
A BILL FOR AN ACT

RELATING TO CORPORATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 414-313, Hawaii Revised Statutes, is
2 amended by amending subsection (f) to read as follows:

3 "(f) With respect to corporations incorporated before
4 July 1, 1987, at such meeting, a vote of the shareholders shall
5 be taken on the proposed plan. [~~The~~]

6 If the plan involves a merger of a publicly traded
7 corporation with or into a direct or indirect subsidiary
8 corporation, of which all of the outstanding shares of each
9 class are owned directly or indirectly by the publicly traded
10 corporation, subsection (e) shall apply as if each party to the
11 merger was incorporated on or after July 1, 1987. Otherwise,
12 the plan shall be approved upon receiving the affirmative vote
13 of the holders of three-fourths of all the issued and
14 outstanding shares of stock having voting power even though
15 their right to vote is otherwise restricted or denied by the
16 articles, bylaws, or resolutions of any such corporation. The
17 articles of incorporation may be amended by the vote set forth
18 in the preceding sentence to provide for a lesser proportion of



1 shares, or of any class or series thereof, than is provided in
2 the preceding sentence, in which case the articles of
3 incorporation shall control; provided that the lesser proportion
4 shall be not less than the proportion set forth in subsection
5 (e).

6 As used in this section, "publicly traded corporation"
7 means any corporation listed on a national securities exchange."

8 SECTION 2. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect upon its approval.



Report Title:

Corporations; Publicly Traded Corporations; Mergers

Description:

Amends shareholder voting requirements for proposed plans involving mergers or share exchanges of publicly traded corporations. (SB3024 HD1)

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