A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE SHAREHOLDER MEETINGS HELD SOLELY BY MEANS OF REMOTE COMMUNICATION AND TO MAKE RELATED MODIFICATIONS TO THE BUSINESS CORPORATION ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 55-7-01 reads as rewritten:

"§ 55-7-01. Annual meeting.
(a) A corporation shall hold a meeting of shareholders annually at a time stated in or fixed in accordance with the bylaws.
(b) Annual meetings may be held (i) in or out of this State at the place stated in or fixed in accordance with the bylaws.
If bylaws, or (ii) if no place is stated in or fixed in accordance with the bylaws, annual meetings shall be held at the corporation's principal office.

...

SECTION 2. G.S. 55-7-02 reads as rewritten:

"§ 55-7-02. Special meeting.
... (c) Special meetings may be held (i) in or out of this State at the place stated in or fixed in accordance with the bylaws.
If bylaws, or (ii) if no place is stated or fixed in accordance with the bylaws, special meetings shall be held at the corporation's principal office.

...

SECTION 3. G.S. 55-7-05 reads as rewritten:

"§ 55-7-05. Notice of meeting.
(a) A corporation shall notify shareholders of the date, time, and place of each annual and special shareholders' meeting no fewer than 10 nor more than 60 days before the meeting date. If the board of directors has authorized participation by means of remote communication pursuant to G.S. 55-7-09 for any class or series of shareholders, the notice to such class or series of shareholders shall describe the means of remote communication to be used. Unless this Chapter or the articles of incorporation require otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting.
... (e) Unless the bylaws require otherwise, if an annual or special shareholders' meeting is adjourned to a different date, time, or place, if any, notice need not be given of the new date,
time, or place, if any, if the new date, time, or place is following are announced at the
meeting before adjournment:
(1) The new date, time, or place, if any.
(2) If the meeting is to be continued solely by means of remote communication,
a description of the means of remote communication.

If a new record date for the adjourned meeting is or must be fixed under G.S. 55-7-07,
however, notice of the adjourned meeting must be given under this section to persons who are
shareholders as of the new record date.

(f) After a public corporation has notified shareholders of the date, time, and place of an
annual or special shareholders' meeting in accordance with subsection (a) of this section, further
notification in accordance with subsection (a) of this section is not required if all of the following
apply:

(1) A governmental order restricting travel or group gatherings applicable to the
place of the shareholders' meeting or public corporation's principal office is in
effect and is anticipated in good faith by the board of directors to be in effect
at the date and time set forth in the initial notification, including by an
anticipated extension of an existing order.

(2) The public corporation's board of directors determines that the shareholders'
meeting is instead to be held solely by means of remote communication in
accordance with G.S. 55-7-09(c) at the same date and time set forth in the
initial notification or at a different date and time.

(3) The public corporation (i) promptly issues a press release for national
dissemination announcing the determination of its board of directors that the
shareholders' meeting is to be held solely by means of remote communication
and describing the means of remote communication to be used and providing
the date and time of the shareholders' meeting to be held solely by means of
remote communication and (ii) files the press release with the Securities and
Exchange Commission as close to the time the press release is issued as
practicable and approximately contemporaneously posts such press release to
its corporate website."

SECTION 4. G.S. 55-7-09 reads as rewritten:
"§ 55-7-09. Remote participation in meetings; meetings held solely by remote
participation.

(a) To the extent authorized by a corporation's board of directors, shareholders of any
class or series designated by the board of directors may participate in any meeting of shareholders
by means of remote communication. Participation by means of remote communication shall be
subject to such guidelines and procedures as the board of directors adopts and shall be in
conformity with subsection (b) of this section.

(b) Shareholders participating in a shareholders' meeting by means of remote
communication shall are deemed present and may vote at such a meeting if the corporation
has implemented reasonable measures to do all of the following:

(1) Verify that each person participating remotely is a shareholder.

(2) Provide each shareholder participating remotely a reasonable opportunity to
participate in the meeting and to vote on matters submitted to the shareholders,
including an opportunity to communicate and read or hear the proceedings of
the meeting, substantially concurrently with such proceedings.

(c) Unless shareholders' meetings held solely by means of remote communication are
prohibited by the articles of incorporation or by the bylaws, the board of directors may, in its sole
discretion, determine that any meeting of shareholders shall not be held at any place and shall
instead be held solely by means of remote communication, but only if the corporation implements
the measures specified in subsection (b) of this section."
SECTION 5. G.S. 55-7-20 reads as rewritten:

"§ 55-7-20. Shareholders' list for meeting.
(a) After fixing a record date for a meeting, a corporation shall prepare an alphabetical list of the names of all its shareholders who are entitled to notice of a shareholders' meeting. The list must be arranged by voting group (and within each voting group, by class or series of shares) and shall show the address and number of shares held by each shareholder.
(b) The shareholders' list must be available for inspection by any shareholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, (i) at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held, or (ii) on a reasonably accessible electronic network, provided that the information required to gain access to the list is provided with the notice of the meeting. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that the information is available only to shareholders of the corporation. A shareholder, personally or by or with his, the shareholder's representative, is entitled on written demand to inspect and, subject to the requirements of G.S. 55-16-02(c), to copy the list, during regular business hours and at the shareholder's expense, during the period it is available for inspection.
(c) The list does not affect the validity of action taken at the meeting.
(d) If the corporation refuses to allow a shareholder or his, the shareholder's representative, to inspect the shareholders' list before or at the meeting or any adjournment, the superior court of the county where a corporation's principal office is located, or, if none in this State, its registered office is located, may summarily order the corporation to prepare and make available the list as permitted by subsection (b), or, if none in this State, its registered office is located, the corporation to make the list available on an electronic network, provided that the information required to gain access to the list is provided with the notice of the meeting. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that the information is available only to shareholders of the corporation. A shareholder, personally or by or with his, the shareholder's representative, is entitled on written demand to inspect and, subject to the requirements of G.S. 55-16-02(c), to copy the list, during regular business hours and at the shareholder's expense, during the period it is available for inspection.
(e) Refusal or failure to prepare or make available the shareholders' list does not affect the validity of action taken at the meeting."

SECTION 6. G.S. 55-10-22 reads as rewritten:

"§ 55-10-22. Bylaw increasing quorum or voting requirement for directors or prohibiting a meeting of shareholders solely by remote participation.
(a) A bylaw that fixes a greater quorum or voting requirement for the board of directors or that prohibits a meeting of shareholders solely by means of remote communication may be amended or repealed as follows:
   (1) If originally adopted by the shareholders, only by the shareholders, unless amendment or repeal by the board of directors is permitted pursuant to subsection (b) of this section.
   (2) If originally adopted by the board of directors, either by the shareholders or by the board of directors.
(b) A bylaw adopted or amended by the shareholders that fixes a greater quorum or voting requirement for the board of directors may provide that it may be amended or repealed only by a specified vote of either the shareholders or the board of directors.
(c) The following applies to a bylaw referred to in subsection (a) of this section.

(1) It shall not be adopted by the board of directors by a vote less than a majority of the directors then in office.

(2) It shall not itself be amended by a quorum or vote of the directors less than the quorum or vote therein prescribed or prescribed by the shareholders pursuant to subsection (b) of this section."

SECTION 7. The Revisor of Statutes shall cause to be printed, as annotations to the published General Statutes, all relevant portions of the Official Comments to the Revised Model Business Corporation Act and all explanatory comments of the drafters of this section as the Revisor may deem appropriate.

SECTION 8. This act is effective when it becomes law and applies to shareholder meetings noticed on or after that date.