

[First Reprint]

ASSEMBLY, No. 4128

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 4, 2020

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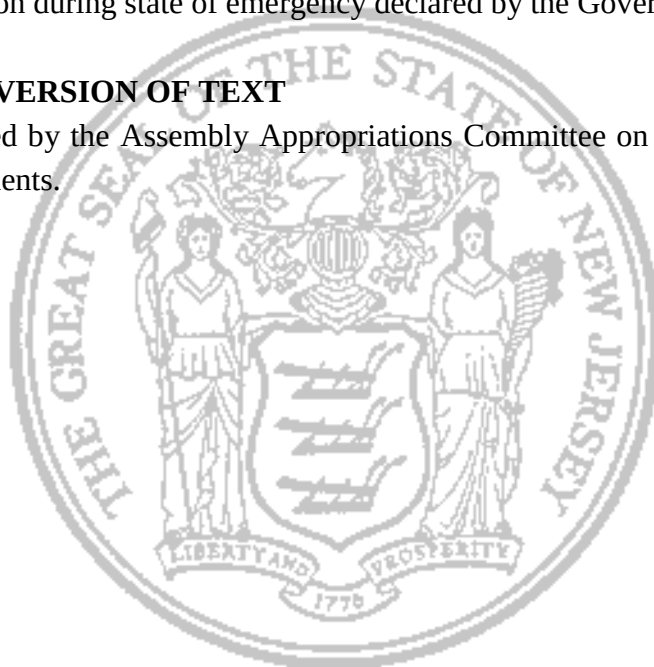
**Assemblywomen Jimenez, Tucker, Pinkin, Assemblyman Spearman and
Assemblywoman Downey**

SYNOPSIS

Concerns participation in certain meetings by means of remote communication during state of emergency declared by the Governor.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on May 11, 2020, with amendments.



(Sponsorship Updated As Of: 5/14/2020)

1 AN ACT concerning certain remote meetings and amending
 2 ¹N.J.S.14A:5-1,¹ N.J.S.15A:5-1 and P.L.1948, c.67.

3
 4 **BE IT ENACTED** by the Senate and General Assembly of the State
 5 of New Jersey:

6
 7 ¹1. N.J.S.14A:5-1 is amended to read as follows:
 8 14A:5-1. Place of shareholders' meetings.

9 (1) Meetings of shareholders of every corporation organized for
 10 any purpose under any general or special law of this State may,
 11 unless otherwise provided by law, be held at such place, within or
 12 without this State, as may be provided in the by-laws or as may be
 13 fixed by the board pursuant to authority granted by the by-laws. In
 14 the absence of any such provision, all meetings shall be held at the
 15 registered office of the corporation. During a state of emergency
 16 declared by the Governor, a meeting of shareholders may be held
 17 solely by means of remote communication and not in any physical
 18 location to the extent the board authorizes and adopts guidelines
 19 and procedures governing such a meeting. A meeting of
 20 shareholders may be held solely by means of remote
 21 communication even if the state of emergency ends prior to the day
 22 and hour of the meeting if the notice to shareholders for such
 23 meeting is sent or disseminated to shareholders within 14 calendar
 24 days after the end of the state of emergency. Any corporation with
 25 securities registered under the "Securities Exchange Act of 1934,"
 26 15 U.S.C. s.78a et seq., which has provided written notice to its
 27 shareholders of a meeting of shareholders at a physical location
 28 may, on a day at which a state of emergency is in effect, notify
 29 shareholders of a change of meeting location to a meeting solely by
 30 means of remote communication and any change in date and time of
 31 such meeting without the necessity of providing each shareholder
 32 with the written notice required by N.J.S.14A:5-4, provided that 10
 33 calendar days prior to the meeting, the corporation issues a press
 34 release announcing the change or changes and files a notice
 35 announcing the change or changes electronically with the Securities
 36 and Exchange Commission.

37 (2) One or more shareholders may participate in a meeting of
 38 shareholders by means of remote communication to the extent the
 39 board authorizes that participation. Shareholder meetings
 40 conducted in part or solely by means of remote communication in
 41 reliance upon this subsection and any shareholder's remote
 42 participation in those meetings shall be subject to those guidelines
 43 and procedures as the board adopts, and shall be in conformity with
 44 subsection 14A:5-1(3).

45 (3) A shareholder participating in a meeting of shareholders by

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:

¹Assembly AAP committee amendments adopted May 11, 2020.

1 means of remote communication in reliance upon subsection 14A:5-
2 1(1) shall be deemed present in person and shall be entitled to vote
3 at the meeting regardless of whether that meeting is held at a
4 designated place or solely by means of remote communication. In
5 any shareholder meeting conducted in part or solely by means of
6 remote communication in reliance upon subsection 14A:5-1(1), the
7 corporation shall implement reasonable measures to:

8 (a) verify that each person participating remotely is a
9 shareholder or a proxy of a shareholder;

10 (b) provide each shareholder participating remotely with a
11 reasonable opportunity to participate in the meeting, including an
12 opportunity to vote on matters submitted to the shareholders, and to
13 read or hear the proceedings of the meeting substantially
14 concurrently with those proceedings; and

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

17 (cf: P.L.2020, c.15, s.1.)
18

19 ¹**[1.]2.**¹ N.J.S.15A:5-1 is amended to read as follows:

20 15A:5-1. a. Meetings of members of every corporation
21 organized under this title may, unless otherwise provided by law, be
22 held at a place, within or without this State, as may be provided in
23 the bylaws or as may be fixed by the board pursuant to authority
24 granted by the bylaws. In the absence of such a provision, all
25 meetings of members shall be held at the registered office of the
26 corporation. During a state of emergency declared by the Governor,
27 a meeting of members may be held by means of remote
28 communication to the extent the board authorizes and adopts
29 guidelines and procedures governing such a meeting.

