS ENTITLED TO CAST A GREATER OR LESSER
19 PERCENTAGE OF ALL VOTES ENTITLED TO BE CAST AT THE MEETING THAN THAT
20 REQUIRED BY SUBSECTION (B)(1) OF THIS SECTION IN ORDER TO CALL A SPECIAL
21 MEETING OF THE STOCKHOLDERS.

22 (2) THE PERCENTAGE PROVIDED FOR IN THE CHARTER OR BYLAWS
23 MAY NOT BE GREATER THAN A MAJORITY OF ALL THE VOTES ENTITLED TO BE CAST
24 AT THE MEETING.

25 2-502.1.

26 (A) UNLESS RESTRICTED BY THE CHARTER OR BYLAWS OF THE
27 CORPORATION, A CORPORATION MAY ALLOW STOCKHOLDERS TO PARTICIPATE IN
28 A MEETING BY MEANS OF A CONFERENCE TELEPHONE OR SIMILAR
29 COMMUNICATIONS EQUIPMENT IF ALL PERSONS PARTICIPATING IN THE MEETING
30 CAN HEAR EACH OTHER AT THE SAME TIME.

31 (B) PARTICIPATION IN A MEETING BY THE MEANS AUTHORIZED BY
32 SUBSECTION (A) OF THIS SECTION CONSTITUTES PRESENCE IN PERSON AT THE
33 MEETING.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 1996.