



COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Judiciary, to which was referred House Bill No. 1464, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

1 Page 6, between lines 25 and 26, begin a new paragraph and insert:
2 "SECTION 5. IC 23-1-33-6, AS AMENDED BY P.L.133-2009,
3 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2021]: Sec. 6. (a) The articles of incorporation or the bylaws
5 may provide for staggering their terms by dividing the total number of
6 directors into either:
7 (1) two (2) groups, with each group containing one-half (1/2) of
8 the total, as near as may be; or
9 (2) if there are more than two (2) directors, three (3) groups, with
10 each group containing one-third (1/3) of the total, as near as may
11 be.
12 (b) In the event that terms are staggered under subsection (a), the
13 terms of directors in the first group expire at the first annual
14 shareholders' meeting after their election, the terms of the second group
15 expire at the second annual shareholders' meeting after their election,
16 and the terms of the third group, if any, expire at the third annual
17 shareholders' meeting after their election. At each annual shareholders'
18 meeting held thereafter, directors shall be chosen for a term of two (2)
19 years or three (3) years, as the case may be, to succeed those whose
20 terms expire.

1 (c) A corporation that has a class of voting shares registered with the
2 Securities and Exchange Commission under Section 12 of the
3 Securities Exchange Act of 1934 shall provide for staggering the terms
4 of directors in accordance with this section unless, not later than thirty
5 (30) days after the later of:

6 (1) July 1, 2009; or

7 (2) the time when the corporation's voting shares are registered
8 with the Securities and Exchange Commission under Section 12
9 of the Securities Exchange Act of 1934;

10 the board of directors of the corporation adopts a bylaw expressly
11 electing not to be governed by this subsection. **A public corporation**
12 **governed by this article on July 1, 2021, may elect to not be**
13 **governed by this subsection if the board of directors of the public**
14 **corporation adopts a bylaw expressly electing not to be governed by**
15 **this subsection. However,** An election not to be governed by this
16 subsection may be rescinded by a subsequent action of the board of
17 directors unless the original articles of incorporation contain a
18 provision expressly electing not to be governed by this subsection.

19 (d) If the board fails to provide for the staggering of the terms of
20 directors as required by subsection (c), the board must be staggered as
21 follows:

22 (1) The first group comprises one-third (1/3) of the directors or
23 one-third (1/3) of the directors rounded to the nearest higher
24 whole number if the number of directors is not divisible by three
25 (3) without any remaining.

26 (2) The second group comprises one-third (1/3) of the directors or
27 one-third (1/3) of the directors rounded to the nearest higher
28 whole number if the number of directors is not divisible by three
29 (3) without two (2) remaining.

30 (3) The third group comprises one-third (1/3) of the directors or
31 one-third (1/3) of the directors rounded to the nearest lower whole
32 number if the number of directors is not divisible by three (3)
33 without any remaining.

- 1 The directors shall be placed into the groups established by this
- 2 subsection alphabetically by last name."
- 3 Renumber all SECTIONS consecutively.
(Reference is to HB 1464 as printed February 2, 2021.)

and when so amended that said bill do pass .

Committee Vote: Yeas 7, Nays 0.

Senator Brown L, Chairperson