



7th March 2025

The Delaware General Assembly  
411 Legislative Avenue  
Dover DE 19901  
United States

## **STATEMENT IN OPPOSITION TO DELAWARE SB 21**

As a Swedish institutional investor managing around seventy billion dollars in companies incorporated in the US, we are deeply concerned about the proposed legislative amendments in SB 21. Our US investments form a critical part of our beneficiaries' pensions and the protections afforded by Delaware's legal framework have long played a key role in safeguarding shareholder interests.

For over a century, Delaware's courts have maintained a careful balance—ensuring accountability for fiduciaries while allowing responsible corporate leadership to manage companies effectively. SB 21 threatens to upend this balance, shielding disloyal fiduciaries from meaningful shareholder litigation and removing critical legal protections that underpin investor confidence. By insulating controlling shareholders and executives from accountability, this legislation would risk to encourage reckless decision-making, erode corporate governance standards, and put long-term shareholder value at risk.

We understand that this legislation has been drafted by lawyers representing controlling stockholders. It is not designed to strengthen Delaware's corporate governance framework but rather to dismantle it in favor of those seeking to avoid accountability. If enacted, we fear that these amendments would facilitate a significant wealth transfer from ordinary investors, including our beneficiaries, to a small group of insiders.

In our understanding, the claim that a mass exodus of companies from Delaware is imminent is not supported by facts. The vast majority of corporations incorporated in Delaware have shown no intention of leaving, as they continue to benefit from Delaware's well-developed legal infrastructure, specialized courts, and established corporate law precedents. Any policy changes made must be based on reality, not fearmongering designed to weaken shareholder protections.



We are also alarmed by the highly unusual and rushed process through which SB 21 is being advanced. Major changes to Delaware's corporate governance framework have historically been subject to thorough deliberation and broad stakeholder input, including engagement with investors, corporate governance experts, and the legal community. In contrast, SB 21 has been drafted behind closed doors and fast-tracked without the rigorous review and debate that such consequential legislation demands. The lack of transparency and stakeholder consultation further underscores the fact that this proposal risk to serve the interests of a select few rather than the broader corporate and investor community.

As responsible investors, we would not support reincorporation to jurisdictions with weaker protections and we will carefully scrutinize proposals that would undermine shareholder rights.

Delaware's status as the leading jurisdiction for corporate law is built on its reputation for fairness, consistency, and legal integrity. SB 21 would erode that foundation, weakening investor protections and damaging confidence in Delaware's governance framework. If changes are to be considered, they must be thoughtful, measured, and aligned with the principles that have made Delaware the trusted home of corporate law.

We strongly urge the Delaware legislature to reject SB 21 and reaffirm its commitment to protecting the rights of all shareholders, ensuring that Delaware remains the gold standard for corporate governance.

Yours sincerely

A handwritten signature in black ink that reads 'Pål Bergström'.

Mr Pål Bergström

CEO

Sjunde AP-fonden (AP7)