

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H

1

HOUSE BILL 320

Short Title: Modernize Remote Business Access. (Public)

Sponsors: Representatives D. Hall, Bradford, Paré, and Howard (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Judiciary 1, if favorable, Rules, Calendar, and Operations of the House

March 18, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY AUTHORIZATION TO CONDUCT MEETINGS BY MEANS OF
3 REMOTE COMMUNICATION FOR CERTAIN ENTITIES, TO AUTHORIZE
4 NONPROFIT CORPORATIONS TO CONDUCT ALL BUSINESS ELECTRONICALLY
5 UNLESS PROHIBITED IN THEIR ARTICLES OF INCORPORATION OR BYLAWS,
6 AND TO MAKE TECHNICAL CHANGES IN THE SURROUNDING LANGUAGE.

7 The General Assembly of North Carolina enacts:

8
9 **PART I. AUTHORIZE SHAREHOLDER MEETINGS TO BE HELD SOLELY BY**
10 **MEANS OF REMOTE COMMUNICATION**

11 **SECTION 1.(a)** G.S. 55-7-01 reads as rewritten:

12 "**§ 55-7-01. Annual meeting.**

13 (a) A corporation shall hold a meeting of shareholders annually at a time stated in or fixed
14 in accordance with the bylaws.

15 (b) ~~Annual~~ Unless the board of directors determines to hold the meeting solely by means
16 of remote communication in accordance with G.S. 55-7-09(c), annual shareholders' meetings
17 may be held (i) in or out of this State at the place stated in or fixed in accordance with the ~~bylaws.~~
18 ~~If bylaws, or (ii) if no place is stated in or fixed in accordance with the bylaws, annual meetings~~
19 ~~shall be held~~ at the corporation's principal office.

20"

21 **SECTION 1.(b)** G.S. 55-7-02 reads as rewritten:

22 "**§ 55-7-02. Special meeting.**

23 (a) A corporation shall hold a special meeting of ~~shareholders~~ shareholders if either of
24 the following applies:

25 (1) On call of its board of directors or the person or persons authorized to do so
26 by the articles of incorporation or the ~~bylaws;~~ or bylaws.

27 ...

28 (c) ~~Special~~ Unless the board of directors determines to hold the meeting solely by means
29 of remote communication in accordance with G.S. 55-7-09(c), special shareholders' meetings
30 may be held (i) in or out of this State at the place stated in or fixed in accordance with the ~~bylaws.~~
31 ~~If bylaws, or (ii) if no place is stated or fixed in accordance with the bylaws, special meetings~~
32 ~~shall be held~~ at the corporation's principal office.

33"

34 **SECTION 1.(c)** G.S. 55-7-05 reads as rewritten:

35 "**§ 55-7-05. Notice of meeting.**



* H 3 2 0 - V - 1 *

1 (a) A corporation shall notify shareholders of the date, time, and ~~place~~place, if any,
2 each annual and special shareholders' meeting no fewer than 10 nor more than 60 days before the
3 meeting date. If the board of directors has authorized participation by means of remote
4 communication pursuant to G.S. 55-7-09 for any class or series of shareholders, the notice to
5 ~~such the~~ class or series of shareholders shall describe the means of remote communication to be
6 used. Unless this Chapter or the articles of incorporation require otherwise, the corporation is
7 required to give notice only to shareholders entitled to vote at the meeting.

8 ...

9 (e) Unless the bylaws require otherwise, if an annual or special shareholders' meeting is
10 adjourned to a different date, time, or place, if any, notice need not be given of the new date,
11 time, or ~~place~~place, if any, if the ~~new date, time, or place is following~~ are announced at the
12 meeting before ~~adjournment~~adjournment:

13 (1) The new date, time, or place, if any.

14 (2) If the meeting is to be continued solely by means of remote communication,
15 a description of the means of remote communication.

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

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

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

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

31 (3) The public corporation (i) promptly issues a press release for national
32 dissemination announcing the determination of its board of directors that the
33 shareholders' meeting is to be held solely by means of remote communication,
34 describing the means of remote communication to be used, and providing the
35 date and time of the shareholders' meeting and (ii) files the press release with
36 the Securities and Exchange Commission as close to the time the press release
37 is issued as practicable."

38 **SECTION 1.(d)** G.S. 55-7-09 reads as rewritten:

39 **"§ 55-7-09. Remote participation in ~~meetings~~meetings; meetings held solely by remote**
40 **participation.**

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

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

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

50 (2) Provide each shareholder participating remotely a reasonable opportunity to
51 participate in the meeting and to vote on matters submitted to the shareholders,

1 including an opportunity to communicate and read or hear the proceedings of
2 the meeting, substantially concurrently with ~~such~~the proceedings.

