



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0116

Introduced 2/3/2021, by Sen. Julie A. Morrison

SYNOPSIS AS INTRODUCED:

805 ILCS 5/7.05	from Ch. 32, par. 7.05
805 ILCS 5/7.15	from Ch. 32, par. 7.15
805 ILCS 5/7.30	from Ch. 32, par. 7.30

Amends the Business Corporation Act of 1983. Provides that if the board of directors is authorized to determine the place of a meeting of shareholders, the board of directors may determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication. Provides that a corporation may allow shareholders to participate in and act at any meeting of the shareholders through the use of remote connection; however, the corporation shall implement reasonable measures to provide the shareholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders. Provides that the corporation may implement reasonable measures to verify that each person deemed present and entitled to vote at the meeting by means of remote communication is a shareholder. Makes corresponding changes. Effective immediately.

LRB102 10457 KTG 15786 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Business Corporation Act of 1983 is amended
5 by changing Sections 7.05, 7.15, and 7.30 as follows:

6 (805 ILCS 5/7.05) (from Ch. 32, par. 7.05)

7 Sec. 7.05. Meetings of shareholders.

8 (a) Meetings of shareholders may be held either within or
9 without this State, as may be provided in the by-laws or in a
10 resolution of the board of directors pursuant to authority
11 granted in the by-laws. In the absence of any such provision,
12 all meetings shall be held at the registered office of the
13 corporation in this State. If, pursuant to the by-laws, the
14 board of directors is authorized to determine the place of a
15 meeting of shareholders, the board of directors may determine
16 that the meeting shall not be held at any place, but may
17 instead be held solely by means of remote communication as
18 authorized by subsection (c).

19 (b) An annual meeting of the shareholders shall be held at
20 such time as may be provided in the by-laws or in a resolution
21 of the board of directors pursuant to authority granted in the
22 by-laws. Failure to hold the annual meeting at the designated
23 time shall not work a forfeiture or dissolution of the

1 corporation nor affect the validity of corporate action. If an
2 annual meeting has not been held within the earlier of six
3 months after the end of the corporation's fiscal year or
4 fifteen months after its last annual meeting and if, after a
5 request in writing directed to the president of the
6 corporation, a notice of meeting is not given within 60 days of
7 such request, then any shareholder entitled to vote at an
8 annual meeting may apply to the circuit court of the county in
9 which the registered office or principal place of business of
10 the corporation is located for an order directing that the
11 meeting be held and fixing the time and place of the meeting.
12 The court may issue such additional orders as may be necessary
13 or appropriate for the holding of the meeting.

14 (c) Unless specifically prohibited by the articles of
15 incorporation or by-laws, a corporation may allow shareholders
16 to participate in and act at any meeting of the shareholders
17 through the use of a conference telephone or interactive
18 technology, including but not limited to electronic
19 transmission, Internet usage, or remote communication.
20 However, the corporation shall implement reasonable measures
21 to provide the shareholders a reasonable opportunity to
22 participate in the meeting and to vote on matters submitted to
23 the shareholders, including an opportunity to read or hear the
24 proceedings of the meeting substantially concurrently with the
25 proceedings. The corporation may implement reasonable measures
26 to verify that each person deemed present and entitled to vote

1 at the meeting by means of remote communication is a
2 shareholder., ~~by means of which all persons participating in~~
3 ~~the meeting can communicate with each other.~~

4 (d) A shareholder entitled to vote at a meeting of the
5 shareholders shall be permitted to attend the meeting at the
6 designated place where space permits or by means of remote
7 communication, as applicable, and subject to the corporation's
8 by-laws and rules governing the conduct of the meeting and the
9 power of the chairman to regulate the orderly conduct of the
10 meeting. Participation in such meeting shall constitute
11 attendance and presence in person at the meeting of the person
12 or persons so participating.

13 (e) Special meetings of the shareholders may be called by
14 the president, by the board of directors, by the holders of not
15 less than one-fifth of all the outstanding shares entitled to
16 vote on the matter for which the meeting is called or by such
17 other officers or persons as may be provided in the articles of
18 incorporation or the by-laws.

19 (Source: P.A. 94-655, eff. 1-1-06.)

20 (805 ILCS 5/7.15) (from Ch. 32, par. 7.15)

21 Sec. 7.15. Notice of shareholders' meetings. Written
22 notice stating the place, if any, day, and hour of the meeting,
23 and the means of remote communication, if any, by which
24 shareholders may be deemed to be present in person and vote at
25 the meeting, and, in the case of a special meeting, the purpose

1 or purposes for which the meeting is called, shall be
2 delivered not less than 10 nor more than 60 days before the
3 date of the meeting, or in the case of a merger, consolidation,
4 share exchange, dissolution or sale, lease or exchange of
5 assets not less than 20 nor more than 60 days before the date
6 of the meeting, either personally or by mail, by or at the
7 direction of the president, or the secretary, or the officer
8 or persons calling the meeting, to each shareholder of record
9 entitled to vote at such meeting. If mailed, such notice shall
10 be deemed to be delivered when deposited in the United States
11 mail addressed to the shareholder at his or her address as it
12 appears on the records of the corporation, with postage
13 thereon prepaid.

14 (Source: P.A. 83-1025.)

15 (805 ILCS 5/7.30) (from Ch. 32, par. 7.30)

16 Sec. 7.30. Voting lists. The officer or agent having
17 charge of the transfer book for shares of a corporation shall
18 make, within 20 days after the record date for a meeting of
19 shareholders or 10 days before such meeting, whichever is
20 earlier, a complete list of the shareholders entitled to vote
21 at such meeting, arranged in alphabetical order, with the
22 address of and the number of shares held by each, which list,
23 for a period of 10 days prior to such meeting, shall be kept on
24 file ~~at the registered office of the corporation~~ and shall be
25 subject to inspection by any shareholder, and to copying at

1 the shareholder's expense, at the registered office of the
2 corporation at any time during usual business hours or on a
3 reasonably accessible electronic network, at the corporation's
4 election. If the corporation determines to make the list
5 available on an electronic network, the corporation may take
6 reasonable steps to ensure that such information is available
7 only to shareholders of the corporation. Such list shall also
8 be produced and kept open at the time and place of the meeting,
9 or on a reasonably accessible electronic network if the
10 meeting will be held solely by means of remote communication,
11 and shall be subject to the inspection of any shareholder
12 during the whole time of the meeting. The original share
13 ledger or transfer book, or a duplicate thereof kept in this
14 State, shall be prima facie evidence as to who are the
15 shareholders entitled to examine such list or share ledger or
16 transfer book or to vote at any meeting of shareholders.

17 Failure to comply with the requirements of this Section
18 shall not affect the validity of any action taken at such
19 meeting.

20 An officer or agent having charge of the transfer books
21 who shall fail to prepare the list of shareholders, or keep the
22 same on file for a period of 10 days, or produce and keep the
23 same open for inspection at the meeting, as provided in this
24 Section, shall be liable to any shareholder suffering damage
25 on account of such failure, to the extent of such damage.

26 (Source: P.A. 83-1025.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.