

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact § 13.1-657 of the Code of Virginia, relating to corporations; shareholder actions without a meeting.

[H 2441]

Approved

Be it enacted by the General Assembly of Virginia:

1. That § 13.1-657 of the Code of Virginia is amended and reenacted as follows:

§ 13.1-657. Action without meeting.

A.1. Action required or permitted by this Act to be taken at a shareholders' meeting may be taken without a meeting and without action by the board of directors prior notice, if the action is taken by all the shareholders entitled to vote on the action, in which case no action by the board of directors shall be required.

2. Notwithstanding subsection A1, if so provided in the articles of incorporation of a corporation that is not a public corporation at the time such action is taken, action required or permitted by this Act to be taken at a shareholders' meeting may be taken without a meeting and without prior notice, if the action is taken by shareholders who would be entitled to vote at a meeting of holders of outstanding shares having voting power to cast not less than the minimum number (or numbers, in the case of voting by groups) of votes that would be necessary to authorize or take the action at a meeting at which all shareholders entitled to vote thereon were present and voted.

3. The action shall be evidenced by one or more written consents describing the action taken, signed by all the shareholders entitled to vote on the take such action, without a meeting and delivered to the secretary of the corporation for inclusion in the minutes or filing with the corporate records. Any action taken by unanimous written consent shall be effective according to its terms when all the requisite consents are in possession of the corporation. A shareholder may withdraw consent only by delivering a written notice of withdrawal to the corporation prior to the time that all the requisite consents are in the possession of the corporation. Action taken under this section is effective as of the date specified therein provided the consent states the date of execution by each shareholder.

B. If not otherwise determined under § 13.1-660, the record date for determining shareholders entitled to take action without a meeting is the date the first shareholder signs the consent under subsection A of this section.

C. A consent signed under this section has the effect of a unanimous vote of voting shareholders at a meeting and may be described as such in any document filed with the Commission under this chapter.

D. If action is to be taken under this section by less than all of the shareholders entitled to vote on the action, the corporation shall give to all shareholders on the record date who are entitled to vote on the matter, written notice of the proposed action not less than five days before the action is taken. The notice shall contain or be accompanied by the same material that under this Act would have been required to be sent to shareholders in a notice of meeting at which the action would have been submitted to the shareholders for action.

E. "Public corporation" means a corporation that has 300 or more shareholders.

F. If this chapter requires that notice of proposed action be given to nonvoting shareholders and the action is to be taken by unanimous consent of the voting shareholders, the corporation shall give its nonvoting shareholders written notice of the proposed action at least ten not less than five days before the action is taken. The notice shall contain or be accompanied by the same material that under this Act would have been required to be sent to nonvoting shareholders in a notice of meeting at which the proposed action would have been submitted to the shareholders for action.

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