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

8 SECTION 1.(e) G.S. 55-7-20 reads as rewritten:

9 "**§ 55-7-20. Shareholders' list for meeting.**

10 (a) After fixing a record date for a meeting, a corporation shall prepare an alphabetical
11 list of the names of all its shareholders who are entitled to notice of a shareholders' meeting. The
12 list ~~must~~shall be arranged by voting ~~group (and within each voting group group,~~ by class or
13 series of ~~shares) shares within each voting group,~~ and shall show the address of and number of
14 shares held by each shareholder.

15 (b) The shareholders' list ~~must~~shall be available for inspection by any shareholder,
16 beginning two business days after notice of the meeting is given for which the list was prepared
17 and continuing through the meeting, (i) at the corporation's principal office or at a place identified
18 in the meeting notice in the city where the meeting will be ~~held.~~held or (ii) on a reasonably
19 accessible electronic network, provided that the information required to gain access to the list is
20 provided with the notice of the meeting. In the event that the corporation determines to make the
21 list available on an electronic network, the corporation may take reasonable steps to ensure that
22 the information is available only to shareholders of the corporation. A shareholder, personally or
23 by or with his~~the~~ shareholder's representative, is entitled on written demand to inspect and,
24 subject to the requirements of G.S. 55-16-02(c), to copy the list, during regular business hours
25 and at ~~his~~the shareholder's expense, during the period it is available for inspection.

26 (c) ~~The~~If the meeting is to be held at a place, the corporation shall make the shareholders'
27 list available at the meeting, and any shareholder, personally or by or with ~~his~~the shareholder's
28 representative, is entitled to inspect the list at any time during the meeting or any adjournment.
29 ~~The~~If the meeting is to be held at a place, the corporation is not required to make the list available
30 through electronic or other means of remote communication to a shareholder or proxy attending
31 the meeting by remote communication pursuant to G.S. 55-7-09. If the meeting is to be held
32 solely by means of remote communication, then the list shall also be open to inspection during
33 the meeting on a reasonably accessible electronic network, and the information required to access
34 the list shall be provided with the notice of the meeting.

35 (d) If the corporation refuses to allow a shareholder or ~~his~~the shareholder's representative
36 to inspect the shareholders' list before or at the ~~meeting (or meeting,~~ or copy the list as permitted
37 by subsection (b)),(b), the superior court of the county where a corporation's principal office (~~or,~~
38 ~~if none in this State, its registered office)~~ is located, or, if the corporation has no principal office
39 in this State, the superior court of the county where the corporation's registered office is located,
40 on application of the shareholder, after notice is given to the corporation, may summarily order
41 the inspection or copying at the corporation's expense and may postpone the meeting for which
42 the list was prepared until the inspection or copying is complete.

43 (e) Refusal or failure to prepare or make available the shareholders' list does not affect
44 the validity of action taken at the meeting."

45 SECTION 1.(f) G.S. 55-10-22 reads as rewritten:

46 "**§ 55-10-22. Bylaw increasing quorum or voting requirement for ~~directors~~directors or**
47 **prohibiting a meeting of shareholders solely by remote participation.**

48 (a) A bylaw that fixes a greater quorum or voting requirement for the board of directors
49 or that prohibits a meeting of shareholders solely by means of remote communication may be
50 amended or ~~repealed~~repealed as follows:

- 1 (1) If originally adopted by the shareholders, only by the shareholders, unless
2 amendment or repeal by the board of directors is permitted pursuant to
3 subsection ~~(b);(b)~~ of this section.
- 4 (2) If originally adopted by the board of directors, either by the shareholders or
5 by the board of directors.

6 (b) A bylaw adopted or amended by the shareholders that fixes a greater quorum or voting
7 requirement for the board of directors may provide that it may be amended or repealed only by a
8 specified vote of either the shareholders or the board of directors.

9 (c) ~~A-The following applies to a~~ bylaw referred to in subsection ~~(a);(a)~~ of this section:

- 10 (1) ~~May-It shall~~ not be adopted by the board of directors by a vote less than a
11 majority of the directors then in ~~office, and~~office.
- 12 (2) ~~May-It shall~~ not itself be amended by a quorum or vote of the directors less
13 than the quorum or vote therein prescribed or prescribed by the shareholders
14 pursuant to subsection ~~(b);(b)~~ of this section."

15 **SECTION 1.(g)** The Revisor of Statutes shall cause to be printed, as annotations to
16 the published General Statutes, all relevant portions of the Official Comments to the Revised
17 Model Business Corporation Act and all explanatory comments of the drafters of this section as
18 the Revisor may deem appropriate.

