



S.3214 (Benjamin) / A.1025 (Paulin)

STAFF CONTACT : Ken Pokalsky | Vice President | 518.694.4460

BILL S.3214 (Benjamin) / A.1025 (Paulin)
SUBJECT Temporary Extension of Virtual Shareholder Meeting Authority
DATE January 12, 2021
SUPPORT

The Business Council strongly supports this legislation that provides certainty with regard to the conduct of shareholder meetings for businesses incorporated under New York’s Business Corporation Law.

Specifically, this legislation would extend the temporary authority for corporations to conduct virtual-only shareholder meetings and related electronic commerce measures for the duration of the current COVID-related state of emergency or until December 31, 2021, whichever is later. Virtual shareholder meetings are a logical component of the state’s comprehensive COVID response, allowing mandatory annual meetings to go forward without the large in-person gathering of shareholders.

We appreciate the legislature’s approval in June 2020 of S.8412 / A.10498, which extended the virtual shareholder meeting authority, originally authorized on a temporary basis in EO 202.8, for the duration of the emergency declaration set forth in Governor Cuomo’s Executive Order 202.2.

However, based on our experience in the spring of 2020, tying this authority to the duration of Executive Orders creates significant uncertainty for scheduled virtual shareholder meetings, as the extension of executive orders are not guaranteed. Last spring, businesses experienced instances where the temporary authority for virtual shareholder meetings expired days before a scheduled shareholder meeting. While these orders were extended, the timing still result in unnecessary with regard to the lawful conduct of mandatory annual meetings.

Since there is no certainty as to when the state’s emergency declaration will end, we believe this legislation provides a commonsense, workable approach, and will give entities welcome certainty in the planning their 2021 shareholder meetings.

Shareholder meetings are typically held in the first and second quarter of the year, and this legislation will provide clarity that all virtual shareholder meetings planned this spring will be able to be held as planned, without concerns that the

emergency order will expire – forcing an unintended change in shareholder meeting plans as well.

We appreciate the sponsor’s support for this legislation, and we urge the Legislature to give it early approval in the 2021 legislative session.