By: Senator(s) Caughman

To: Business and Financial Institutions

## SENATE BILL NO. 2626

- 1 AN ACT TO AMEND SECTIONS 79-4-7.01, 79-4-7.02 AND 79-4-7.05,
- 2 MISSISSIPPI CODE OF 1972, UNDER THE MISSISSIPPI BUSINESS
- 3 CORPORATION ACT, TO ALLOW CORPORATIONS TO HOLD ANNUAL OR SPECIAL
- 4 SHAREHOLDER MEETINGS REMOTELY; AND FOR RELATED PURPOSES.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
- 6 **SECTION 1.** Section 79-4-7.01, Mississippi Code of 1972, is
- 7 amended as follows:
- 8 79-4-7.01. (a) Unless directors are elected by written
- 9 consent in lieu of an annual meeting as permitted by Section
- 10 79-4-7.04, a corporation shall hold a meeting of shareholders
- 11 annually at a time stated in or fixed in accordance with the
- 12 bylaws; provided, however, that if a corporation's articles of
- 13 incorporation authorize shareholders to cumulate their votes when
- 14 electing directors pursuant to Section 79-4-7.28, directors may
- 15 not be elected by less than unanimous written consent.
- 16 (b) Annual shareholders' meetings may be held in or out of
- 17 this state at the place stated in or fixed in accordance with the
- 18 bylaws or, unless prohibited by the corporation's bylaws, the
- corporation may elect to hold such meeting by electronic

- 20 transmission or other means of remote communication, or a
- 21 combination thereof. If no place is stated in or fixed in
- 22 accordance with the bylaws, annual meetings shall be held at the
- 23 corporation's principal office by electronic transmission or other
- 24 means of remote communication, or by a combination thereof.
- 25 (c) The failure to hold an annual meeting at the time stated
- 26 in or fixed in accordance with a corporation's bylaws does not
- 27 affect the validity of any corporate action.
- 28 (d) For purposes of this section and the other sections of
- 29 this Article 7 of the Mississippi Business Corporation Act,
- 30 "remote communication" means communication via electronic
- 31 communication, conference telephone, videoconference, the
- 32 internet, or such other means by which persons not physically
- 33 present in the same location may communicate with each other on a
- 34 substantially concurrent basis.
- 35 **SECTION 2.** Section 79-4-7.02, Mississippi Code of 1972, is
- 36 amended as follows:
- 37 79-4-7.02. (a) A corporation shall hold a special meeting
- 38 of shareholders:
- 39 (1) On call of its board of directors or the person or
- 40 persons authorized to do so by the articles of incorporation or
- 41 bylaws; or
- 42 (2) Unless the articles of incorporation provide
- 43 otherwise, if shareholders having at least ten percent (10%) of
- 44 all the votes entitled to be cast on an issue proposed to be

- 45 considered at the proposed special meeting sign, date and deliver
- 46 to the corporation one or more written demands for the meeting
- 47 describing the purpose or purposes for which it is to be held.
- 48 Unless otherwise provided in the articles of incorporation, a
- 49 written demand for a special meeting may be revoked by a writing
- 50 to that effect received by the corporation prior to the receipt by
- 51 the corporation of demands sufficient in number to require the
- 52 holding of a special meeting.
- 53 (b) If not otherwise fixed under Section 79-4-7.03 or
- 54 79-4-7.07, the record date for determining shareholders entitled
- 55 to demand a special meeting is the date the first shareholder
- 56 signs the demand.
- 57 (c) Special shareholders' meetings may be held in or out of
- 58 this state at the place stated in or fixed in accordance with the
- 59 bylaws or, unless prohibited by the corporation's bylaws, the
- 60 corporation may elect to hold such meeting by electronic
- 61 transmission or other means of remote communication, or a
- 62 combination thereof. If no place is stated or fixed in accordance
- 63 with the bylaws, special meetings shall be held at the
- 64 corporation's principal office by electronic transmission or other
- 65 means of remote communication, or a combination thereof.
- 66 (d) Only business within the purpose or purposes described
- in the meeting notice required by Section 79-4-7.05(c) may be
- 68 conducted at a special shareholders' meeting.

- SECTION 3. Section 79-4-7.05, Mississippi Code of 1972, is
- 70 amended as follows:
- 71 79-4-7.05. (a) A corporation shall notify shareholders of
- 72 the date, time and place of, and, if applicable, the method to
- 73 access by remote communication, each annual and special
- 74 shareholders' meeting no fewer than ten (10) nor more than sixty
- 75 (60) days before the meeting date. If the board of directors has
- 76 authorized participation by means of remote communication pursuant
- 77 to Section 79-4-7.09 for any class or series of shareholders, the
- 78 notice of such class or series of shareholders shall describe the
- 79 means of remote communication to be used. Unless Section
- 80 79-4-1.01 et seq. or the articles of incorporation require
- 81 otherwise, the corporation is required to give notice only to
- 82 shareholders entitled to vote at the meeting.
- 83 (b) Unless Section 79-4-1.01 et seq. or the articles of
- 84 incorporation require otherwise, notice of an annual meeting need
- 85 not include a description of the purpose or purposes for which the
- 86 meeting is called.
- 87 (c) Notice of a special meeting must include a description
- 88 of the purpose or purposes for which the meeting is called.
- 89 (d) If not otherwise fixed under Section 79-4-7.03 or
- 90 79-4-7.07, the record date for determining shareholders entitled
- 91 to notice of and to vote at an annual or special shareholders'
- 92 meeting is the day before the first notice is delivered to
- 93 shareholders.

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94	(e) Unless the bylaws require otherwise, if an annual or
95	special shareholders' meeting is adjourned to a different date,
96	time or place, or, if applicable, method to access by remote
97	communication, notice need not be given of the new date,
98	time, * * * place or method of remote communication if the new
99	date, time, * * * place or method or remote communication is
100	announced at the meeting before adjournment. If a new record date
101	for the adjourned meeting is or must be fixed under Section
102	79-4-7.07, however, notice of the adjourned meeting must be given
103	under this section to persons who are shareholders as of the new
104	record date.
105	SECTION 4. This act shall take effect and be in force from

and after its passage.

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