



2017 ASSEMBLY BILL 357

May 31, 2017 - Introduced by Representatives JARCHOW, BALLWEG, R. BROOKS, DOYLE, GANNON, HORLACHER, KATZMA, KERKMAN, KOOYENGA, KRUG, KUGLITSCH, KULP, MACCO, MURPHY, RIPP, ROHRKASTE, SANFELIPPO, SPIROS, STEFFEN, TUSLER and ZEPNICK, cosponsored by Senators KAPENGA, CRAIG, FEYEN, LEMAHIEU, NASS, STROEBEL, TESTIN and WANGGAARD. Referred to Committee on Financial Institutions.

1 **AN ACT** *to renumber and amend* 180.0701 (2), 180.0702 (3) and 180.0720 (2);
2 *to amend* 180.0703 (2) (intro.), 180.0705 (1), 180.0705 (4) (a), 180.0706 (2)
3 (intro.), 180.0720 (3) and 180.0720 (4); and *to create* 180.0701 (2) (b), 180.0702
4 (3) (b) and 180.0709 of the statutes; **relating to:** shareholders' meetings of
5 business corporations.

Analysis by the Legislative Reference Bureau

This bill allows shareholders of a business corporation to participate in shareholders' meetings by means of remote communication, without being physically present at the meeting.

Under current law, with an exception, a corporation must hold an annual meeting of shareholders at a time and place stated in or fixed in accordance with its bylaws. If no place is so stated, the annual meeting is held at the corporation's principal office. A corporation may also hold special shareholders' meetings at the place stated in or fixed in accordance with its bylaws or, if none, at the corporation's principal office. Before a shareholders' meeting, a corporation must prepare a list of the names of all its shareholders entitled to notice of the meeting. The corporation must make this list available for inspection by any shareholder, for a certain period, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. The corporation must also make the list available for shareholder inspection during the meeting.

Under this bill, a corporation's board of directors may allow shareholders not physically present at a shareholders' meeting to participate in the meeting by means

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of remote communication and to be considered to be present in person and to vote at the meeting, if the corporation 1) has implemented reasonable measures to verify that each person considered to be present and permitted to vote at the meeting by means of remote communication is a shareholder; 2) has implemented reasonable measures to provide shareholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the proceedings of the meeting concurrently with the proceedings; and 3) maintains a record of voting or action by shareholders by means of remote communication. These provisions also apply to proxies of shareholders. A corporation's bylaws may allow the board of directors to determine that shareholders' meetings are held solely by means of remote communication, and the provisions described above apply regardless of whether the meeting is held at a designated place or solely by means of remote communication. If the board of directors has allowed participation by means of remote communication, the corporation's notice to shareholders of the shareholders' meeting must describe the means of remote communication to be used.

The bill also allows a corporation to make its shareholders' list available on a reasonably accessible electronic network, instead of making it available at the corporation's principal office or at a place identified in the meeting notice. If the corporation elects to make its shareholders list available on a reasonably accessible electronic network, the information required to gain access to the list must be provided with the meeting notice. If a shareholders' meeting is held solely by means of remote communication, the shareholders' list must be available on a reasonably accessible electronic network during the meeting.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 180.0701 (2) of the statutes is renumbered 180.0701 (2) (a) and
2 amended to read:

3 180.0701 (2) (a) ~~A~~ Subject to par. (b), a corporation may hold the annual
4 shareholders' meeting in or outside this state at the place stated in or fixed in
5 accordance with the bylaws. ~~If Subject to par. (b), if~~ no place is stated in or fixed in
6 accordance with the bylaws, the corporation shall hold the annual meeting at its
7 principal office.

8 **SECTION 2.** 180.0701 (2) (b) of the statutes is created to read:

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1 180.0701 (2) (b) A corporation's bylaws may authorize the board of directors,
2 in its sole discretion, to determine that the annual shareholders' meeting shall not
3 be held at any place, but may instead be held solely by means of remote
4 communication as authorized under s. 180.0709.

5 **SECTION 3.** 180.0702 (3) of the statutes is renumbered 180.0702 (3) (a) and
6 amended to read:

7 180.0702 (3) (a) ~~A~~ Subject to par. (b), a corporation may hold a special
8 shareholders' meeting in or outside this state at the place stated in or fixed in
9 accordance with the bylaws. If Subject to par. (b), if no place is stated in or fixed in
10 accordance with the bylaws, the corporation shall hold a special meeting at its
11 principal office.

