

**14A:5-31**  
**LEGISLATIVE HISTORY CHECKLIST**  
Compiled by the NJ State Law Library

**LAWS OF:** 2017                 **CHAPTER:** 299

**NJSA:** 14A:5-31 (Allows certain materials to be included in corporation's proxy solicitation materials.)

**BILL NO:** S2239                 (Substituted for A2973)

**SPONSOR(S)** Diegnan and others

**DATE INTRODUCED:** 5/23/2016

**COMMITTEE:**                 **ASSEMBLY:** Commerce and Economic Development  
  **SENATE:** Commerce

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**                 **ASSEMBLY:** 1/8/2018  
  **SENATE:** 1/5/2018

**DATE OF APPROVAL:** 1/16/2018

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL** (Introduced version of bill enacted) Yes

**S2239**

**SPONSOR'S STATEMENT:** (Begins on page 2 of introduced bill) Yes

**COMMITTEE STATEMENT:**                 **ASSEMBLY:** No  
  **SENATE:** Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**A2973**

**SPONSOR'S STATEMENT:** (Begins on page 2 of introduced bill) Yes

**COMMITTEE STATEMENT:**                 **ASSEMBLY:** Yes  
  **SENATE:** No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

(continued)

**VETO MESSAGE:**

No

**GOVERNOR'S PRESS RELEASE ON SIGNING:**

**FOLLOWING WERE PRINTED:**

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

**REPORTS:**

**HEARINGS:**

**NEWSPAPER ARTICLES:**

No

RH/CL

P.L. 2017, CHAPTER 299, *approved January 16, 2018*  
Senate, No. 2239

1 **AN ACT** concerning corporation proxy solicitation materials and  
2 supplementing chapter 5 of Title 14A of the New Jersey Statutes.

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

6  
7 1. A corporation may establish, in its bylaws, procedures or  
8 conditions under which materials with respect to shareholder-  
9 nominated individuals will be included in a corporation's proxy  
10 solicitation materials, including the form of proxy, for an upcoming  
11 election of directors. Those procedures or conditions may include,  
12 but shall not be limited to, the following:

13 (1) A condition requiring a minimum level of beneficial  
14 ownership of shares of the corporation's voting stock by the  
15 nominating shareholder or a minimum duration of ownership of  
16 those shares;

17 (2) Conditions limiting nominations of directors who have been  
18 previously nominated to the board;

19 (3) A provision limiting the number of shareholder-nominated  
20 directors for each shareholder meeting at which directors are to be  
21 elected;

22 (4) Procedures requiring the nominating shareholder to submit  
23 specified information concerning the shareholder and the  
24 shareholder's nominees, including information concerning  
25 ownership by those persons of shares of the corporation's capital  
26 stock;

27 (5) A provision limiting nominations to shareholders, or any  
28 affiliate of those shareholders, who have not, and whose nominee  
29 has not, within a specified time period, publicly proposed to acquire  
30 shares constituting a specified percentage of the voting power of the  
31 corporation's outstanding voting stock; and

32 (6) A provision requiring that the nominating shareholder  
33 undertake to indemnify the corporation in respect of any loss arising  
34 as a result of any false or misleading information or statement  
35 submitted by the nominating shareholder in connection with a  
36 nomination.

37  
38 2. This act shall take effect immediately.

39  
40  
41

STATEMENT

42  
43 This bill allows a corporation to establish, in its bylaws,  
44 procedures or conditions under which materials with respect to

1 shareholder-nominated individuals will be included in a  
2 corporation's proxy solicitation materials.

3 As an example, the bill provides the following six procedures or  
4 conditions that a corporation may establish:

5 (1) A condition requiring a minimum level of beneficial  
6 ownership of shares of the corporation's voting stock by the  
7 nominating shareholder or a minimum duration of ownership of  
8 those shares;

9 (2) Conditions limiting nominations of directors who have been  
10 previously nominated to the board;

11 (3) A provision limiting the number of shareholder-nominated  
12 directors for each shareholder meeting at which directors are to be  
13 elected;

14 (4) Procedures requiring the nominating shareholder to submit  
15 specified information concerning the shareholder and the  
16 shareholder's nominees, including information concerning  
17 ownership by those persons of shares of the corporation's capital  
18 stock;

19 (5) A provision limiting nominations to shareholders who have  
20 not, and whose nominee, or any affiliate of those shareholders has  
21 not, within a specified time period, publicly proposed to acquire  
22 shares constituting a specified percentage of the voting power of the  
23 corporation's outstanding voting stock; and

24 (6) A provision requiring that the nominating shareholder  
25 undertake to indemnify the corporation in respect of any loss arising  
26 as a result of any false or misleading information or statement  
27 submitted by the nominating shareholder in connection with a  
28 nomination.

