

[First Reprint]

SENATE, No. 3266

STATE OF NEW JERSEY
219th LEGISLATURE

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Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

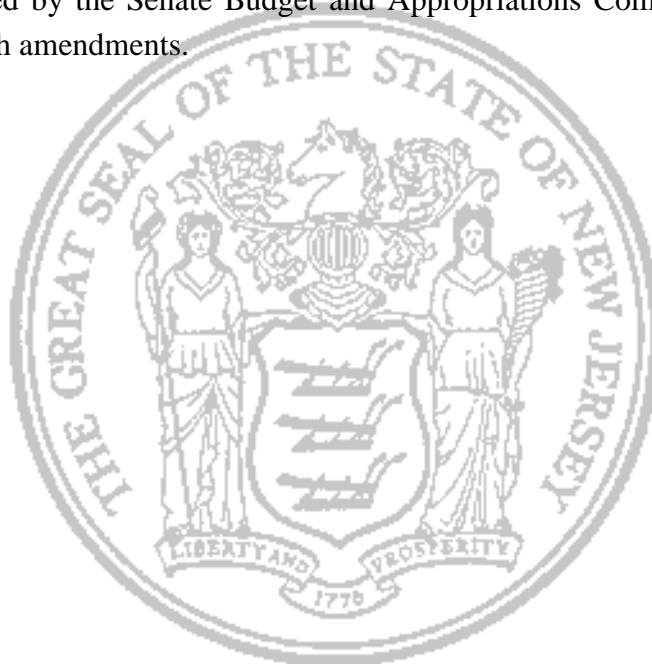
Senators Lagana, Thompson and A.M.Bucco

SYNOPSIS

Allows corporations and certain financial institutions to hold remote shareholder meetings.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 17, 2021, with amendments.



(Sponsorship Updated As Of: 5/6/2021)

1 AN ACT allowing corporations ¹and certain financial institutions¹ to
2 hold ¹certain¹ remote ¹**['shareholder']**¹ meetings and amending
3 ¹**['N.J.S.14A:5-1']** various parts of the statutory law¹.
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 1. N.J.S.14A:5-1 is amended to read as follows:

9 14A:5-1. Place of shareholders' meetings.

10 (1) Meetings of shareholders of every corporation organized for
11 any purpose under any general or special law of this State may,
12 unless otherwise provided by law, be held at such place, within or
13 without this State, as may be provided in the by-laws or as may be
14 fixed by the board pursuant to authority granted by the by-laws. In
15 the absence of any such provision, all meetings shall be held at the
16 registered office of the corporation. **During a state of emergency**
17 **declared by the Governor, a** A meeting of shareholders may be
18 held solely or in part by means of remote communication to the
19 extent the board authorizes and adopts guidelines and procedures
20 governing such a meeting.

21 (2) One or more shareholders may participate in a meeting of
22 shareholders by means of remote communication to the extent the
23 board authorizes that participation , including the authorization of a
24 meeting of shareholders held solely by means of remote
25 participation. Shareholder meetings conducted in part or solely by
26 means of remote communication **[in reliance upon this subsection]**
27 and any shareholder's remote participation in those meetings shall
28 be subject to those guidelines and procedures as the board adopts,
29 and shall be in conformity with subsection 14A:5-1(3).

30 (3) A shareholder participating in a meeting of shareholders by
31 means of remote communication in reliance upon subsection 14A:5-
32 1(1) shall be deemed present in person and shall be entitled to vote
33 at the meeting regardless of whether that meeting is held at a
34 designated place or solely by means of remote communication. In
35 any shareholder meeting conducted in part or solely by means of
36 remote communication in reliance upon subsection 14A:5-1(1), the
37 corporation shall implement reasonable measures to:

38 (a) verify that each person participating remotely is a
39 shareholder or a proxy of a shareholder;

40 (b) provide each shareholder participating remotely with a
41 reasonable opportunity to participate in the meeting, including an
42 opportunity to vote on matters submitted to the shareholders, and to
43 read or hear the proceedings of the meeting substantially
44 concurrently with those proceedings; and

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 17, 2021.

(c) record and maintain a record of any shareholder votes or other actions taken by remote communication at the meeting.

(cf: P.L.2020, c.15.)

¹2. Section 81 of P.L.1948, c.67 (C.17:9A-81) is amended to read as follows:

81. Stockholders' meetings; notice. Notice of all meetings of stockholders shall be given to the stockholders not less than 10 nor more than 60 days prior thereto, by mail, postage prepaid, addressed to each stockholder at his address as it appears on the books of the bank. The notice shall specify the place, day and hour of the meeting and the nature of the business to be transacted or if participation by stockholders by means of remote communication has been authorized pursuant to subsection b. of section 83 of P.L.1948, c.67 (C.17:9A-83).