12 **SECTION 4.** 180.0702 (3) (b) of the statutes is created to read:

13 180.0702 (3) (b) A corporation's bylaws may authorize the board of directors,
14 in its sole discretion, to determine that a special shareholders' meeting shall not be
15 held at any place, but may instead be held solely by means of remote communication
16 as authorized under s. 180.0709.

17 **SECTION 5.** 180.0703 (2) (intro.) of the statutes is amended to read:

18 180.0703 (2) (intro.) The court may fix the time and place of the meeting or
19 determine that the meeting shall be held solely by means of remote communication
20 as authorized under s. 180.0709 and require that it the meeting be called and
21 conducted in accordance with the corporation's articles of incorporation and bylaws
22 in so far as possible, except that the court may do all of the following:

23 **SECTION 6.** 180.0705 (1) of the statutes is amended to read:

24 180.0705 (1) A corporation shall notify shareholders of the date, time, and
25 place, if any, of each annual and special shareholders' meeting not less than 10 days

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1 nor more than 60 days before the meeting date, unless a different time is provided
2 by this chapter, the articles of incorporation, or the bylaws. If the board of directors
3 has authorized participation by means of remote communication under s. 180.0709,
4 the notice shall also describe the means of remote communication to be used. The
5 notice shall comply with s. 180.0141. Unless this chapter or the articles of
6 incorporation require otherwise, the corporation is required to give notice only to
7 shareholders entitled to vote at the meeting.

8 **SECTION 7.** 180.0705 (4) (a) of the statutes is amended to read:

9 180.0705 (4) (a) Unless the bylaws require otherwise and except as provided
10 in par. (b), if an annual or special shareholders' meeting is adjourned to a different
11 date, time, or place or will be held by a new means of remote communication, the
12 corporation is not required to give notice of the new date, time ~~or,~~ place, or means of
13 remote communication if the new date, time ~~or,~~ place, or means of remote
14 communication is announced at the meeting before adjournment.

15 **SECTION 8.** 180.0706 (2) (intro.) of the statutes is amended to read:

16 180.0706 (2) (intro.) A shareholder's attendance at a meeting, whether
17 physical or remote, in person or by proxy, waives objection to all of the following:

18 **SECTION 9.** 180.0709 of the statutes is created to read:

19 **180.0709 Remote participation in shareholders' meeting.** (1) If
20 authorized by the board of directors in its sole discretion, and subject to sub. (2) and
21 to any guidelines and procedures adopted by the board of directors, shareholders and
22 proxies of shareholders not physically present at a meeting of shareholders may
23 participate in the meeting by means of remote communication.

24 (2) If shareholders and proxies of shareholders participate in a meeting of
25 shareholders by means of remote communication as provided in sub. (1), the

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1 participating shareholders and proxies of shareholders are deemed to be present in
2 person and to vote at the meeting of shareholders, whether the meeting is held at a
3 designated place or solely by means of remote communication, if all of the following
4 apply:

5 (a) The corporation has implemented reasonable measures to verify that each
6 person deemed present and permitted to vote at the meeting by means of remote
7 communication is a shareholder or proxy of a shareholder.

8 (b) The corporation has implemented reasonable measures to provide
9 shareholders and proxies of shareholders a reasonable opportunity to participate in
10 the meeting and to vote on matters submitted to the shareholders, including an
11 opportunity to read or hear the proceedings of the meeting concurrently with the
12 proceedings.

13 (c) The corporation maintains a record of voting or action by any shareholder
14 or proxy of a shareholder that votes or takes other action at the meeting by means
15 of remote communication.

16 **SECTION 10.** 180.0720 (2) of the statutes is renumbered 180.0720 (2) (a) and
17 amended to read:

18 180.0720 (2) (a) The corporation shall make the shareholders' list available for
19 inspection by any shareholder, beginning 2 business days after notice of the meeting
20 is given for which the list was prepared and continuing to the date of the meeting.
21 The list shall be made available at the corporation's principal office or, at a place
22 identified in the meeting notice in the city where the meeting will be held, or on a
23 reasonably accessible electronic network if the information required to gain access
24 to the list is provided with the notice of the meeting.

