

Introduced: 2/21/67  
Referred: Commerce  
and Judiciary

1 IN THE HOUSE

BY GUESTS

2 HOUSE BILL NO. 213

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to requirements for voting for direc-  
7 tors and cumulative voting options on the part of  
8 domestic and foreign business corporations qualified  
9 to do business in Alaska; declaring the public policy  
10 of the state; and providing for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 \* Section 1. AS 10.05.162 is amended to read:

13 Sec. 10.05.162. VOTING FOR DIRECTORS AND CUMULATIVE VOTING OPTION.

14 At an election for directors every shareholder entitled to vote may  
15 vote, in person or by proxy, the number of shares owned by him for as  
16 many persons as there are directors to be elected and for whose elec-  
17 tion he has a right to vote, or may cumulate his votes by giving one  
18 candidate as many votes as the number of directors to be elected  
19 multiplied by the number of his shares equals, or by distributing these  
20 votes on the same principle among any number of candidates. [ANY  
21 CORPORATION MAY PROVIDE IN ITS BYLAWS THAT SHAREHOLDERS SHALL NOT  
22 CUMULATE THEIR VOTES BUT MUST VOTE SHARES HELD BY THEM FOR AS MANY  
23 PERSONS AS THERE ARE DIRECTORS TO BE ELECTED.]

24 \* Sec. 2. It is declared to be the public policy of this state to re-  
25 quire the inclusion of the cumulative voting option in AS 10.05.162 in the  
26 articles of incorporation or bylaws of a business corporation, foreign or  
27 domestic, qualified or desiring to be qualified to do business in the state,  
28 in order that minority shareholders may be protected against oppression by  
29 the majority and to insure fairness and tranquility and good and equitable

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1 business practices in the conduct of the affairs of the business corporations.  
2 In pursuance of this public policy a provision in the articles of incorpora-  
3 tion or bylaws of the business corporations in conflict with the provi-  
4 sions of this Act is null and void and corporate action taken under the  
5 provision shall be voidable at the instance of an aggrieved party. After  
6 the effective date of this Act, its provisions shall be incorporated in the  
7 articles of incorporation or bylaws of any such business corporation.

8 \* Sec. 3. This Act takes effect on the day after its passage and ap-  
9 proval or on the day it becomes law without approval.  
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