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1 IN THE SENATE BY THE JUDICIARY COMMITTEE  
2 CS FOR SENATE BILL NO. 343 (Judiciary)  
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 10.05.276 is amended by adding a new subsection to read:

3 (b) A corporation organized under 43 U.S.C. 1601 - 1628 (Alaska  
4 Native Claims Settlement Act) and incorporated under AS 10.05.005 may  
5 amend its articles of incorporation under (a) of this section to add a  
6 provision eliminating or limiting the personal liability of a director  
7 to the corporation or its stockholders for monetary damages under  
8 AS 10.05.255(c). Notwithstanding (a) of this section, the amendment  
9 authorized by this subsection may be adopted by the affirmative vote  
10 of a majority of the shareholders present at a regular or special  
11 meeting at which a quorum is present in person or by proxy.

12 \* Sec. 3. AS 10.15.350 is amended by adding new subsections to read:

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

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

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

24 (3) wilful or negligent conduct involved in the payment of  
25 dividends or the redemption of stock from other than lawfully avail-  
26 able funds; or

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

29 (c) The provisions of (b) of this section do not eliminate or

1. limit the liability of a director for an act or omission that occurs  
2 before the effective date of the articles of incorporation or of an  
3 amendment to the articles of incorporation authorized by (b) of this  
4 section.

5 \* Sec. 4. AS 10.20.151 is amended by adding new subsections to read:

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

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

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

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

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