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LAW

P.L. 2009, CHAPTER 10, *approved January 27, 2009*  
Assembly, No. 2883  
**(CORRECTED COPY)**

1 AN ACT concerning the election of corporate directors and  
2 amending N.J.S.14A:5-24.

3

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

6

7 1. N.J.S.14A:5-24 is amended to read as follows:

8 14A:5-24. Elections of directors; cumulative voting.

9 (1) Elections of directors need not be by ballot unless a  
10 shareholder demands election by ballot at the election and before  
11 the voting begins. If the by-laws require election by ballot at any  
12 shareholders' meeting, such requirement is waived unless  
13 compliance therewith is requested by a shareholder entitled to vote  
14 at such meeting.

15 (2) At each election of directors every shareholder entitled to  
16 vote at such election shall have the right to vote the number of  
17 shares owned by him for as many persons as there are directors to  
18 be elected and for whose election he has a right to vote, or, if the  
19 certificate of incorporation so provides, to cumulate his votes by  
20 giving one candidate as many votes as the number of such directors  
21 multiplied by the aggregate number of his votes shall equal, or by  
22 distributing such votes on the same principle among any number of  
23 such candidates.

24 (3) Except as otherwise provided by the certificate of  
25 incorporation or by-laws, directors shall be elected by a plurality of  
26 the votes cast at an election.

27 (cf: P.L.1973, c.366, s.17)

28

29 2. This act shall take effect immediately.

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STATEMENT

33

34 This bill allows a corporation to eliminate plurality voting for  
35 director elections in the by-laws of the corporation. Under current  
36 law, a corporation can only eliminate plurality voting for director  
37 elections if that practice is allowed under its certificate of  
38 incorporation.

39 The bill allows a corporation to eliminate plurality voting for the  
40 board if stated in its by-laws or amended by-laws, and without  
41 shareholder approval. This bill would give New Jersey corporations

**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.

1 greater flexibility in adopting majority voting provisions, or other  
2 voting schemes, regarding the election of directors.

3

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7 Provides that corporate by-laws may allow corporation to  
8 eliminate plurality voting for corporate directors.

[Corrected Copy]

**ASSEMBLY, No. 2883**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

INTRODUCED JUNE 5, 2008

**Sponsored by:**

**Assemblyman WAYNE P. DEANGELO**

**District 14 (Mercer and Middlesex)**

**Assemblyman UPENDRA J. CHIVUKULA**

**District 17 (Middlesex and Somerset)**

**Assemblyman ALBERT COUTINHO**

**District 29 (Essex and Union)**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Assemblyman JOSEPH VAS**

**District 19 (Middlesex)**

**Assemblywoman BONNIE WATSON COLEMAN**

**District 15 (Mercer)**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Camden)**

**Co-Sponsored by:**

**Assemblywoman Rodriguez, Assemblymen Wisniewski, Moriarty,**

**Assemblywoman Pou, Senators Gill and Sarlo**

**SYNOPSIS**

Provides that corporate by-laws may allow corporation to eliminate plurality voting for corporate directors.

**CURRENT VERSION OF TEXT**

As introduced.

(Sponsorship Updated As Of: 12/16/2008)

A2883 DEANGELO, CHIVUKULA

2

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32 *SPONSOR'S* STATEMENT

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39 The bill allows a corporation to eliminate plurality voting for the  
40 board if stated in its by-laws or amended by-laws, and without  
41 shareholder approval. This bill would give New Jersey corporations  
42 greater flexibility in adopting majority voting provisions, or other  
43 voting schemes, regarding the election of directors.

**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.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2883**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 15, 2008

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 2883.

This bill allows a corporation to eliminate plurality voting for director elections in the by-laws of the corporation. Under current law, a corporation can only eliminate plurality voting for director elections if that practice is allowed under its certificate of incorporation.

The bill allows a corporation to eliminate plurality voting for the board if stated in its by-laws or amended by-laws, and without shareholder approval. This bill would give New Jersey corporations greater flexibility in adopting majority voting provisions, or other voting schemes, regarding the election of directors.

SENATE COMMERCE COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2883**

**STATE OF NEW JERSEY**

DATED: NOVEMBER 13, 2008

The Senate Commerce Committee reports favorably Assembly Bill No. 2883.

This bill allows a corporation to eliminate plurality voting for director elections in the by-laws of the corporation. Under current law, a corporation can only eliminate plurality voting for director elections if that practice is allowed under its certificate of incorporation.

The bill allows a corporation to eliminate plurality voting for the board if stated in its by-laws or amended by-laws, and without shareholder approval. This bill would give New Jersey corporations greater flexibility in adopting majority voting provisions, or other voting schemes, regarding the election of directors.

This bill is identical to Senate Bill No. 2246, also reported by the committee today.

**SENATE, No. 2246**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

INTRODUCED OCTOBER 16, 2008

**Sponsored by:**

**Senator NIA H. GILL**

**District 34 (Essex and Passaic)**

**Senator PAUL A. SARLO**

**District 36 (Bergen, Essex and Passaic)**

**SYNOPSIS**

Provides that corporate by-laws may allow corporation to eliminate plurality voting for corporate directors.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 10/17/2008)**

1 AN ACT concerning the election of corporate directors and  
2 amending N.J.S.14A:5-24.

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Matter underlined thus is new matter.

SENATE COMMERCE COMMITTEE

STATEMENT TO

**SENATE, No. 2246**

**STATE OF NEW JERSEY**

DATED: NOVEMBER, 13 2008

The Senate Commerce Committee reports favorably Senate Bill No. 2246.

This bill allows a corporation to eliminate plurality voting for director elections in the by-laws of the corporation. Under current law, a corporation can only eliminate plurality voting for director elections if that practice is allowed under its certificate of incorporation.

The bill allows a corporation to eliminate plurality voting for the board if stated in its by-laws or amended by-laws, and without shareholder approval. This bill would give New Jersey corporations greater flexibility in adopting majority voting provisions, or other voting schemes, regarding the election of directors.

This bill is identical to Assembly Bill No. A2883, also reported by the committee today.