**§5105. Delegation of management and investment functions**

**1. Delegation.**  Subject to any specific limitation set forth in a gift instrument or in law other than this chapter, an institution may delegate to an external agent the management and investment of an institutional fund to the extent that an institution could prudently delegate under the circumstances. An institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:

A. Selecting an agent; [PL 2009, c. 450, §2 (NEW); PL 2009, c. 450, §3 (AFF).]

B. Establishing the scope and terms of the delegation, consistent with the purposes of the institution and the institutional fund; and [PL 2009, c. 450, §2 (NEW); PL 2009, c. 450, §3 (AFF).]

C. Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation. [PL 2009, c. 450, §2 (NEW); PL 2009, c. 450, §3 (AFF).]

[PL 2009, c. 450, §2 (NEW); PL 2009, c. 450, §3 (AFF).]

**2. Agent's duty.**  In performing a delegated function, an agent owes a duty to the institution to exercise reasonable care to comply with the scope and terms of the delegation.

[PL 2009, c. 450, §2 (NEW); PL 2009, c. 450, §3 (AFF).]

**3. Liability of institution.**  An institution that complies with subsection 1 is not liable for the decisions or actions of an agent to which the function was delegated.

[PL 2009, c. 450, §2 (NEW); PL 2009, c. 450, §3 (AFF).]

**4. Submits to jurisdiction.**  By accepting delegation of a management or investment function from an institution that is subject to the laws of this State, an agent submits to the jurisdiction of the courts of this State in all proceedings arising from or related to the delegation or the performance of the delegated function.

[PL 2009, c. 450, §2 (NEW); PL 2009, c. 450, §3 (AFF).]

**5. Committees; officers; employees.**  An institution may delegate management and investment functions to its committees, officers or employees as authorized by the laws of this State other than provisions of this chapter.

[PL 2009, c. 450, §2 (NEW); PL 2009, c. 450, §3 (AFF).]

SECTION HISTORY

PL 2009, c. 450, §2 (NEW). PL 2009, c. 450, §3 (AFF).

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 Legislature and is current through October 15, 2024
 . 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.