

Senate Bill 532

By: Senators Clay of the 37th, Adelman of the 42nd and Tanksley of the 32nd

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 2 of Title 14 of the Official Code of Georgia Annotated, relating to  
2 business corporations, so as to provide for the updating of provisions relating to business  
3 corporations; to provide for undeliverable shareholder notices; to provide for electronic  
4 transmissions; to provide for renunciation of business opportunities; to provide for flexibility  
5 in amendments to series; to provide for effectiveness of amendments; to provide for mergers  
6 and share exchanges; to provide for mailings; to provide for authority to issue options; to  
7 provide for and change definitions; to change certain provisions relating to notice  
8 requirements; to change certain provisions relating to organization of corporations; to change  
9 certain provisions relating to general powers of corporations incorporated under the  
10 provisions of the business corporation chapter; to change certain provisions relating to terms  
11 of class or series determined by board of directors; to change certain provisions relating to  
12 share options; to change provisions relating to shareholders' preemptive rights; to change  
13 certain provisions relating to effect of failure to present securities for redemption, surrender,  
14 cancellation, or payment; to change certain provisions relating to shareholders' special  
15 meetings; to change certain provisions relating to shareholders' actions without a meeting;  
16 to change certain provisions relating to notice of annual and special meetings of  
17 shareholders; to provide for waiver of notice by electronic transmission by a shareholder; to  
18 provide for a shareholders' list for a shareholders' meeting; to change certain provisions  
19 relating to resignation of a member of the board of directors; to change certain provisions  
20 relating to board of directors' action without a meeting of the board of directors; to change  
21 certain provisions relating to waiver and notice of a meeting of the board of directors; to  
22 change certain provisions relating to resignation and removal of officers of corporations; to  
23 change certain provisions relating to amendment by board of directors and shareholders to  
24 the articles of incorporation; to change certain provisions relating to plan of merger or share  
25 exchange; to change certain provisions relating to sale of assets requiring shareholder  
26 approval; to change certain provisions relating to inspection of records of shareholders; to  
27 change certain provisions relating to financial statements for shareholders; to amend Code  
28 Section 7-1-712 of the Official Code of Georgia Annotated, relating to applicability of

Article 15 of Chapter 2 of Title 14, so as to correct a cross-reference; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Chapter 2 of Title 14 of the Official Code of Georgia Annotated, relating to business corporations, is amended by striking Code Section 14-2-140, relating to definitions related to the chapter on business corporations, and inserting in lieu thereof the following:

"14-2-140.

As used in this chapter, the term:

(1) 'Articles of incorporation' include amended and restated articles of incorporation and articles of merger.

(2) 'Authorized shares' means the shares of all classes a domestic or foreign corporation is authorized to issue.

(3) 'Conspicuous' or 'conspicuously' means so written that a reasonable person against whom the writing is to operate should have noticed it. For example, printing in italics or boldface or contrasting color or typing in capitals or underlined is conspicuous.

(4) 'Corporation' or 'domestic corporation' means a corporation for profit, which is not a foreign corporation, incorporated under or subject to the provisions of this chapter.

(5) 'Deliver' includes delivery by hand, mail, private carrier, and electronic transmission.

(6) 'Distribution' means a direct or indirect transfer of money or other property (except its own shares or rights to acquire its own shares) or incurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect of any of its shares. A distribution may be in the form of a declaration or payment of a dividend; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness; or otherwise.

(7) 'Effective date of notice' is defined in Code Section 14-2-141.

~~(7.1)~~(8) 'Electronic transmission' or 'electronically transmitted' means any process form of communication not directly involving the physical ~~transfer~~ transmission of paper that ~~is suitable for the retention, retrieval, and reproduction of information by the recipient~~ creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process. Electronic transmissions include, but are not limited to, telegraphs, telegrams, cablegrams, teletypes, e-mail, and facsimile transmissions.

(9) 'Electronic network' means any medium for sending, receiving, and viewing electronic transmissions among persons.

~~(8)~~(10) 'Employee' includes an officer but not a director. A director may accept duties that make him or her also an employee.

~~(9)~~(11) 'Entity' includes corporation and foreign corporation; nonprofit corporation and foreign nonprofit corporation; profit and nonprofit unincorporated association; business trust, estate, general partnership, limited partnership, trust, two or more persons having a joint or common economic interest; limited liability company and foreign limited liability company; limited liability partnership and foreign limited liability partnership; and state, United States, and foreign government.

