

Recent Delaware Decisions Affecting Advanced Notice Bylaws

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Many corporations have bylaws that require stockholders to provide advance notice to the corporations of proposals that stockholders intend to submit at stockholder meetings. These bylaws are intended to reduce the possibility of stealth proposals and allow boards of directors to have adequate time to evaluate and respond in a thoughtful manner. The Delaware Court of Chancery recently issued two opinions affecting the interpretation of advance notice bylaws of Delaware corporations. These decisions affect some of the protections generally afforded by advanced notice bylaws, and it may be prudent for corporations to review their bylaws and determine whether amendments would be prudent.