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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 473 Session of  
2007

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INTRODUCED BY NICKOL, BASTIAN, CALTAGIRONE, CAPPELLI, CREIGHTON,  
DALLY, FRANKEL, GILLESPIE, GINGRICH, McILHATTAN, MILLARD,  
R. MILLER, NAILOR, REICHLEY, ROSS, RUBLEY, SAYLOR, STERN,  
TURZAI, YOUNGBLOOD AND DENLINGER, MARCH 9, 2007

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REFERRED TO COMMITTEE ON COMMERCE, MARCH 9, 2007

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AN ACT

1 Amending Title 15 (Corporations and Unincorporated Associations)  
2 of the Pennsylvania Consolidated Statutes, further providing  
3 for removal of directors in business corporations.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Section 1726(a)(1) of Title 15 of the  
7 Pennsylvania Consolidated Statutes, amended February 10, 2006  
8 (P.L.21, No.6), is amended to read:

9 § 1726. Removal of directors.

10 (a) Removal by the shareholders.--

11 (1) Unless otherwise provided in a bylaw adopted by the  
12 shareholders, the entire board of directors, or a class of  
13 the board where the board is classified with respect to the  
14 power to select directors, or any individual director of a  
15 business corporation may be removed from office without  
16 assigning any cause by the vote of shareholders, or of the  
17 holders of a class or series of shares, entitled to elect

1 directors, or the class of directors. In case the board or a  
2 class of the board or any one or more directors are so  
3 removed, new directors may be elected at the same meeting.  
4 Notwithstanding the first sentence of this paragraph, unless  
5 otherwise provided in the articles [by a specific and  
6 unambiguous statement that directors may be removed from  
7 office without assigning any cause], the entire board of  
8 directors, or any class of the board, or any individual  
9 director of a corporation having a board classified as  
10 permitted by section 1724(b) (relating to [classified board]  
11 term of office of directors), may be removed from office by  
12 vote of the shareholders entitled to vote thereon only for  
13 cause, if such classification has been effected [in the  
14 articles or] by a bylaw adopted by the shareholders.

15 \* \* \*

16 Section 2. This act shall take effect in 60 days.