CHAPTER 3

PURPOSES AND POWERS

§301. Corporate purposes

1. Purpose of engaging in lawful business. A corporation subject to this Act has the purpose of engaging in any lawful business unless a more limited purpose is set forth in the articles of incorporation.
[PL 2003, c. 344, Pt. B, §44 (AMD).]

2. Subject to other regulation by this State. A corporation engaging in a business that is subject to regulation under another statute of this State may incorporate under this Act only if permitted by, and subject to all limitations of, the other statute.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B44 (AMD).

§302. General powers

Unless its articles of incorporation provide otherwise, a corporation has perpetual duration and succession in its corporate name and has the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, including, without limitation, power to: [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

1. Suit. Sue and be sued, complain and defend in its corporate name;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Corporate seal. Have a corporate seal, which may be altered at will, and to use it, or a facsimile of it, by impressing or affixing it or in any other manner reproducing it;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Bylaws. Make and amend bylaws, not inconsistent with its articles of incorporation or with the laws of this State, for managing the business and regulating the affairs of the corporation;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Acquire property. Purchase, receive, lease or otherwise acquire, and own, hold, improve, use and otherwise deal with, real or personal property or any legal or equitable interest in property, wherever located;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

5. Dispose of property. Sell, convey, mortgage, pledge, lease, exchange and otherwise dispose of all or any part of its property;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

6. Interest in obligations of other entity. Purchase, receive, subscribe for or otherwise acquire; own, hold, vote, use, sell, mortgage, lend, pledge or otherwise dispose of; and deal in and with shares or other interests in, or obligations of, any other entity;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

7. Incur obligations. Make contracts and guarantees; incur liabilities; borrow money; issue its notes, bonds and other obligations, which may be convertible into or include the option to purchase other securities of the corporation; and secure any of its obligations by mortgage or pledge of any of its property, franchises or income;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

8. Use of funds. Lend money, invest and reinvest its funds and receive and hold real and personal property as security for repayment;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

9. Partnership; joint venture. Be a promoter, partner, member, associate or manager of any partnership, joint venture, trust or other entity;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

10. Conduct business. Conduct its business, locate offices and exercise the powers granted by this Act within or without this State;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

11. Directors, officers, employees, agents. Elect directors and appoint officers, employees and agents of the corporation, define their duties, fix their compensation and lend them money and credit;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

12. Establish benefit or incentive plans. Pay pensions and establish pension plans, pension trusts, profit-sharing plans, share-bonus plans, share-option plans and benefit or incentive plans for any or all of its current or former directors, officers, employees and agents;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

13. Make donations. Make donations for the public welfare or for charitable, scientific or educational purposes;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

14. Transact business. Transact any lawful business that will aid governmental policy;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

15. Actions in futherance of corporation. Make payments or donations or do any other lawful act that furthers the business and affairs of the corporation;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

16. Cease activity. Cease its corporate activities and surrender its corporate franchise;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

17. Other corporations. Form or acquire control of other corporations;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

18. Life insurance. Provide, for its benefit, insurance on the life of any of its directors, officers or employees, or on the life of any shareholder;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

19. Litigation expenses. Reimburse and indemnify litigation expenses of directors, officers and employees, as provided in chapter 8, subchapter V; and
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

20. Acquire and dispose of own shares. Purchase and otherwise acquire and dispose of its own shares.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF).

§303. Emergency powers

1. Emergency defined. For the purposes of this section, an emergency exists if a quorum of the corporation's directors can not readily be assembled because of some catastrophic event.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Authorized powers in event of emergency. In anticipation of or during an emergency, the board of directors of a corporation may:

A. Modify lines of succession to accommodate the incapacity of any director, officer, employee or agent; and [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. Relocate the principal office, designate alternative principal offices or regional offices, or authorize the officers to do so. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

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

3. Notice of meeting; quorum. During an emergency, unless emergency bylaws pursuant to chapter 2 provide otherwise:

A. Notice of a meeting of the board of directors need be given only to those directors whom it is practicable to reach and may be given in any practicable manner, including by publication and radio; and [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. One or more officers of the corporation present at a meeting of the board of directors may be deemed to be directors for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

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

4. Effect of corporate action taken during emergency. Corporate action taken in good faith during an emergency under this section to further the ordinary business affairs of the corporation:

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

B. May not be used to impose liability on a corporate director, officer, employee or agent. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

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

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF).

§304. Ultra vires

1. Corporate action not subject to challenge. Except as provided in subsection 2, the validity of corporate action may not be challenged on the ground that the corporation lacks or lacked power to act. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Corporate action subject to challenge. A corporation's power to act may be challenged:

A. In a proceeding by a shareholder against the corporation to enjoin the act; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. In a proceeding by the corporation, directly, derivatively or through a receiver, trustee or other legal representative against an incumbent or former director, officer, employee or agent of the corporation; or [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. In a proceeding by the Attorney General under section 1430. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

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

3. Available remedies in proceeding by shareholder. In a shareholder's proceeding under subsection 2, paragraph A to enjoin an unauthorized corporate act, the court may enjoin or set aside the act, if equitable and if all affected persons are parties to the proceeding, and may award damages for

loss, other than anticipated profits, suffered by the corporation or another party because of enjoining the unauthorized act.

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

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF).

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