

# MAINE STATE LEGISLATURE

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## STATEMENT OF FACT

The purpose of this bill is to grant all shareholders in corporations the right of cumulative voting in elections of directors. The present law states that this method of voting may be employed if the corporation's articles of incorporation so provide.

Cumulative voting gives to a minority of shareholders, as long as it is a minority of reasonable size, the opportunity to obtain representation on a board of directors. For example, a holder of 6 shares, when there are 3 seats up for election, could vote cumulatively by casting 18 (6 times 3) votes for the same candidate.