

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 323

Session of
1971

INTRODUCED BY STROUP, FEBRUARY 15, 1971

REFERRED TO JUDICIARY, FEBRUARY 15, 1971

AN ACT

1 Amending the act of May 5, 1933 (P.L.364), entitled, as amended,
2 "An act relating to corporations; defining and providing for
3 the organization, merger, consolidation, reorganization,
4 winding up and dissolution of certain corporations for
5 profit; conferring certain rights, powers, duties and
6 immunities upon them and their officers and shareholders;
7 prescribing the conditions on which such corporations may
8 exercise their powers; providing for the inclusion of certain
9 existing corporations and associations within the provisions
10 of this act; prescribing the terms and conditions upon which
11 certain foreign corporations may be admitted, or may
12 continue, to do business within the Commonwealth; conferring
13 powers and imposing duties on the courts of common pleas, and
14 certain State departments, commissions, and officers;
15 authorizing certain State departments, boards, commissions,
16 or officers to collect fees for services required to be
17 rendered by this act; imposing penalties; and repealing
18 certain acts and parts of acts relating to corporations and
19 other entities," making those at least eighteen years of age
20 eligible to be directors of such corporations.

21 The General Assembly of the Commonwealth of Pennsylvania
22 hereby enacts as follows:

23 Section 1. Section 401, act of May 5, 1933 (P.L.364), known
24 as the "Business Corporation Law," amended July 20, 1968 (Act
25 No. 216), is amended to read:

26 Section 401. Board of Directors.--The business and affairs
27 of every business corporation shall be managed by a board of

1 directors, who shall be natural persons of [full age,] the age
2 of at least eighteen years and who need not be residents of this
3 Commonwealth or shareholders in the corporation, unless the
4 articles or by-laws so require. Each director shall hold office
5 for the term for which he is elected and until his successor
6 shall have been elected and qualified. Except as hereafter
7 provided in this article, in the case of vacancies, directors,
8 other than those constituting the first board of directors,
9 shall be elected by the shareholders. Unless the articles or by-
10 laws provide otherwise, the board of directors shall have the
11 authority to fix the compensation of directors for their
12 services. A director may also be a salaried officer of the
13 corporation.