

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4128

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 11, 2020

The Assembly Appropriations Committee reports favorably, and with committee amendments, Assembly Bill No. 4128.

This bill permits certain stockholders to participate in meetings by means of remote communication during a state of emergency declared by the Governor.

Under the bill, a bank stockholder meeting currently noticed for a physical location may be changed to a meeting conducted by remote communication by providing notice of the day and hour of the meeting, the nature of the business to be transacted, and the means of remote communication to be used in a document filed by the bank with the Department of Banking and Insurance and posted on the bank's website in a prominent location. A meeting noticed during a state of emergency to be held by means of remote communication may be held by means of remote communication even if the state of emergency ends prior to the day and hour noticed for the meeting.

The bill provides that a stockholder participating in a meeting of stockholders by means of remote communication shall be deemed present in person and shall be entitled to vote at the meeting. In any meeting conducted in part or solely by means of remote communication, the bank is required to implement reasonable measures to:

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

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

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

The bill provides that, with regard to remote meetings conducted by for-profit corporations, during a state of emergency declared by the Governor, a meeting of shareholders may be held solely by means of remote communication and not in any physical location to the extent the board authorizes and adopts guidelines and procedures

governing such a meeting. Meetings of shareholders may be held solely by means of remote communication even if the state of emergency ends prior to the day and hour of the meeting, provided that certain information is disseminated. The bill also allows for corporations with securities registered under the "Securities Exchange Act of 1934" to conduct meetings solely by means of remote communication under certain circumstances.

The bill provides that, with regard to remote meetings conducted by nonprofit corporations, a meeting noticed for a physical location may be changed to a meeting conducted by remote communication by providing notice of the day and hour of the meeting, the nature of the business to be transacted, and the means of remote communication to be used in a document posted by the corporation on its website in a prominent location. Further, a meeting noticed during a state of emergency to be held by means of remote communication may be held by means of remote communication even if the state of emergency ends prior to the day and hour noticed for the meeting.

COMMITTEE AMENDMENTS:

The committee amendments provide that, with regard to remote meetings conducted by for-profit corporations, during a state of emergency declared by the Governor, a meeting of shareholders may be held solely by means of remote communication and not in any physical location to the extent the board authorizes and adopts guidelines and procedures governing such a meeting. Meetings of shareholders may be held solely by means of remote communication even if the state of emergency ends prior to the day and hour of the meeting, provided that certain information is disseminated. The amendments also allow for corporations with securities registered under the "Securities Exchange Act of 1934" to conduct meetings solely by means of remote communication under certain circumstances.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.