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How can the shareholders of a corporation oust a director?

a. Directors possess the managing powers of the corporation

b. If the shareholders do not like a director's decision, they cannot change that decision by merely organizing a meeting and overruling it. Shareholders have a very limited voice in corporate affairs.

c. However, shareholders are usually allowed to terminate a director's position with or without cause. The only caveat to this is if the articles require the shareholders to have "cause" before the director can be terminated. With cause goes beyond just a disagreement. Instead, it requires (1) misconduct or (2) abuse of discretion.

d. A second way that shareholders can terminate a director is by waiting until the annual meeting and voting for someone new.

e. To the extent that the director has too many shares for the shareholders to garner enough votes to terminate him themselves, they can ask the court to remove the director from office if:

   1. The director acted fraudulently;
   2. The director grossly abused his position;
   3. The director intentionally inflicted harm on the corporation;
   4. Court must find removal of director to be in the corporation's best interest;
   5. The court may bar a director from reelection for a specified period of time.

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