

1 IN THE SENATE

BY HENSLEY

2

SENATE BILL NO. 437

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 staggered terms for corporate  
7 directors."

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

9 \* Section 1. AS 10.05.186 is amended to read:

10 Sec. 10.05.186. CLASSIFICATION OF DIRECTORS. (a) When the  
11 board of directors consists of nine or more members, instead of having  
12 [ELECTING] all of the directors elected annually, the bylaws may  
13 provide that the directors be divided into either two or three classes  
14 that are [, EACH CLASS TO BE] as nearly equal in number as possible,  
15 with the term of office of directors of the first class to expire at  
16 the first annual meeting of shareholders after the directors' [THEIR]  
17 election, the term [THAT] of the second class to expire at the second  
18 annual meeting after the directors' [THEIR] election, and the term  
19 [THAT] of the third class, if any, to expire at the third annual  
20 meeting after the directors' [THEIR] election. At each annual meeting  
21 after the classification the number of directors equal to the number  
22 in [OF] the class whose term expires at the time of the meeting shall  
23 be elected to hold office until the second succeeding annual meeting  
24 if there are two classes, or until the third succeeding annual meeting  
25 if there are three classes.

26 (b) When the board of directors of a corporation that uses cumu-  
27 lative voting consists of five to eight members, instead of having all  
28 of the directors elected annually, the bylaws may provide that the  
29 directors are to be divided into two classes that are as nearly equal

1 in number as possible, with the term of office of the directors of the  
2 first class to expire at the first annual meeting of shareholders  
3 after the directors' election and the term of the second class to  
4 expire at the second annual meeting after the directors' election. At  
5 each annual meeting after the classification, the number of directors  
6 equal to the number in the class whose term expires at the time of the  
7 meeting shall be elected to hold office until the second succeeding  
8 annual meeting.

9 (c) Classification of directors is not effective before the  
10 first annual meeting of shareholders.