19
20 **PART II. AUTHORIZE NONPROFIT MEMBER MEETINGS TO BE HELD BY MEANS**
21 **OF REMOTE COMMUNICATION; AUTHORIZE NONPROFITS TO CONDUCT ALL**
22 **BUSINESS ELECTRONICALLY UNLESS PROHIBITED BY THE NONPROFIT**

23 **SECTION 2.(a)** G.S. 55A-1-41 reads as rewritten:

24 "**§ 55A-1-41. Notice.**

25 ...

26 (c) Written notice by a domestic or foreign corporation to its member is effective when
27 deposited in the United States mail with postage ~~thereon~~-prepaid and correctly addressed to the
28 member's address shown in the corporation's current record of members. ~~To the extent the~~
29 ~~corporation pursuant to G.S. 55A-1-70 and the member have agreed, notice-~~Notice by a domestic
30 corporation ~~to its member~~ in the form of an electronic record sent by electronic means to a
31 member who has designated an email address as provided in G.S. 55A-1-70(b) is effective when
32 it is sent as provided in G.S. 66-325. ~~A member may terminate any such agreement at any time~~
33 ~~on a prospective basis effective upon written notice of termination to the corporation or upon~~
34 ~~such later date as may be specified in the notice.~~

35 (d) Written notice to a domestic or foreign corporation (~~authorized-~~authorized to conduct
36 affairs in this State) State may be addressed to its registered agent at its registered office or to the
37 corporation or its secretary at its principal office shown in its articles of incorporation, the
38 Designation of Principal Office Address form, or any Corporation's Statement of Change of
39 Principal Office Address form filed with the Secretary of State.

40 (e) Except as provided in subsection (c) of this section, written notice is effective at the
41 earliest of the following:

- 42 (1) When ~~received;~~received.
- 43 (2) Five days after its deposit in the United States mail, as evidenced by the
44 postmark or otherwise, if mailed with at least first-class postage thereon
45 prepaid and correctly ~~addressed;~~addressed.
- 46 (3) On the date shown on the return receipt, if sent by registered or certified mail,
47 return receipt requested, and the receipt is signed by or on behalf of the
48 ~~addressee;~~addressee.
- 49 (4) If mailed with less than first-class postage, 30 days after its deposit in the
50 United States mail, as evidenced by the postmark or otherwise, if mailed with
51 postage thereon prepaid and correctly ~~addressed;~~addressed.

- 1 (5) When delivered to the member's address shown in the corporation's current
2 list of members.

3 In the case of notice in the form of an electronic record sent by electronic means, the time of
4 receipt shall be determined as provided in G.S. 66-325.

5 (f) Written notice is correctly addressed to a member of a domestic or foreign corporation
6 if addressed to the member's address shown in the corporation's current list of members. In the
7 case of members who are residents of the same household and who have the same address, the
8 corporation's bylaws may provide that a single notice may be given to ~~such~~the members jointly.
9"

10 **SECTION 2.(b)** G.S. 55A-1-70 reads as rewritten:

11 "**§ 55A-1-70. ~~Electronic transactions.~~Conducting business electronically.**

12 ~~For purposes of applying Article 40 of Chapter 66 of the General Statutes to transactions~~
13 ~~under this Chapter, a corporation may agree to conduct a transaction by electronic means through~~
14 ~~provision in its articles of incorporation or bylaws or by action of its board of directors.~~

15 (a) Unless prohibited by the articles of incorporation or bylaws, a corporation, its officers,
16 directors, and members may conduct business by electronic means in accordance with this
17 Chapter and consistent with Article 40 of Chapter 66 of the General Statutes without further
18 consent or agreement, except as required by subsection (b) of this section. To the extent that this
19 Chapter conflicts with Article 40 of Chapter 66 of the General Statutes, this Chapter prevails.

20 (b) Unless otherwise provided in the articles of incorporation or bylaws, before
21 conducting communication or business by electronic means with a member, including, without
22 limitation, as permitted in G.S. 55A-1-41, 55A-7-04, 55A-7-08, 55A-7-09, and 55A-7-24, a
23 corporation shall obtain the member's agreement. In order to obtain agreement, the corporation
24 shall provide an opportunity for the member to do the following:

- 25 (1) Provide the member's written agreement to communication and business
26 conducted between the member and the corporation by electronic means.
27 (2) Designate the email address to be used for communication and business
28 between the member and the corporation.
29 (3) Provide any other information necessary to facilitate communication and
30 business conducted between the member and the corporation by electronic
31 means.

32 (c) A corporation that receives agreement and information from a member pursuant to
33 subsection (b) of this section shall inform the member on how to revoke the agreement or update
34 the information provided."

35 **SECTION 2.(c)** G.S. 55A-7-01 reads as rewritten:

36 "**§ 55A-7-01. Annual and regular meetings.**

37 (a) A corporation having members with the right to vote for directors shall hold a meeting
38 of ~~such~~the members annually.