(12) 'First-class' includes, when used with a reference to postage or mail, any class of postage or mail that is the equivalent of or better than first-class under the then prevailing mail classifications.

~~(10)~~(13) 'Foreign corporation' means a corporation for profit incorporated under a law other than the law of this state.

~~(11)~~(14) 'Governmental subdivision' includes authority, county, district, and municipality.

~~(12)~~(15) 'Includes' denotes a partial definition.

~~(13)~~(16) 'Individual' includes the estate of an incompetent or deceased individual.

~~(14)~~(17) 'Mail' means the United States mail.

~~(15)~~(18) 'Means' denotes an exhaustive definition.

~~(16)~~(19) 'National securities exchange' means any securities exchange or securities quotation system if the securities listed on that exchange or system are exempt from the registration requirements of Chapter 5 of Title 10, known as the 'Georgia Securities Act of 1973,' pursuant to paragraph (8) or (8.1) of Code Section 10-5-8 or any successor provision.

~~(17)~~(20) 'Notice' is defined in Code Section 14-2-141.

~~(18)~~(21) 'Person' includes an individual and an entity.

~~(19)~~(22) 'Principal office' means the office ~~(in or out of this state)~~ so designated in the annual registration where the principal executive offices of a domestic or foreign corporation are located.

~~(20)~~(23) 'Proceeding' includes civil suit and criminal, administrative, and investigatory action.

~~(21)~~(24) 'Record date' means the date established under Article 6 or 7 of this chapter on which a corporation determines the identity of its shareholders and their shareholdings for purposes of this chapter. The determinations shall be made as of the close of business on the record date unless another time for doing so is specified when the record date is fixed.

~~(22)~~(25) 'Secretary' means the corporate officer to whom the board of directors has delegated responsibility under subsection (c) of Code Section 14-2-840 for custody of the minutes of the meetings of the board of directors and of the shareholders and for authenticating records of the corporation.

~~(23)~~(26) 'Shares' means the units into which the proprietary interests in a corporation are divided.

~~(24)~~(27) 'Share exchange' means a plan of exchange of all of the outstanding shares of one or more classes or series of shares in accordance with Code Section 14-2-1102.

~~(25)~~(28) 'Shareholder' means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

(29) 'Sign' or 'signature' includes any manual, facsimile, conformed, or electronic signature.

~~(26)~~(30) 'State,' when referring to a part of the United States, includes a state and commonwealth (and their agencies and governmental subdivisions) and a territory and insular possession (and their agencies and governmental subdivisions) of the United States.

~~(27)~~(31) 'Subscriber' means a person who subscribes for shares in a corporation, whether before or after incorporation.

~~(28)~~(32) 'Treasury shares' means shares of a corporation which have been issued and which subsequently have been acquired by the corporation if the articles of incorporation of such corporation provide that shares so acquired become treasury shares. Treasury shares shall be deemed to be issued shares; but not outstanding shares.

~~(29)~~(33) 'United States' includes district, authority, bureau, commission, department, and any other agency of the United States.

~~(30)~~(34) 'Voting group' means all shares of one or more classes or series that under the articles of incorporation or this chapter are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the articles of incorporation or this chapter to vote generally on the matter are for that purpose a single voting group."

## SECTION 2.

Said chapter is further amended by striking subsections (b) and (c) of Code Section 14-2-141, relating to notice requirements, and inserting in their place new subsections (b) and (c) and by adding new subsections (j) through (m) to read as follows:

"(b) Notice may be communicated in person; by telephone, ~~telegraph, teletype, facsimile~~ electronic transmission, or other form of wire or wireless communication; or by mail or

1 private carrier. If these forms of personal notice are impracticable, notice may be  
2 communicated by a newspaper of general circulation in the area where published; or by  
3 radio, television, or other form of public broadcast communication. Unless otherwise  
4 provided in the articles of incorporation, bylaws, or this chapter, notice by ~~facsimile~~  
5 ~~transmission, telegraph, or teletype~~ electronic transmission shall be deemed to be notice in  
6 writing for purposes of this chapter.