Except as otherwise provided by section 79, no business may be transacted at any meeting except that specified in the notice of the meeting.¹

(cf: P.L.1986, c.186, s.4)

¹3. Section 83 of P.L.1948, c.67 (C.17:9A-83) is amended to read as follows:

83. **【Any】** a. Subject to subsection b. of this section, any meeting of stockholders may be held at the principal office of the bank, or at any branch office, or at any place other than the principal office or a branch office, provided such other place is in a municipality in which the bank maintains its principal office or a branch office. Each meeting shall be convened at such hour as is fixed by the by-laws, or, if not so fixed, at such hour as shall be stated in the call for the meeting. Any meeting may be adjourned from time to time for any period of time and to any place where it is lawful to hold a meeting. When any meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting.

b. Any meeting of stockholders may be held solely or in part by means of remote communication to the extent the board authorizes and adopts guidelines and procedures governing such a meeting.

(1) One or more stockholders may participate in a meeting of stockholders by means of remote communication to the extent the board authorizes that participation, including the authorization of a meeting of stockholders held solely by means of remote participation. Stockholder meetings conducted in part or solely by means of remote communications and any stockholder's remote participation in those meetings shall be subject to those guidelines and procedures as the board adopts, and shall be in conformity with this subsection.

(2) A stockholder participating in a meeting of stockholders by means of remote communication in reliance upon paragraph (1) of this subsection shall be deemed present in person and shall be entitled to vote at the meeting. In any meeting conducted in part or solely by

1 means of remote communication in reliance upon paragraph (1) of this
2 subsection, the bank shall implement reasonable measures to:

3 (a) verify that each person participating remotely is a stockholder
4 or a proxy of a stockholder;

5 (b) provide each stockholder participating remotely with a
6 reasonable opportunity to participate in the meeting, including an
7 opportunity to vote on matters submitted to the stockholders, and to
8 read or hear the proceedings of the meeting substantially concurrently
9 with those proceedings; and

10 (c) record and maintain a record of any votes or other actions
11 taken by remote communication at the meeting.¹

12 (cf: P.L.1954, c.142, s.2)

13
14 ¹4. Section 114 of P.L.1963, c.144 (17:12B-114) is amended to
15 read as follows:

16 114. **【Members'】** a. Subject to subsection b of this section,
17 members' meetings shall be held at the State association's principal
18 office or at such other place within a radius of 5 miles thereof as the
19 board shall designate.

20 b. Any meeting of members may be held solely or in part by
21 means of remote communication to the extent the board authorizes and
22 adopts guidelines and procedures governing such a meeting.

23 (1) One or more members may participate in a meeting of
24 members by means of remote communication to the extent the board
25 authorizes that participation, including the authorization of a meeting
26 of members held solely by means of remote participation. Members'
27 meetings conducted in part or solely by means of remote
28 communications and any member's remote participation in those
29 meetings shall be subject to those guidelines and procedures as the
30 board adopts, and shall be in conformity with this subsection.

31 (2) A member participating in a meeting of members by means of
32 remote communication in reliance upon paragraph (1) of this
33 subsection shall be deemed present in person and shall be entitled to
34 vote at the meeting. In any meeting conducted in part or solely by
35 means of remote communication in reliance upon paragraph (1) of this
36 subsection, the association shall implement reasonable measures to:

37 (a) verify that each person participating remotely is a member or a
38 proxy of a member;

39 (b) provide each member participating remotely with a reasonable
40 opportunity to participate in the meeting, including an opportunity to
41 vote on matters submitted to the members, and to read or hear the
42 proceedings of the meeting substantially concurrently with those
43 proceedings; and

44 (c) record and maintain a record of any votes or other actions
45 taken by remote communication at the meeting.¹

46 (cf: P.L.1963, c.144, s.114).

1 ¹5. Section 25 of P.L.1974, c.137 (C.17:12B-254) is amended to
2 read as follows:

3 25. **【Stockholders】** a. Subject to subsection b. of this section,
4 stockholders' meetings shall be held at the capital stock association's
5 principal office or at such other place within the State of New Jersey
6 as the board shall designate.

7 b. Any meeting of stockholders may be held solely or in part by
8 means of remote communication to the extent the board authorizes and
9 adopts guidelines and procedures governing such a meeting.

10 (1) One or more stockholders may participate in a meeting of
11 stockholders by means of remote communication to the extent the
12 board authorizes that participation, including the authorization of a
13 meeting of stockholders held solely by means of remote participation.
14 Stockholder meetings conducted in part or solely by means of remote
15 communications and any stockholder's remote participation in those
16 meetings shall be subject to those guidelines and procedures as the
17 board adopts, and shall be in conformity with this subsection.

18 (2) A stockholder participating in a meeting of stockholders by
19 means of remote communication in reliance upon paragraph (1) of this
20 subsection shall be deemed present in person and shall be entitled to
21 vote at the meeting. In any meeting conducted in part or solely by
22 means of remote communication in reliance upon paragraph (1) of this
23 subsection, the association shall implement reasonable measures to:

24 (a) verify that each person participating remotely is a stockholder
25 or a proxy of a stockholder;

26 (b) provide each stockholder participating remotely with a
27 reasonable opportunity to participate in the meeting, including an
28 opportunity to vote on matters submitted to the stockholders, and to
29 read or hear the proceedings of the meeting substantially concurrently
30 with those proceedings; and

31 (c) record and maintain a record of any votes or other actions
32 taken by remote communication at the meeting. ¹

33 (cf: P.L.1974, c.137, s.25)

34
35 ¹**【2.】** 6.¹ This act shall take effect immediately.