30 b. One or more members may participate in a meeting by
31 means of remote communication to the extent the board authorizes
32 that participation. Meetings conducted in part or solely by means of
33 remote communication in reliance upon this subsection and any
34 member's remote participation in those meetings shall be subject to
35 those guidelines and procedures as the board adopts, and shall be in
36 conformity with subsection c. of this section.

37 c. A member participating in a meeting of members by means
38 of remote communication in reliance upon subsection a. of this
39 section shall be deemed present in person and shall be entitled to
40 vote at the meeting regardless of whether that meeting is held at a
41 designated place or solely by means of remote communication. In
42 any meeting conducted in part or solely by means of remote
43 communication in reliance upon subsection a. of this section, the
44 corporation shall implement reasonable measures to:

45 (1) verify that each person participating remotely is a member or
46 a proxy of a member;

47 (2) provide each member participating remotely with a
48 reasonable opportunity to participate in the meeting, including an

1 opportunity to vote on matters submitted to the members, and to
2 read or hear the proceedings of the meeting substantially
3 concurrently with those proceedings; and

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

6 d. A meeting currently noticed for a physical location may be
7 changed to a meeting conducted by remote communication by
8 providing notice of the day and hour of the meeting, the nature of
9 the business to be transacted, and the means of remote
10 communication to be used in a document posted by the corporation
11 on its website in a prominent location. A meeting noticed during a
12 state of emergency to be held by means of remote communication
13 may be held by means of remote communication even if the state of
14 emergency ends prior to the day and hour noticed for the meeting.

15 (cf: P.L.2020, c.20, s.1)

16
17 ¹~~[2.]~~^{3.} Section 81 of P.L.1948, c.67 (C.17:9A-81) is
18 amended to read as follows:

19 81. Stockholders' meetings; notice. Notice of all meetings of
20 stockholders shall be given to the stockholders not less than 10 nor
21 more than 60 days prior thereto, by mail, postage prepaid, addressed
22 to each stockholder at his address as it appears on the books of the
23 bank. The notice shall specify the place, day and hour of the
24 meeting and the nature of the business to be transacted. If
25 participation by stockholders by means of remote communication
26 has been authorized pursuant to subsection b. of section 83 of
27 P.L.1948, c.67 (C.17:9A-83), the notice to stockholders shall
28 describe the means of remote communication to be used. Except as
29 otherwise provided by section 79, no business may be transacted at
30 any meeting except that specified in the notice of the meeting.

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

32
33 ¹~~[3.]~~^{4.} Section 83 of P.L.1948, c.67 (C.17:9A-83) is
34 amended to read as follows:

35 83. a. Any meeting of stockholders may be held at the principal
36 office of the bank, or at any branch office, or at any place other than
37 the principal office or a branch office, provided such other place is
38 in a municipality in which the bank maintains its principal office or
39 a branch office. Each meeting shall be convened at such hour as is
40 fixed by the by-laws, or, if not so fixed, at such hour as shall be
41 stated in the call for the meeting. Any meeting may be adjourned
42 from time to time for any period of time and to any place where it is
43 lawful to hold a meeting. When any meeting is adjourned, it shall
44 not be necessary to give any notice of the adjourned meeting.

45 b. (1) During a state of emergency declared by the Governor, a
46 meeting of stockholders may be held by means of remote
47 communication. A meeting currently noticed for a physical location
48 may be changed to a meeting conducted by remote communication

1 by providing notice of the day and hour of the meeting, the nature
2 of the business to be transacted, and the means of remote
3 communication to be used in a document filed by the bank with the
4 Department of Banking and Insurance and posted on the bank's
5 website in a prominent location. A meeting noticed during a state
6 of emergency to be held by means of remote communication may
7 be held by means of remote communication even if the state of
8 emergency ends prior to the day and hour noticed for the meeting.

9 (2) A stockholder participating in a meeting of stockholders by
10 means of remote communication in reliance upon paragraph (1) of
11 this subsection shall be deemed present in person and shall be
12 entitled to vote at the meeting. In any meeting conducted in part or
13 solely by means of remote communication in reliance upon
14 paragraph (1) of this subsection, the bank shall implement
15 reasonable measures to:

16 (a) verify that each person participating remotely is a
17 stockholder or a proxy of a stockholder;

18 (b) provide each stockholder participating remotely with a
19 reasonable opportunity to participate in the meeting, including an
20 opportunity to vote on matters submitted to the stockholders, and to
21 read or hear the proceedings of the meeting substantially
22 concurrently with those proceedings; and

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

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

26
27 ¹**[4.]5.**¹ This act shall take effect immediately.