7 (c) Written notice by a domestic or foreign corporation to its shareholders, if in a  
8 comprehensible form, is effective when mailed, if mailed with first-class postage prepaid  
9 and correctly addressed to the shareholder's address shown in the corporation's current  
10 record of shareholders. If at the record date fixed to determine the shareholders entitled to  
11 receive a notice the corporation has a class or series of shares listed on a national securities  
12 exchange or has more than 500 shareholders of record entitled to vote at a meeting, it may  
13 utilize a class of mail other than first class; provided, however, that if the notice is of the  
14 a meeting of shareholders, the notice is mailed, with adequate postage prepaid, not less than  
15 30 days before the date of the meeting."

16 "(j)(1) Without limiting the manner by which notice otherwise may be given effectively  
17 to shareholders, any notice to shareholders given by the corporation under any provision  
18 of this chapter, the articles of incorporation, or the bylaws shall be effective if given by  
19 a form of electronic transmission consented to by the shareholder to whom the notice is  
20 given. Any such consent shall be revocable by the shareholder by written notice to the  
21 corporation. Any such consent shall be deemed revoked if:

22 (A) The corporation is unable to deliver by electronic transmission two consecutive  
23 notices given by the corporation in accordance with such consent; and

24 (B) Such inability becomes known to the secretary or an assistant secretary of the  
25 corporation or to the transfer agent or other person responsible for the giving of notice;  
26 provided, however, the inadvertent failure to treat such inability as a revocation shall  
27 not invalidate any meeting or other action.

28 (2) Notice given pursuant to paragraph (1) of this subsection shall be deemed effective:

29 (A) If by facsimile telecommunication, when transmitted to a telephone number at  
30 which the shareholder has consented to receive notice;

31 (B) If by e-mail, when transmitted to an e-mail address at which the shareholder has  
32 consented to receive notice;

33 (C) If by a posting on an electronic network together with separate notice to the  
34 shareholder of such specific posting, upon the later of (i) such posting or (ii) the giving  
35 of such separate notice; or

36 (D) If by any other form of electronic transmission, when transmitted to the  
37 shareholder.

1 (k) An affidavit, certificate, or other written confirmation of the secretary or an assistant  
2 secretary or of the transfer agent or other agent of the corporation that the notice has been  
3 given under this Code section shall, in the absence of fraud, be prima-facie evidence of the  
4 facts stated therein.

5 (l) The corporation may be obligated to accept from a shareholder consents, requests,  
6 demands, or notices given and delivered under this chapter to the principal place of  
7 business of the corporation or to an officer or agent of the corporation having custody of  
8 the books in which proceedings of meetings of shareholders are recorded by electronic  
9 transmission only as provided by resolution of the board of directors of the corporation or  
10 in the articles of incorporation.

11 (m) Unless the registered agent of the corporation provides written consent to the  
12 corporation to the receipt of a shareholder's consent, request, demand, or notice by  
13 electronic transmission under this chapter, delivery made to a corporation's registered  
14 office shall be made by hand or by certified or registered mail or statutory overnight  
15 delivery, return receipt requested."

### 16 **SECTION 3.**

17 Said chapter is further amended by striking subsection (b) of Code Section 14-2-205, relating  
18 to organization of a corporation, and inserting in lieu thereof the following:

19 "(b) Action required or permitted by this chapter to be taken by incorporators at an  
20 organizational meeting may be taken without a meeting if the action taken is evidenced by  
21 one or more ~~written~~ consents in writing or by electronic transmission describing the action  
22 taken and signed by each incorporator."

### 23 **SECTION 4.**

24 Said chapter is further amended in Code Section 14-2-302, relating to general powers  
25 incorporated under the provisions of the business corporation chapter, by striking "and" from  
26 the end of paragraph (15), by striking the period and inserting in its place "; and" at the end  
27 of paragraph (16), and by inserting a new paragraph (17) to read as follows:

28 "(17) To renounce, in its articles of incorporation or by action of its board of directors,  
29 any interest or expectancy of the corporation in or in being offered an opportunity to  
30 participate in specified business opportunities or classes or categories of business  
31 opportunities that are or may be in the future presented to the corporation or one or more  
32 of its officers or directors."