39 (b) A corporation with members may hold regular membership meetings at the times
40 stated in or fixed in accordance with the bylaws.

41 (c) Annual and regular membership meetings may be held (i) in person in or out of this
42 State at the place stated in or fixed in accordance with the ~~bylaws.~~bylaws or (ii) by means of
43 remote communication, as provided in G.S. 55A-7-09. If no place is stated in or fixed in
44 accordance with the bylaws, in-person annual and regular meetings shall be held at the
45 corporation's principal office.

46"

47 **SECTION 2.(d)** G.S. 55A-7-02 reads as rewritten:

48 "**§ 55A-7-02. Special meeting.**

49 (a) A corporation with members shall hold a special meeting of ~~members.~~members in
50 any of the following circumstances:

1 (1) On call of its board of directors or the person or persons authorized to do so
2 by the articles of incorporation or ~~bylaws; or bylaws.~~
3 (2) Within 30 days after the holders of at least ten percent (10%) of all the votes
4 entitled to be cast on any issue proposed to be considered at the proposed
5 special meeting sign, date, and deliver to the corporation's secretary one or
6 more written demands for the meeting describing the purpose or purposes for
7 which it is to be held.

8 (b) If not otherwise fixed under G.S. 55A-7-03 or G.S. 55A-7-07, the record date for
9 determining members entitled to demand a special meeting is the date the first member signs the
10 demand.

11 (c) Special meetings of members may be held (i) in person in or out of this State at the
12 place stated in or fixed in accordance with the ~~bylaws.~~ bylaws or (ii) by means of remote
13 communication as provided in G.S. 55A-7-09. If no place is stated or fixed in accordance with
14 the bylaws, in-person special meetings shall be held at the corporation's principal office.

15 (d) Only those matters that are within the purpose or purposes described in the meeting
16 notice required by G.S. 55A-7-05 may be acted upon at a special meeting of members."

17 **SECTION 2.(e)** G.S. 55A-7-03 reads as rewritten:

18 **"§ 55A-7-03. Court-ordered meeting.**

19 (a) The superior court of the county where a corporation's principal office, or, if there is
20 none in this State, its registered office, is located may, after notice is given to the corporation and
21 upon such further notice and opportunity to be heard, if any, as the court may deem appropriate
22 under the circumstances, summarily order a meeting to be ~~held:~~ held in any of the following
23 circumstances:

24 (1) On application of any member if an annual meeting was not held within 15
25 months after the corporation's last annual ~~meeting; or meeting.~~
26 (2) On application of a member who signed a demand for a special meeting valid
27 under G.S. 55A-7-02, if the corporation has not held the meeting as required
28 by that section.

29 (b) The court may fix the time and place of the meeting, specify a record date for
30 determining those persons entitled to notice of and to vote at the meeting, prescribe the form and
31 content of the meeting notice, fix the quorum required for specific matters to be considered at the
32 meeting ~~(or or direct that the votes represented at the meeting constitute a quorum for action on~~
33 ~~those matters).~~ matters, and enter other orders necessary to accomplish the purpose or purposes
34 of the meeting. The court may order that the meeting be held by means of remote communication
35 as provided in G.S. 55A-7-09.

36 (c) If the court orders a meeting, it may also order the corporation to pay all or part of the
37 member's ~~costs (including costs, including reasonable attorneys' fees)~~ fees, incurred to obtain the
38 order."

39 **SECTION 2.(f)** G.S. 55A-7-04 reads as rewritten:

40 **"§ 55A-7-04. Action by written consent.**

41 (a) Action required or permitted by this Chapter to be taken at a meeting of members may
42 be taken without a meeting if the action is taken by all members entitled to vote on the action.
43 The action shall be evidenced by one or more written consents describing the action taken, signed
44 before or after ~~such the~~ the action by all members entitled to vote ~~thereon,~~ on the action, and delivered
45 to the corporation for inclusion in the minutes or filing with the corporate records. ~~To the extent~~
46 ~~the corporation has agreed pursuant to~~ If a member has agreed as provided in G.S. 55A-1-70, a
47 the member's consent to action taken without a meeting may be in electronic form and delivered
48 by electronic means.

49"

50 **SECTION 2.(g)** G.S. 55A-7-05 reads as rewritten:

51 **"§ 55A-7-05. Notice of meeting.**

1 ...

2 (c) Notice is fair and reasonable ~~if~~if it conforms to all of the following:

3 (1) The corporation gives notice to all members entitled to vote at the meeting of
4 the ~~place, place, if any, date,~~ and time of each annual, regular, and special
5 meeting of members no fewer than 10, or, if notice is mailed by other than
6 first class, registered or certified mail, no fewer than 30, nor more than 60 days
7 before the meeting ~~date;~~date.

