

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
19 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
67 in the meeting notice required by Section 79-4-7.05(c) may be
68 conducted at a special shareholders' meeting.



69 **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.



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
106 and after its passage.