**SECTION 5.**

Said chapter is further amended by striking subsection (e) of Code Section 14-2-602, relating to terms of class or series determined by board of directors, and inserting in lieu thereof the following:

"(e) ~~After the~~ Unless otherwise provided in the articles of incorporation if a board of directors has established a series in accordance with the terms of this Code section, the board of directors may at any time and from time to time ~~may~~ amend the preferences, limitations, and relative rights of the series before any shares of the series have been issued; increase or decrease the number of shares contained in the series, but not below the number of shares then issued; or eliminate the series where no shares are issued; in each case the board shall do so by filing articles of amendment, which are effective without shareholder action, in the manner provided in subsection (d) of this Code section. In case the number of shares contained in a series shall be decreased or a series of shares shall be eliminated, the shares that are the subject of the decrease or that compose the series being eliminated shall resume the status that they had prior to the adoption of the articles of amendment that first established such series unless otherwise provided in the articles of incorporation or unless the board of directors causes such shares to become treasury shares."

**SECTION 6.**

Said chapter is further amended by adding a new subsection to Code Section 14-2-624, relating to share options, to read as follows:

"(f) The board of directors may, by a resolution adopted by the board, authorize one or more officers of the corporation to do one or both of the following:

(1) Designate officers and employees of the corporation or of any of its subsidiaries to be recipients of rights, options, or warrants to be issued by the corporation; or

(2) Determine the number of rights, options, or warrants to be received by such officers and employees;

provided, however, that the resolution authorizing such officer or officers shall specify the total number of rights, options, or warrants such authorized officer or officers may award.

The board of directors may not authorize an officer to designate himself or herself as a recipient of any rights, options, or warrants."

**SECTION 7.**

Said chapter is further amended by striking subparagraph (c)(2)(I) and paragraph (3) of subsection (c) of Code Section 14-2-630, relating to shareholders' preemptive rights, and inserting in lieu thereof the following:

1 "(I) Shares released by waiver from their preemptive right by the affirmative vote or  
2 ~~written~~ consent in writing or by electronic transmission of the holders of two-thirds of  
3 the shares of the class to be issued. Any vote or consent shall be binding on all  
4 shareholders and their transferees for the time specified in the vote or consent up to but  
5 not exceeding one year from the date thereof and shall protect the corporation, its  
6 management, and all persons who may within that time acquire the shares so released;"

7 "(3) A shareholder may waive his or her individual preemptive right at any time, and the  
8 holders of a class of shares may waive the preemptive rights of the class by the  
9 affirmative vote or ~~written~~ consent in writing or by electronic transmission of the holders  
10 of two-thirds of the shares of the class with preemptive rights. The waiver of preemptive  
11 rights with respect to past issuances of shares shall be effective if made by the person  
12 who was the shareholder at the time the shares were issued. A waiver evidenced by a  
13 writing or by electronic transmission is irrevocable even though it is not supported by  
14 consideration;"

#### 15 SECTION 8.

16 Said chapter is further amended by striking subsections (b) and (c) of Code Section 14-2-641,  
17 relating to effect of failure to present securities for redemption, surrender, cancellation, or  
18 payment, and inserting in lieu thereof the following:

19 "(b) When a corporation has duly and properly called for redemption of any securities and  
20 the registered holder of the securities has been ~~mailed~~ sent notice of call at his or her last  
21 address as it appears on the records of the corporation but fails to present the certificate for  
22 the securities or otherwise take action as required by the call within 60 days of the effective  
23 date of the call or such longer time as may be specified in the notice of the call, then the  
24 corporation may transfer the money or other property distributable upon the redemption to  
25 a trustee, for the benefit of the registered owner or his or her successors in title, and  
26 thereupon the securities shall be deemed as of the effective date of the call to have been  
27 redeemed, canceled, or paid and no longer outstanding.

28 (c) In order for the transfer to the trustee permitted by subsection (b) of this Code section  
29 to be effective for this purpose, the corporation must have adopted a plan therefor prior to  
30 the call, and must have ~~mailed~~ sent notice to the registered holder of the securities of the  
31 details of the plan, including the name and address of the trustee, at the time of the ~~mailing~~  
32 sending of the notice of the call. The registered holder for whom the transfer in trust is  
33 made; or his or her successors in title; shall have only the right to obtain the money or other  
34 property from the trustee:

35 (1) In the case of certificated securities, upon surrender to the trustee of the certificates  
36 involved; and



(2) In the case of uncertificated securities, upon satisfying the trustee that he or she was the registered holder."