8 (1a) If the meeting will be held by means of remote communication, the notice
9 shall include all the information required by G.S. 55A-7-09.

10 (2) Notice of an annual or regular meeting includes a description of any matter or
11 matters that shall be approved by the members under G.S. 55A-8-31,
12 55A-8-55, 55A-10-03, 55A-10-21, 55A-11-04, 55A-12-02, or ~~55A-14-02;~~
13 ~~and~~55A-14-02.

14 (3) Notice of special meeting includes a description of the matter or matters for
15 which the meeting is called.

16 (d) Unless the bylaws require otherwise, if an annual, regular, or special meeting of
17 members is adjourned to a different date, time, or place, notice need not be given of the new date,
18 time, or place, if the new date, time, or place is announced at the meeting before adjournment. If
19 the meeting is to be continued by means of remote communication, the announcement shall also
20 include a description of the means of remote communication. If a new record date for the
21 adjourned meeting is or must be fixed under G.S. 55A-7-07, however, notice of the adjourned
22 meeting shall be given under this section to the members of record entitled to vote at the meeting
23 as of the new record date.

24 (e) When giving notice of an annual, regular, or special meeting of members, a
25 corporation shall give notice of a matter a member intends to raise at the meeting ~~if~~if all of the
26 following apply:

27 (1) ~~Requested~~The corporation is requested in writing to do so by a person or
28 persons entitled to call a special meeting pursuant to ~~G.S. 55A-7-02;~~
29 ~~and~~G.S. 55A-7-02.

30 (2) The request is received by the secretary or president of the corporation at least
31 10 days before the corporation gives notice of the meeting."

32 **SECTION 2.(h)** G.S. 55A-7-06 reads as rewritten:

33 **"§ 55A-7-06. Waiver of notice.**

34 ...

35 (b) A member's attendance at a ~~meeting;~~meeting in person or by means of remote
36 communication waives objection to all of the following:

37 (1) ~~Waives objection to lack~~Lack of notice or defective notice of the meeting,
38 unless the member at the beginning of the meeting objects to holding the
39 meeting or conducting business at the ~~meeting;~~ andmeeting.

40 (2) ~~Waives objection to consideration~~Consideration of a particular matter at the
41 meeting that is not within the purpose or purposes described in the meeting
42 notice, unless the member objects to considering the matter before it is voted
43 ~~upon~~upon in an in-person meeting."

44 **SECTION 2.(i)** G.S. 55A-7-08 reads as rewritten:

45 **"§ 55A-7-08. ~~Action~~Member action by written ballot, ballot or electronic voting.**

46 (a) Unless prohibited or limited by the articles of incorporation or bylaws and without
47 regard to the requirements of G.S. 55A-7-04, any action that may be taken at any annual, regular,
48 or special meeting of members may be taken without a meeting ~~if the corporation delivers a~~
49 ~~written ballot to every member entitled to vote on the matter. Any requirement that any vote of~~
50 ~~the members be made by written ballot may be satisfied by a ballot submitted by electronic~~
51 ~~transmission, including electronic mail, provided that such electronic transmission shall either~~

1 ~~set forth or be submitted with information from which it can be determined that the electronic~~
2 ~~transmission was authorized by the member or the member's proxy by written ballots or~~
3 ~~electronic voting as follows:~~

4 (1) Written ballots. – The corporation shall deliver a written ballot to every
5 member entitled to vote on the matter. The ballot shall set forth each proposed
6 action and provide an opportunity to vote for or against each proposed action.
7 Unless secret balloting is required on the proposed action, the ballot shall
8 contain or request information sufficient to identify the member or the
9 member's proxy submitting the ballot. Written ballots may be submitted to the
10 corporation by any reasonable means specified by the corporation, including
11 email.

12 (2) Electronic voting. – For members who have agreed as provided in
13 G.S. 55A-1-70, the corporation shall provide an electronic ballot or electronic
14 notice that sets forth each proposed action and provides an opportunity and
15 instructions on how to vote for or against each proposed action using the
16 electronic ballot or an electronic voting system that meets all of the following
17 requirements:

18 a. Accommodates and complies with all applicable special voting
19 requirements of the corporation, including, without limitation,
20 weighted votes, percentage interest votes, class voting, cumulative
21 voting, or secret balloting.

22 b. Provides control mechanisms that allow the corporation to verify that
23 each electronic vote is authorized by the member or the member's
24 proxy.

25 c. Ensures that each member or proxy casts only the number of votes that
26 the member is entitled to cast.

27 d. Creates a record of all votes cast that is maintained in the corporation's
28 records and available for inspection by members.

