

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

SENATE BILL 11

5 By: Senator D. Sullivan  
6 By: Representative Gonzales  
7

## For An Act To Be Entitled

9 AN ACT TO ALLOW ARKANSAS CORPORATIONS AND ARKANSAS  
10 BANKS TO HOLD ANNUAL OR SPECIAL SHAREHOLDER MEETINGS  
11 REMOTELY; TO DECLARE AN EMERGENCY; AND FOR OTHER  
12 PURPOSES.  
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## Subtitle

15 TO ALLOW ARKANSAS CORPORATIONS AND  
16 ARKANSAS BANKS TO HOLD ANNUAL OR SPECIAL  
17 SHAREHOLDER MEETINGS REMOTELY; AND TO  
18 DECLARE AN EMERGENCY.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 4-26-701(a), concerning shareholders'  
25 meetings, is amended to read as follows:

26 (a)(1) ~~Meetings~~ A meeting of shareholders may be held at ~~such place, a~~  
27 physical location or solely or partially by means of remote communication,  
28 either within or without this state, or ~~as may be~~ provided in the bylaws. ~~In~~  
29 ~~the absence of any such provision, all meetings shall be held at the~~  
30 ~~registered office of the corporation.~~

31 (2)(A) A shareholders' meeting that is held solely by means of  
32 remote communication or through a combination of remote communication and an  
33 in-person meeting is permitted to the extent that:

34 (i) The corporation's board of directors authorizes  
35 and adopts guidelines and procedures governing a remote shareholders'  
36 meeting; and



1                   (ii) Shareholders and proxy holders have the  
 2 capability to participate through a method of remote communication.

3                   (B) The guidelines and procedures governing a remote  
 4 shareholders' meeting shall provide verified shareholders and proxy holders  
 5 who are not physically present at a shareholders' meeting to:

6                   (i) Have a reasonable opportunity to participate in  
 7 the meeting;

8                   (ii) Be deemed present at the meeting; and

9                   (iii) Be permitted to vote on matters submitted at  
 10 the meeting.

11  
 12           SECTION 2. Arkansas Code § 4-27-701(b) and (c), concerning the annual  
 13 shareholders' meeting of a corporation, are amended to read as follows:

14           (b)(1) Annual shareholders' meetings may be held at a physical  
 15 location or solely or partially by means of remote communication, in or out  
 16 of this state, at the a place stated in or fixed in accordance with according  
 17 to the bylaws of the corporation. If no place is stated in or fixed in  
 18 accordance with the bylaws, annual meetings shall be held at the  
 19 corporation's principal office.

20           (2)(A) An annual shareholders' meeting held solely by means of  
 21 remote communication or through a combination of remote communication and an  
 22 in-person meeting is allowed to the extent that:

23                   (i) The corporation's board of directors authorizes  
 24 and adopts guidelines and procedures governing a remote annual shareholders'  
 25 meeting; and

26                   (ii) Shareholders and proxy holders have the  
 27 capability to participate through a method of remote communication.

28                   (B) The guidelines and procedures governing a remote  
 29 meeting shall provide verified shareholders and proxy holders who are not  
 30 physically present at a shareholders' meeting to:

31                   (i) Have a reasonable opportunity to participate in  
 32 the meeting;

33                   (ii) Be deemed present at the meeting; and

34                   (iii) Be permitted to vote on matters submitted at  
 35 the meeting.

36           (c) The failure to hold an annual meeting at the time stated in or

1 ~~fixed in accordance with~~ according to a corporation's bylaws, or solely or  
 2 partially by means of remote communication, does not affect the validity of  
 3 any corporate action.

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 5 SECTION 3. Arkansas Code § 4-27-702(c), concerning special  
 6 shareholders' meetings, is amended to read as follows:

7 (c)(1) Special shareholders' meetings may be held at a physical  
 8 location or solely or partially by means of remote communication, in or out  
 9 of this state at ~~the~~ a place stated in or fixed ~~in accordance with~~ according  
 10 to the bylaws of the corporation. ~~If no place is stated or fixed in~~  
 11 ~~accordance with the bylaws, special meetings shall be held at the~~  
 12 ~~corporation's principal office.~~

13 (2)(A) A meeting held solely by means of remote communication or  
 14 through a combination of remote communication and an in-person meeting is  
 15 allowed to the extent that:

16 (i) The corporation's board of directors authorizes  
 17 and adopts guidelines and procedures governing a remote annual shareholders'  
 18 meeting; and

19 (ii) Shareholders and proxy holders have the  
 20 capability to participate through a method of remote communication.

21 (B) The guidelines and procedures governing a remote  
 22 special shareholders' meeting shall provide verified shareholders and proxy  
 23 holders who are not physically present at a shareholders meeting to:

24 (i) Have a reasonable opportunity to participate in  
 25 the meeting;

26 (ii) Be deemed present at the meeting; and

27 (iii) Be permitted to vote on matters submitted at  
 28 the meeting.

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 30 SECTION 4. Arkansas Code § 23-48-326 is amended to read as follows:

31 23-48-326. Application of Arkansas Business Corporation Act.

32 (a) ~~All state banks and subsidiary trust companies shall be subject to~~  
 33 ~~current provisions of~~ A state bank and a subsidiary trust company are subject  
 34 to the Arkansas Business Corporation Act of 1987, § 4-27-101 et seq., to the  
 35 extent that ~~those provisions are~~ it is not in conflict with the ~~provisions of~~  
 36 ~~the~~ Arkansas Banking Code of 1997.

1           ~~(b) In the event that any provision of~~ If the Arkansas Business  
2 Corporation Act of 1987, § 4-27-101 et seq., is in conflict with any  
3 ~~provision of~~ the Arkansas Banking Code of 1997, then the ~~provision of the~~  
4 Arkansas Banking Code of 1997 shall control.

5           (c) Annual or special shareholders' meetings may be held by  
6 corporations or banks solely or partially through remote communication if  
7 authorized by the corporation's or bank's board of directors.

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9           SECTION 5. EMERGENCY CLAUSE. It is found and determined by the  
10 General Assembly of the State of Arkansas that the risk of exposure to  
11 coronavirus 2019 (COVID-19) or to severe acute respiratory syndrome  
12 coronavirus 2 (SARS-CoV-2) or any of its mutations is causing delays in  
13 conducting business due to the inability to hold in-person shareholders'  
14 meetings; that allowing Arkansas corporations to conduct shareholders'  
15 meetings through remote communication, solely or partially, can reduce the  
16 uncertainty for Arkansas corporations and allow a corporation to continue to  
17 operate; and that this act is immediately necessary to provide Arkansas  
18 corporations with the ability to conduct their corporate affairs without risk  
19 of exposure to coronavirus 2019 (COVID-19) or to severe acute respiratory  
20 syndrome coronavirus 2 (SARS-CoV-2) or any of its mutations. Therefore, an  
21 emergency is declared to exist, and this act being immediately necessary for  
22 the preservation of the public peace, health, and safety shall become  
23 effective on:

24           (1) The date of its approval by the Governor;

25           (2) If the bill is neither approved nor vetoed by the Governor,  
26 the expiration of the period of time during which the Governor may veto the  
27 bill; or

28           (3) If the bill is vetoed by the Governor and the veto is  
29 overridden, the date the last house overrides the veto.