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1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR SENATE BILL NO. 343 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the liability of directors of
7 corporations."

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

9 * Section 1. AS 10.05.255 is amended by adding new subsections to read:

10 (c) In addition to the matters required to be set out in the
11 articles of incorporation by (a) of this section, the articles of
12 incorporation may also contain a provision eliminating or limiting the
13 personal liability of a director to the corporation or its stock-
14 holders for monetary damages for the breach of fiduciary duty as a
15 director. The articles of incorporation may not eliminate or limit
16 the liability of a director for

17 (1) a breach of a director's duty of loyalty to the corpo-
18 ration or its stockholders;

19 (2) acts or omissions not in good faith or that involve
20 intentional misconduct or a knowing violation of law;

21 (3) wilful or negligent conduct involved in the payment of
22 dividends or the repurchase of stock from other than lawfully avail-
23 able funds; or

24 (4) a transaction from which the director derives an im-
25 proper personal benefit.

26 (d) The provisions of (c) of this section do not eliminate or
27 limit the liability of a director for an act or omission that occurs
28 before the effective date of the articles of incorporation or of an
29 amendment to the articles of incorporation authorized by (c) of this

1 section.

2 * Sec. 2. AS 10.20.151 is amended by adding new subsections to read:

3 (d) In addition to the matters required to be set out in the
4 articles of incorporation by (a) of this section, the articles of
5 incorporation may also contain a provision eliminating or limiting the
6 personal liability of a director to the corporation for monetary
7 damages for the breach of fiduciary duty as a director. The articles
8 of incorporation may not eliminate or limit the liability of a direc-
9 tor for

10 (1) a breach of a director's duty of loyalty to the corpo-
11 ration;

12 (2) acts or omissions not in good faith or that involve
13 intentional misconduct or a knowing violation of law; or

14 (3) a transaction from which the director derives an im-
15 proper personal benefit.

16 (e) The provisions of (d) of this section do not eliminate or
17 limit the liability of a director for an act or omission that occurs
18 before the effective date of the articles of incorporation or of an
19 amendment to the articles of incorporation authorized by (d) of this
20 section.