29 (b) ~~A written ballot shall:~~

30 (1) ~~Set forth each proposed action; and~~

31 (2) ~~Provide an opportunity to vote for or against each proposed action.~~

32 (c) A corporation's board of directors may determine, in its discretion, that votes may be
33 cast by written ballots or by electronic voting, or by both, except that votes may be cast solely by
34 electronic voting only if all members entitled to vote on the proposed action have agreed as
35 provided in G.S. 55A-1-70. Approval by written ballot or electronic voting, or both, pursuant to
36 this section shall be valid only when the number of votes cast by written ballot or electronic
37 voting, or both, equals or exceeds the quorum required to be present at a meeting authorizing the
38 action, and the number of approvals equals or exceeds the number of votes that would be required
39 to approve the matter at a meeting at which the same total number of votes were cast.

40 (d) All written ballots or solicitations for votes by written ~~ballot~~ ballot, all electronic
41 ballots or solicitations for votes by electronic ballot, and all electronic voting notices shall
42 indicate the time by which a written or electronic ballot shall be received by the corporation or
43 by which electronic votes shall be cast in order to be counted. The deadline for the return of
44 written ballots and electronic ballots and for the casting of electronic votes on any proposed
45 action shall be identical.

46 (e) Except as otherwise provided in the articles of incorporation or bylaws, a ~~written~~
47 ~~ballot~~ any written ballot, electronic ballot, or electronic vote that is submitted shall not be
48 revoked."

49 **SECTION 2.(j)** Article 7 of Chapter 55 of the General Statutes is amended by adding
50 a new section to read:

51 **"§ 55A-7-09. Meetings held by means of remote communication.**

1 (a) The board of directors may, in its sole discretion, determine that any membership
2 meeting shall be held by means of remote communication, but only if the remote communication
3 allows members participating to hear other participants and to be heard by other participants if
4 recognized by the chairperson during the meeting. If the board of directors determines to hold a
5 meeting by means of remote communication, (i) all action and business requiring a vote of the
6 membership shall be taken and conducted pursuant to G.S. 55A-7-08 and (ii) the corporation is
7 not required to verify the presence of a quorum at the meeting.

8 (b) In addition to the information required by G.S. 55A-7-05, notice of a meeting held by
9 means of remote communication shall include all of the following:

10 (1) Notice that the meeting will be held by means of remote communication and
11 sufficient instruction and information on how members may join the meeting
12 remotely.

13 (2) Notice that the action or business requiring a vote of the membership will be
14 taken and conducted pursuant to G.S. 55A-7-08.

15 (3) Information required to inspect or gain access to the members' list as provided
16 in G.S. 55A-7-20.

17 (c) The board of directors may prescribe additional rules and procedures for meetings
18 held by means of remote communication, consistent with the provisions of this Chapter and
19 Article 40 of Chapter 65 of the General Statutes.

20 (d) All references to meetings in this Chapter include meetings held by means of remote
21 communication in accordance with the provisions of this Chapter."

22 **SECTION 2.(k)** G.S. 55A-7-24 reads as rewritten:

23 **"§ 55A-7-24. Proxies.**

24 (a) Unless the articles of incorporation or bylaws prohibit or limit proxy voting, a
25 member may vote in person or by proxy. A member may appoint one or more proxies to vote or
26 otherwise act for the member by signing an appointment form, either personally or by the
27 member's attorney-in-fact. ~~Without limiting G.S. 55A-1-70, an~~ An appointment in the form of an
28 electronic record submitted by a member who has agreed as provided in G.S. 55A-1-70 that either
29 bears the member's electronic signature or is sent from the member's designated email address
30 and that may be directly reproduced in paper form by an automated process shall be deemed a
31 valid appointment form within the meaning of this section. In addition, if and to the extent
32 permitted by the nonprofit corporation, a member may appoint one or more proxies by any kind
33 of telephonic transmission, even if not accompanied by written communication, under
34 circumstances or together with information from which the nonprofit corporation can reasonably
35 assume that the appointment was made or authorized by the member.

36 ...

37 (c) An appointment of a proxy is revocable by the member unless the appointment form
38 conspicuously states that it is irrevocable and the appointment is coupled with an interest. An
39 appointment made irrevocable under this subsection shall be revocable when the interest with
40 which it is coupled is extinguished. A transferee for value of an interest subject to an irrevocable
41 appointment may revoke the appointment if ~~he~~ the transferee did not have actual knowledge of
42 its irrevocability.

43 ...

44 (e) A revocable appointment of a proxy is revoked by the person appointing the
45 ~~proxy;~~ proxy doing any of the following:

46 (1) Attending any meeting and voting in ~~person;~~ ~~or~~ person.

47 (2) Signing and delivering to the secretary or other officer or agent authorized to
48 tabulate proxy votes either a writing stating that the appointment of the proxy
49 is revoked or a subsequent appointment form.

50 "

51 **SECTION 2.(l)** G.S. 55A-7-20 reads as rewritten:

1 **"§ 55A-7-20. Members' list for meeting.**

2 ...