### SECTION 9.

Said chapter is further amended by striking subsections (a) and (e) of Code Section 14-2-702, relating to shareholders' special meetings, and inserting in lieu thereof the following:

"(a) A corporation shall hold a special meeting of shareholders:

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

(2) Except as to corporations described in paragraph (3) of this subsection, if the holders of at least 25 percent, or such greater or lesser percentage as may be provided in the articles of incorporation or bylaws, of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting, sign, date, and deliver to the corporation one or more ~~written~~ demands in writing or by electronic transmission for the meeting describing the purpose or purposes for which it is to be held; or

(3) In the case of a corporation having 100 or fewer shareholders of record, if the holders of at least 25 percent, or such lesser percentage as may be provided in the articles of incorporation or bylaws, of all the votes entitled to be cast on any issue to be considered at the proposed special meeting sign, date, and deliver to the corporation one or more ~~written~~ demands in writing or by electronic means for the meeting describing the purpose or purposes for which it is to be held."

"(e) Unless otherwise provided in the articles of incorporation, a ~~written~~ demand by a shareholder for a special meeting may be revoked by a ~~writing~~ written or electronic transmission to that effect by the shareholder received by the corporation prior to the call of the special meeting."

### SECTION 10.

Said chapter is further amended by adding a new subsection to Code Section 14-2-704, relating to action taken without a shareholders' meeting, to read as follows:

"(h) An electronic transmission which is transmitted by a shareholder that evidences a shareholder's consent, requests or demands an action to be taken by the corporation, or provides notice to the corporation under this chapter shall be deemed to be written, signed, and dated for the purposes of this chapter, provided that any such electronic transmission sets forth or is delivered with information from which the corporation can determine (1) that the electronic transmission was transmitted by the shareholder and (2) the date on which such shareholder transmitted such electronic transmission.

1 The date on which such electronic transmission is transmitted shall be deemed to be the  
2 date on which such consent, request, demand, or notice was signed."

### 3 **SECTION 11.**

4 Said chapter is further amended by adding a new subsection to Code Section 14-2-705,  
5 relating to notice of annual and special shareholders' meetings, to read as follows:

6 "(f) Notwithstanding the provisions of this Code section, a corporation need not provide  
7 any notice required by this Code section to a shareholder to whom:

8 (1) Notices of two consecutive annual meetings; or

9 (2) All and at least two payments of dividends or interest on securities or dividend  
10 reinvestment confirmations during a 12 month period

11 have been mailed addressed to the shareholder's address shown in the corporation's current  
12 record of shareholders and have been returned as undeliverable. Any action or meeting  
13 which shall be taken or held without notice to any such shareholder shall have the same  
14 force and effect as if such notice had been duly given. If any such shareholder shall deliver  
15 to the corporation written notice setting forth such shareholder's then current address, the  
16 requirement that notice be given to such shareholder shall be reinstated. If the action taken  
17 by the corporation requires the filing of a document under any other provision of this  
18 chapter, the document need not state that notice was not given to shareholders to whom  
19 notice was not required to be given pursuant to this subsection."

### 20 **SECTION 12.**

21 Said chapter is further amended by striking subsection (a) of Code Section 14-2-706, relating  
22 to waiver of notice by a shareholder, and inserting in lieu thereof the following:

23 "(a) A shareholder may waive any notice required by this chapter, the articles of  
24 incorporation, or bylaws before or after the date and time stated in the notice. The waiver  
25 must be in writing or by electronic transmission, be signed by the shareholder entitled to  
26 the notice, and be delivered to the corporation for inclusion in the minutes or filing with  
27 the corporate records."

### 28 **SECTION 13.**

29 Said chapter is further amended by striking subsections (a) and (b) of Code Section 14-2-720,  
30 relating to the list of shareholders who are entitled to notice of shareholders' meetings, and  
31 inserting in lieu thereof the following:

32 "(a) After fixing a record date for a meeting, a corporation shall prepare an alphabetical  
33 list of the names of all its shareholders who are entitled to notice of a shareholders'  
34 meeting. The list must be arranged by voting group (and within each voting group by class

or series of shares) and show the address of and number of shares held by each shareholder.

Nothing contained in this Code section shall require the corporation to include e-mail addresses or other information for delivery of electronic transmissions on such list.

(b) The shareholders' list must be available for inspection by any shareholder, his or her agent, his or his or her attorney ~~at the time and place of the meeting;~~

(1) On a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting upon request; or

(2) During ordinary business hours at the principal place of business of the corporation.

In the event that the corporation makes the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to shareholders of the corporation. If the meeting is to be held in person, then the list shall be produced and kept at the time and place of the meeting during the duration of the meeting and may be inspected by any shareholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any shareholder during the duration of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting."

