**§871. Definitions**

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

**1. Conflicting interest.**

[PL 2007, c. 289, §27 (RP).]

**1-A. Control.**  "Control" means:

A. Having the power, directly or indirectly, to elect or remove a majority of the members of the board of directors or other governing body of an entity, whether through the ownership of voting shares or interests, by contract or otherwise; or [PL 2007, c. 289, §27 (NEW).]

B. Being subject to a majority of the risk of loss from the entity’s activities or entitled to receive a majority of the entity’s residual returns. [PL 2007, c. 289, §27 (NEW).]

[PL 2007, c. 289, §27 (NEW).]

**1-B. Controlled by.**  "Controlled by" means a person subject to control by another person.

[PL 2007, c. 289, §27 (NEW).]

**2. Director's conflicting-interest transaction.**  "Director's conflicting-interest transaction" means, as effected or proposed to be effected by a corporation or by an entity controlled by a corporation, a transaction:

A. To which, at the relevant time, the director is a party; [PL 2007, c. 289, §27 (NEW).]

B. That the director knew of, at the relevant time, and in which the director had a material financial interest, known by the director; or [PL 2007, c. 289, §27 (NEW).]

C. To which a related person was a party or had a material financial interest in, known, at the relevant time, by the director. [PL 2007, c. 289, §27 (NEW).]

[PL 2007, c. 289, §27 (AMD).]

**2-A. Material financial interest.**  "Material financial interest" means a financial interest in a transaction that would reasonably be expected to impair the objectivity of the director’s judgment when participating in action on the authorization of the transaction.

[PL 2007, c. 289, §27 (NEW).]

**3. Related person.**  "Related person" means:

A. The individual's spouse; [PL 2015, c. 259, §14 (AMD).]

B. [PL 2007, c. 289, §27 (RP).]

C. A child, stepchild, grandchild, parent, stepparent, grandparent, sibling, stepsibling, half sibling, aunt, uncle, niece or nephew, or spouse of any of those persons, of the individual or of the individual's spouse; [PL 2015, c. 259, §14 (AMD).]

D. Another individual living in the same home as the individual; [PL 2015, c. 259, §14 (AMD).]

E. An entity, other than the corporation or an entity controlled by the corporation, controlled by the individual or any person specified in paragraph A, C or D; [PL 2015, c. 259, §14 (AMD).]

F. A domestic or foreign:

(1) Business or nonprofit corporation, other than the corporation or an entity controlled by the corporation, of which the individual is a director;

(2) Unincorporated entity of which the individual is a general partner or a member of the governing body; or

(3) Individual, trust or estate for whom or of which the individual is a trustee, guardian, personal representative or like fiduciary; or [PL 2015, c. 259, §14 (AMD).]

G. A person that is, or an entity that is controlled by, an employer of the individual. [PL 2015, c. 259, §14 (AMD).]

[PL 2015, c. 259, §14 (AMD).]

**3-A. Relevant time.**  "Relevant time," with regard to a transaction, means:

A. The time at which the directors' action regarding the transaction is taken in compliance with section 873; or [PL 2007, c. 289, §27 (NEW).]

B. If the transaction is not brought before the board of directors of the corporation, or its committee, for action under section 873, the time at which the corporation or an entity controlled by the corporation becomes legally obligated to consummate the transaction. [PL 2007, c. 289, §27 (NEW).]

[PL 2007, c. 289, §27 (NEW).]

**4. Required disclosure.**  "Required disclosure" means disclosure of:

A. The existence and nature of the director's conflicting interest; and [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. All facts known to the director regarding the subject matter of the transaction that a director without such conflicting interest would reasonably believe to be material in deciding whether to proceed with the transaction. [PL 2007, c. 289, §27 (AMD).]

[PL 2007, c. 289, §27 (AMD).]

**5. Time of commitment.**

[PL 2007, c. 289, §27 (RP).]

SECTION HISTORY

RR 2001, c. 2, §A20 (COR). RR 2001, c. 2, §A21 (AFF). PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2007, c. 289, §27 (AMD). PL 2015, c. 259, §14 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025
. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.