3 (b) Beginning two business days after notice is given of the meeting for which the list
4 was prepared and continuing through the meeting, the list of members shall be available for
5 inspection by any member for the purpose of communication with other members concerning the
6 meeting. The list shall be available at (i) the corporation's principal office or at a reasonable place
7 identified in the meeting notice in the city where the meeting will be held for inspection by any
8 member for the purpose of communication with other members concerning the meeting, or (ii)
9 on a reasonably accessible electronic network, so long as the information required to gain access
10 to the list is provided with the notice of the meeting. In the event that the corporation determines
11 to make the list available on an electronic network, the corporation may take reasonable steps to
12 ensure that the information is available only to members of the corporation. A member,
13 personally or by or with his-the member's representatives, is entitled on written demand to inspect
14 and, subject to the limitations of G.S. 55A-16-02(c) and G.S. 55A-16-05 and at his-the member's
15 expense, to copy the list at a reasonable time during the period it is available for inspection.

16 (c) ~~The~~If the meeting is to be held at a place, the corporation shall make the list of
17 members available at the meeting, and any member, personally or by or with his-the member's
18 representatives, is entitled to inspect the list at any time during the meeting or any adjournment.

19 (d) If the corporation refuses to allow a member or ~~his-the member's~~ representative to
20 inspect or copy the list of members as permitted in subsections (b) and (c) of this section, the
21 superior court of the county where a corporation's principal ~~office (or, office, or, if there is none~~
22 ~~in this State, its registered office)-office,~~ is located, on application of the member, after notice is
23 given to the corporation and upon such further evidence, notice and opportunity to be heard, if
24 any, as the court may deem appropriate under the circumstances, may summarily order the
25 inspection or copying at the corporation's expense. The court may postpone the meeting for which
26 the list was prepared until the inspection or copying is complete and may order the corporation
27 to pay the member's costs, including reasonable attorneys' fees, incurred to obtain the order.

28 (e) Refusal or failure to prepare or make available the members' list does not affect the
29 validity of action taken at the meeting."

30 **SECTION 2.(m)** G.S. 55A-8-20 reads as rewritten:

31 **"§ 55A-8-20. Regular and special meetings.**

32 (a) The board of directors may hold regular or special meetings in or out of this State.

33 (b) Unless the articles of incorporation or bylaws provide otherwise, the board of
34 directors may permit any or all directors to participate in a regular or special meeting by, or
35 conduct the meeting through the use of, any means of communication by which all directors
36 participating may simultaneously hear and be heard by each other during the meeting. A director
37 participating in a meeting by this means is deemed to be present in person at the meeting."

38 **SECTION 2.(n)** G.S. 55A-8-21 reads as rewritten:

39 **"§ 55A-8-21. Action without meeting.**

40 (a) Unless the articles of incorporation or bylaws provide otherwise, action required or
41 permitted by this Chapter to be taken at a board of directors' meeting may be taken without a
42 meeting if the action is taken by all members of the board. The action shall be evidenced by one
43 or more written consents signed by each director before or after ~~such-the~~ action, describing the
44 action taken, and included in the minutes or filed with the corporate records reflecting the action
45 taken. ~~To the extent the corporation has agreed pursuant to G.S. 55A-1-70, As authorized in~~
46 G.S. 55A-1-70, a director's consent to action taken without meeting may be in electronic form
47 and delivered by electronic means.

48"

49

1 **PART III. AUTHORIZE CONDOMINIUM ASSOCIATION UNIT OWNER AND**
2 **PLANNED COMMUNITY ASSOCIATION LOT OWNER MEETINGS TO BE HELD**
3 **REMOTELY**

4 **SECTION 3.(a)** G.S. 47C-3-108 reads as rewritten:

5 **"§ 47C-3-108. Meetings.**

6 (a) A meeting of the association shall be held at least once each year. Special meetings
7 of the association may be called by the president, a majority of the executive board, or by unit
8 owners having twenty percent (20%) or any lower percentage specified in the bylaws of the votes
9 in the association. Not less than 10 nor more than 60 days in advance of any meeting, the secretary
10 or other officer specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by
11 United States mail to the mailing address of each unit or to any other mailing address designated
12 in writing by the unit owner, or sent by electronic means, including by ~~electronic mail over the~~
13 ~~Internet, to an electronic mailing address designated in writing by the unit owner.~~ email, to any
14 unit owner who has agreed pursuant to G.S. 55A-1-70. The notice of any meeting must state the
15 time and place of the meeting and the items on the agenda, including the general nature of any
16 proposed amendment to the declaration or bylaws, any budget changes, and any proposal to
17 remove a director or officer.

18 ...

