

Massachusetts: Corporate Board of Directors and Shareholders Meetings Changes as a Result of COVID-19

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This week, Governor Charlie Baker issued COVID-19 Order No. 19, "Order Regarding the Conduct of Shareholder Meetings by Public Companies. This Order, which is effective immediately, suspends certain requirements of M.G.L. chapter 156D, section 7.08 that relate to shareholder meetings by remote means.

M.G.L. Chapter 156D, section 7.08 states that Massachusetts publicly traded companies must conduct shareholder meetings in person. This particular requirement is problematic during this new era of social distancing and stay at home advisories. As a result, Governor Baker issued COVID-19 Order No. 19 to suspend this requirement, thereby allowing Massachusetts publicly traded companies to avail themselves of remote shareholder meetings.

For a company to comply with the Order, a Massachusetts public company must:

1. Issue a press release announcing the change from an in-person meeting to a remotely conducted shareholder meeting; this press release must be distributed through media reasonably expected to reach shareholders
2. Provide email notice to all shareholders if the shareholders have previously provided email addresses
3. Take other reasonable steps to notify shareholders.

The provisions of this Order will remain in effect until 60 days after the end of the current state of emergency and the full text of the Order can be found [here](#). The Massachusetts Legislature is also considering a change in how boards of directors conduct certain business, including addressing the expiration of board members during the state of emergency and encourages remote participation in certain meetings. The full text of this proposal, which is included in a larger bill under consideration by the legislature, can be found [here](#).

The larger bill, Senate bill 2622 / House bill 4598 (An Act to Address Challenges Faced by Municipalities and State Authorities Resulting from COVID-19), is being fast tracked by the legislature and contains many provisions beyond those that impact municipalities, as the foregoing provision related to boards of directors demonstrates. Another provision in the bill relates to allowing restaurants to sell beer and wine for off-premises consumption. It is expected that this bill will be passed by the legislature this week.

ML Strategies continues to follow the development of all issues, legislation and Executive Orders related to the outbreak of COVID-19.

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