

**§704. Action without meeting**

**1. Permissible action by unanimous consent.** Action required or permitted by this Act to be taken at a shareholders' meeting may be taken without a meeting if the action is taken by all the shareholders entitled to vote on the action. The action must be evidenced by one or more written consents bearing the date of signature and describing the action taken, signed by all the shareholders entitled to vote on the action and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

**1-A. Permissible action by majority consent.** The articles of incorporation may provide that any action required or permitted by this Act to be taken at a shareholders' meeting may be taken without a meeting, and without prior notice, if consents in writing setting forth the action so taken are signed by the holders of outstanding shares having not less than the minimum number of votes that would be required to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consent must bear the date of signature of the shareholder who signs the consent and be delivered to the corporation for inclusion in the minutes or filing with the corporate records.

[PL 2007, c. 289, §7 (NEW).]

**2. Record date.** If not otherwise fixed under section 703 or 707, and if prior board action is not required regarding the action to be taken without a meeting, the record date for determining the shareholders entitled to take action without a meeting is the first date on which a signed written consent is delivered to the corporation. If not otherwise fixed under section 707 and if prior board action is required regarding the action to be taken without a meeting, the record date is the close of business on the day the resolution of the board taking such prior action is adopted. Written consent is not effective to take the corporate action referred to in the consent unless, within 60 days of the earliest date on which a consent delivered to the corporation as required by this section was signed, written consents signed by a sufficient number of shareholders to take the action have been delivered to the corporation. A written consent may be revoked by a writing to that effect delivered to the corporation before unrevoked written consents sufficient in number to take the corporate action are delivered to the corporation.

[PL 2007, c. 289, §7 (AMD).]

**3. Effect of signed consent.** A consent signed pursuant to the provisions of this section has the effect of a vote taken at a meeting and may be described as such in any document. Unless the articles of incorporation, the bylaws or a resolution of the board of directors provides for a reasonable delay to permit tabulation of written consents, the action taken by written consent is effective when written consents signed by a sufficient number of shareholders to take the action are delivered to the corporation.

[PL 2007, c. 289, §7 (AMD).]

**4. Notice to nonvoting shareholders.** If this Act requires that notice of a proposed action be given to nonvoting shareholders and the action is to be taken by written consent of the voting shareholders, the corporation must give its nonvoting shareholders written notice of the action not more than 10 days after:

A. Written consents sufficient to take the action have been delivered to the corporation; or [PL 2007, c. 289, §7 (NEW).]

B. The date that tabulation of consents is completed pursuant to an authorization under subsection 3, as long as that date is later than that in paragraph A. [PL 2007, c. 289, §7 (NEW).]

The notice must reasonably describe the action taken and contain or be accompanied by the same material that, under any provision of this Act, would have been required to be sent to nonvoting

shareholders in a notice of a meeting at which the proposed action would have been submitted to the shareholders for action.

[PL 2007, c. 289, §7 (AMD).]

**5. Notice of action to nonconsenting voting shareholders.** If action is taken by less than unanimous written consent of the voting shareholders, the corporation must give its nonconsenting voting shareholders written notice of the action not more than 10 days after:

A. Written consents sufficient to take the action have been delivered to the corporation; or [PL 2007, c. 289, §7 (NEW).]

B. The date that tabulation of consents is completed pursuant to an authorization under subsection 3, as long as that date is later than that in paragraph A. [PL 2007, c. 289, §7 (NEW).]

The notice must reasonably describe the action taken and contain or be accompanied by the same material that, under any provision of this Act, would have been required to be sent to voting shareholders in a notice of a meeting at which the action would have been submitted to the shareholders for action.

[PL 2007, c. 289, §7 (NEW).]

**6. Effect of failure to provide notice.** The notice requirements in subsections 4 and 5 do not delay the effectiveness of actions taken by written consent. A failure to comply with such notice requirements does not invalidate actions taken by written consent. This subsection does not limit judicial power to fashion any appropriate remedy in favor of a shareholder adversely affected by a failure to give such notice within the required time period.

[PL 2007, c. 289, §7 (NEW).]

**7. Consent by electronic transmission.**

[PL 2011, c. 274, §18 (RP).]

**8. Delivery of a written consent.**

[PL 2011, c. 274, §19 (RP).]

#### SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2007, c. 289, §7 (AMD). PL 2011, c. 274, §§18, 19 (AMD).

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