#### SECTION 14.

Said chapter is further amended by striking subsection (a) of Code Section 14-2-807, relating to resignation of directors, and inserting in lieu thereof the following:

"(a) A director may resign at any time by delivering ~~written~~ notice in writing or by electronic transmission to the board of directors, its chairman, or to the corporation."

#### SECTION 15.

Said chapter is further amended by striking Code Section 14-2-821, relating to board of directors' action without a board of directors' meeting, and inserting in lieu thereof the following:

"14-2-821.

(a) Unless the articles of incorporation or bylaws provide otherwise, action required or permitted by this chapter to be taken at a board of directors' meeting may be taken without a meeting if the action is taken by all members of the board. The action must be evidenced by one or more ~~written~~ consents in writing or by electronic transmission describing the action taken, signed by each director, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

(b) A consent signed and delivered by a director under this Code section has the effect of a meeting vote and may be described as such in any document."

**SECTION 16.**

Said chapter is further amended by striking subsection (a) of Code Section 14-2-823, relating to waiver of notice of a meeting of the board of directors, and inserting in lieu thereof the following:

"(a) A director may waive any notice required by this chapter, the articles of incorporation, or bylaws before or after the date and time stated in the notice. Except as provided by subsection (b) of this Code section, the waiver must be in writing or by electronic transmission, signed by the director entitled to the notice, and delivered to the corporation for inclusion in the minutes or filing with the corporate records."

**SECTION 17.**

Said chapter is further amended by striking subsection (a) of Code Section 14-2-843, relating to resignation and removal of officers of corporations, and inserting in lieu thereof the following:

"(a) An officer may resign at any time by delivering notice in writing or by electronic transmission to the corporation. A resignation is effective when the notice is effective unless the notice specifies a ~~later~~ future effective date. A copy of the notice of resignation as delivered to the corporation may be filed with the Secretary of State."

**SECTION 18.**

Said chapter is further amended by striking in its entirety Code Section 14-2-1003, relating to amendments by board of directors and shareholders to the articles of incorporation, and inserting in lieu thereof the following:

"14-2-1003.

(a) A corporation's board of directors may propose one or more amendments to the articles of incorporation for submission to the shareholders.

(b) For the amendment to be adopted:

(1) The board of directors must recommend the amendment to the shareholders unless the board of directors elects, because of a conflict of interest or other special circumstances, to make no recommendation and communicates the basis for its election to the shareholders with the amendment; and

(2) The shareholders entitled to vote on the amendment must approve the amendment as provided in subsection (e) of this Code section.

(c) The board of directors may condition its submission of the proposed amendment, the effectiveness of the proposed amendment, or both on any basis.

(d) The corporation shall notify each shareholder entitled to vote of the proposed shareholders' meeting in accordance with Code Section 14-2-705. The notice of meeting

1 must also state that the purpose; or one of the purposes; of the meeting is to consider the  
2 proposed amendment and contain or be accompanied by a copy or summary of the  
3 amendment.

4 (e) Unless this chapter, the articles of incorporation, or the board of directors (acting  
5 pursuant to subsection (c) of this Code section) require a greater vote or a vote by voting  
6 groups, the amendment to be adopted must be approved by a majority of the votes entitled  
7 to be cast on the amendment by each voting group entitled to vote on the amendment.

8 (f) At any time prior to the time the amendment becomes effective, notwithstanding  
9 authorization of the proposed amendment by the shareholders of the corporation, the board  
10 of directors may abandon such proposed amendment without further shareholder action.  
11 If the amendment is abandoned after articles of amendment have been filed with the  
12 Secretary of State but before the amendment has become effective, a statement that the  
13 amendment has been abandoned in accordance with this Code section executed on behalf  
14 of the corporation shall be delivered to the Secretary of State for filing prior to the  
15 effectiveness of the amendment. Upon filing, the statement shall take effect and the  
16 amendment shall be deemed abandoned and shall not become effective."

#### 17 SECTION 19.

18 Said chapter is further amended by striking subsections (c) and (i) of Code Section  
19 14-2-1103, relating to action on plan of merger or share exchange, and inserting in their place  
20 new subsections (c) and (i) and by adding a new subsection (j) to read as follows:

21 "(c) The board of directors may condition its submission of the proposed merger or share  
22 exchange, the effectiveness of the proposed merger or share exchange, or both on any  
23 basis."

