

CHAPTER 3

(House Bill 273)

AN ACT concerning

Corporations and Associations -
Standard of Liability and Indemnification

FOR the purpose of authorizing a corporate charter to alter the standard for imposing liability for damages on corporate directors and officers; providing for certain exceptions; modifying the presumptions applicable to, and the procedures for establishing the basis for, indemnification and advancement of expenses to corporate directors and certain other persons; providing for the application and construction of certain provisions of this Act; generally relating to the standards for liability for corporate directors and officers and indemnification of corporate directors and certain other persons; and making this Act an emergency measure.

BY adding to

Article - Corporations and Associations
Section 2-405.2
Annotated Code of Maryland
(1985 Replacement Volume and 1987 Supplement)

BY repealing and reenacting, with amendments,

Article - Corporations and Associations
Section 2-104(b), 2-405.1(c), and 2-418(b), (e)(1), (f),
(g), and (k)
Annotated Code of Maryland
(1985 Replacement Volume and 1987 Supplement)

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

Article - Corporations and Associations

2-104.

(b) The articles of incorporation may include:

(1) Any provision not inconsistent with law which defines, limits, or regulates the powers of the corporation, its directors and stockholders, any class of its stockholders, or the holders of any bonds, notes, or other securities which it may issue;