

TITLE 4: ECONOMIC RESOURCES
DIVISION 4: CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS

§ 4443. Number and Election of Directors.

(a) If a board of directors has power to fix or change the number of directors, the board may increase or decrease by 30 percent or less the number of directors last approved by the shareholders, but only the shareholders may increase or decrease by more than 30 percent the number of directors last approved by the shareholders.

(b) The articles of incorporation or bylaws may establish a variable range for the size of the board of directors by fixing a minimum and maximum number of directors. If a variable range is established, the number of directors may be fixed or changed from time to time, within the minimum and maximum, by the shareholders or the board of directors. After shares are issued, only the shareholders may change the range for the size of the board or change from a fixed to a variable-range size board or vice versa.

(c) Directors are elected at the first annual shareholders' meeting and at each annual meeting thereafter unless their terms are staggered under 4 CMC § 4446.

Source: PL 10-7, § 1 (Bus. Corp. Reg. § 8.03).

Commission Comment: Business Corporation Regulations § 8.03 contained a subsection (a) providing: "A board of directors must consist of one or more individuals, with the number specified in or fixed in accordance with the articles of incorporation or bylaws." PL 10-7, § 1(b) provided that Business Corporation Regulations § 8.03(a) was not enacted as statute law, and was "rescinded." The Commission accordingly redesignated the remaining subsections of this section.