24 "(i) ~~After~~ Unless otherwise provided in a plan of merger or share exchange or in the laws  
25 under which a foreign corporation that is a party to a merger or share exchange is organized  
26 or by which it is governed, a merger or share exchange is authorized, and at any time  
27 before articles of merger or a certificate of merger or share exchange is filed, ~~the planned~~  
28 becomes effective, the plan of merger or share exchange may be abandoned (subject to any  
29 contractual rights) without further shareholder action, in accordance with the procedure set  
30 forth in the plan of merger or share exchange or, if none is set forth, in the manner  
31 determined by the board of directors and otherwise in accordance with subsection (j) of this  
32 Code section.

33 (j) If a merger or share exchange is abandoned as permitted by subsection (i) of this Code  
34 section after articles or a certificate of merger or share exchange has been filed with the  
35 Secretary of State but before the merger or share exchange has become effective, a  
36 statement that the merger or share exchange has been abandoned in accordance with this

1 Code section executed on behalf of a party to the merger or share exchange by an officer  
2 or other duly authorized representative shall be delivered to the Secretary of State for filing  
3 prior to the effectiveness of the merger or share exchange. Upon filing, the statement shall  
4 take effect and the merger or share exchange shall be deemed abandoned and shall not  
5 become effective."

#### 6 **SECTION 20.**

7 Said chapter is further amended by striking subsection (c) of Code Section 14-2-1202,  
8 relating to sale of assets requiring shareholder approval, and inserting in lieu thereof the  
9 following:

10 "(c) The board of directors may condition its submission of the proposed transaction, the  
11 effectiveness of the proposed transaction, or both on any basis."

#### 12 **SECTION 21.**

13 Said chapter is further amended by striking paragraphs (5) and (6) of subsection (a) of Code  
14 Section 14-2-1602, relating to inspection of records by shareholders, and inserting in lieu  
15 thereof the following:

16 "(5) The minutes of all shareholders' meetings, executed waivers of notice of meetings,  
17 and executed ~~written~~ consents, delivered in writing or by electronic transmission,  
18 evidencing all action taken by shareholders without a meeting, for the past three years;  
19 (6) All ~~written~~ communications in writing or by electronic transmission to shareholders  
20 generally within the past three years, including the financial statements furnished for the  
21 past three years under Code Section 14-2-1620;"

#### 22 **SECTION 22.**

23 Said chapter is further amended by striking in its entirety subsection (a) of Code Section  
24 14-2-1620, relating to financial statements for shareholders, and inserting in lieu thereof the  
25 following:

26 "(a) Not later than four months after the close of each fiscal year and in any case prior to  
27 the annual meeting of shareholders, each corporation shall prepare (1) a balance sheet  
28 showing in reasonable detail the financial condition of the corporation as of the close of its  
29 fiscal year; and (2) a profit and loss statement showing the results of its operation during  
30 its fiscal year. Upon ~~written~~ request in writing or by electronic transmission, the  
31 corporation promptly shall mail to any shareholder of record a copy of the most recent  
32 balance sheet and profit and loss statement. If prepared for other purposes, the corporation  
33 shall also furnish upon ~~written~~ request in writing or by electronic transmission a statement  
34 of sources and applications of funds and a statement of changes in shareholders' equity for

1 the fiscal year. If financial statements are prepared by the corporation on the basis of  
2 generally accepted accounting principles, the annual financial statements must also be  
3 prepared; and disclose that they are prepared; on that basis. If financial statements are  
4 prepared otherwise than on the basis of generally accepted accounting principles, they must  
5 so disclose and must be prepared on the same basis as other reports or statements prepared  
6 by the corporation for the use of others."

### 7 **SECTION 23.**

8 Code Section 7-1-712 of the Official Code of Georgia Annotated, relating to applicability of  
9 Article 15 of Chapter 2 of Title 14, is amended by striking said Code section and inserting  
10 in lieu thereof the following:

11 "7-1-712.

12 Notwithstanding the definition of the term 'foreign corporation' appearing in paragraph ~~(10)~~  
13 (13) of Code Section 14-2-140, all of the provisions of Article 15 of Chapter 2 of Title 14,  
14 relating to foreign corporations, shall apply to all international bank agencies doing  
15 business in this state, except that references therein to the Secretary of State should be  
16 construed as references to the department."

### 17 **SECTION 24.**

18 All laws and parts of laws in conflict with this Act are repealed.