19 (c) Except as otherwise provided for in the bylaws, meetings of the association and
20 executive ~~board-board~~, other than meetings held by means of remote communication, shall be
21 conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised."

22 **SECTION 3.(b)** G.S. 47F-3-108 reads as rewritten:

23 **"§ 47F-3-108. Meetings.**

24 (a) A meeting of the association shall be held at least once each year. Special meetings
25 of the association may be called by the president, a majority of the executive board, or by lot
26 owners having ten percent (10%), or any lower percentage specified in the bylaws, of the votes
27 in the association. Not less than 10 nor more than 60 days in advance of any meeting, the secretary
28 or other officer specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by
29 United States mail to the mailing address of each lot or to any other mailing address designated
30 in writing by the lot owner, or sent by electronic means, including by ~~electronic mail over the~~
31 ~~Internet, to an electronic mailing address designated in writing by the lot owner.~~ email, to any lot
32 owner who has agreed pursuant to G.S. 55A-1-70. The notice of any meeting shall state the time
33 and place of the meeting and the items on the agenda, including the general nature of any
34 proposed amendment to the declaration or bylaws, any budget changes, and any proposal to
35 remove a director or officer.

36 ...

37 (c) Except as otherwise provided in the bylaws, meetings of the association and the
38 executive ~~board-board~~, other than meetings held by means of remote communication, shall be
39 conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised."

40
41 **PART IV. AUTHORIZE INSURANCE POLICYHOLDER MEETINGS TO BE HELD**
42 **REMOTELY**

43 **SECTION 4.** G.S. 58-8-10 reads as rewritten:

44 **"§ 58-8-10. Policyholders are members of mutual companies.**

45 (a) Every person insured by a mutual insurance company is a member while that person's
46 policy is in force, entitled to one vote for each policy that person holds, and ~~must~~ shall be notified
47 of the (i) time and (ii) place of or method of remote communication, or both, for holding the
48 company's meetings by a written notice or by an imprint upon the back of each policy, receipt,
49 or certificate of renewal, as follows:

50 (1) If the meetings are to be held at a place, as follows: The insured is hereby
51 notified that by virtue of this policy the insured is a member of the _____

1 insurance company, and that the annual meetings of the company are held at
2 its home office on the _____ day of _____, in each year, at _____ o'clock.

3 (2) If the meetings are to be held solely by remote communication, as follows:
4 The insured is hereby notified that by virtue of this policy the insured is a
5 member of the _____ insurance company, and that the annual meetings of
6 the company are held by means of remote communication, which can be
7 accessed by _____ on the _____ day of _____, in each year, at _____
8 o'clock.

9 (3) If the meetings are to be held at a place and by remote communication, as
10 follows: The insured is hereby notified that by virtue of this policy the insured
11 is a member of the _____ insurance company, and that the annual meetings
12 of the company are held at its home office and by means of remote
13 communication, which can be accessed by _____ on the _____ day of
14 _____, in each year, at _____ o'clock.

15 (b) The blanks in subsection (a) of this section shall be duly filled in print and are
16 sufficient notice. A corporation that becomes a member of a mutual insurance company may
17 authorize any person to represent the corporation; and this representative has all the rights of an
18 individual member. A person holding property in trust may insure it in a mutual insurance
19 company, and as trustee assume the liability and be entitled to the rights of a member; but is not
20 personally liable upon the contract of insurance. Members may vote by proxies, dated and
21 executed within one year after receipt, and returned and recorded on the books of the company
22 three days or more before the meeting at which they are to be used.

23 (c) Participation by means of remote communication shall be subject to such guidelines
24 and procedures as the board of directors adopts and shall be in conformity with subsection (d) of
25 this section.

26 (d) Members participating in meetings by means of remote communication shall be
27 deemed (i) present and (ii) voting in person at the meeting if the mutual insurance company has
28 implemented reasonable measures to do all of the following:

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

30 (2) Provide each member participating remotely a reasonable opportunity to
31 participate in the meeting and to vote on matters submitted to the members,
32 including an opportunity to communicate and read or hear the proceedings of
33 the meeting, substantially concurrently with the proceedings.

34 (e) The board of directors may, in its sole discretion, determine that any meeting of
35 members shall not be held at any place and shall instead be held solely by means of remote
36 communication, but only if the mutual insurance company implements the measures specified in
37 subsection (d) of this section."

39 **PART V. EFFECTIVE DATE AND APPLICABILITY**

40 **SECTION 5.** This act is effective when it becomes law and applies to meetings
41 noticed on or after that date. Remote shareholder meetings noticed before the effective date of
42 this act and complying with Executive Order No. 185, issued December 31, 2020, by Governor
43 Roy A. Cooper, may proceed remotely as originally noticed notwithstanding any notice and
44 meeting requirements of Chapter 55 of the General Statutes.