29

30

31

32

33 \_\_\_\_\_  
34 Allows certain materials to be included in corporation's proxy  
solicitation materials.

# SENATE, No. 2239

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MAY 23, 2016

**Sponsored by:**

**Senator PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Assemblywoman NANCY J. PINKIN**

**District 18 (Middlesex)**

**Assemblyman TROY SINGLETON**

**District 7 (Burlington)**

**SYNOPSIS**

Allows certain materials to be included in corporation's proxy solicitation materials.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/9/2018)**

1 AN ACT concerning corporation proxy solicitation materials and  
2 supplementing chapter 5 of Title 14A of the New Jersey Statutes.

3

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

6

7 1. A corporation may establish, in its bylaws, procedures or  
8 conditions under which materials with respect to shareholder-  
9 nominated individuals will be included in a corporation's proxy  
10 solicitation materials, including the form of proxy, for an upcoming  
11 election of directors. Those procedures or conditions may include,  
12 but shall not be limited to, the following:

13 (1) A condition requiring a minimum level of beneficial  
14 ownership of shares of the corporation's voting stock by the  
15 nominating shareholder or a minimum duration of ownership of  
16 those shares;

17 (2) Conditions limiting nominations of directors who have been  
18 previously nominated to the board;

19 (3) A provision limiting the number of shareholder-nominated  
20 directors for each shareholder meeting at which directors are to be  
21 elected;

22 (4) Procedures requiring the nominating shareholder to submit  
23 specified information concerning the shareholder and the  
24 shareholder's nominees, including information concerning  
25 ownership by those persons of shares of the corporation's capital  
26 stock;

27 (5) A provision limiting nominations to shareholders, or any  
28 affiliate of those shareholders, who have not, and whose nominee  
29 has not, within a specified time period, publicly proposed to acquire  
30 shares constituting a specified percentage of the voting power of the  
31 corporation's outstanding voting stock; and

32 (6) A provision requiring that the nominating shareholder  
33 undertake to indemnify the corporation in respect of any loss arising  
34 as a result of any false or misleading information or statement  
35 submitted by the nominating shareholder in connection with a  
36 nomination.

37

38 2. This act shall take effect immediately.

39

40

41

STATEMENT

42

43 This bill allows a corporation to establish, in its bylaws,  
44 procedures or conditions under which materials with respect to  
45 shareholder-nominated individuals will be included in a  
46 corporation's proxy solicitation materials.

47 As an example, the bill provides the following six procedures or  
48 conditions that a corporation may establish:

**S2239 DIEGNAN**

3

- 1       (1) A condition requiring a minimum level of beneficial  
2 ownership of shares of the corporation's voting stock by the  
3 nominating shareholder or a minimum duration of ownership of  
4 those shares;
- 5       (2) Conditions limiting nominations of directors who have been  
6 previously nominated to the board;
- 7       (3) A provision limiting the number of shareholder-nominated  
8 directors for each shareholder meeting at which directors are to be  
9 elected;
- 10       (4) Procedures requiring the nominating shareholder to submit  
11 specified information concerning the shareholder and the  
12 shareholder's nominees, including information concerning  
13 ownership by those persons of shares of the corporation's capital  
14 stock;
- 15       (5) A provision limiting nominations to shareholders who have  
16 not, and whose nominee, or any affiliate of those shareholders has  
17 not, within a specified time period, publicly proposed to acquire  
18 shares constituting a specified percentage of the voting power of the  
19 corporation's outstanding voting stock; and
- 20       (6) A provision requiring that the nominating shareholder  
21 undertake to indemnify the corporation in respect of any loss arising  
22 as a result of any false or misleading information or statement  
23 submitted by the nominating shareholder in connection with a  
24 nomination.

# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### SENATE, No. 2239

# STATE OF NEW JERSEY

DATED: JUNE 19, 2017

The Senate Commerce Committee reports favorably Senate Bill No. 2239.

This bill allows a corporation to establish, in its bylaws, procedures or conditions under which materials with respect to shareholder-nominated individuals will be included in a corporation's proxy solicitation materials.

As an example, the bill provides the following six procedures or conditions that a corporation may establish:

(1) A condition requiring a minimum level of beneficial ownership of shares of the corporation's voting stock by the nominating shareholder or a minimum duration of ownership of those shares;

(2) Conditions limiting nominations of directors who have been previously nominated to the board;

(3) A provision limiting the number of shareholder-nominated directors for each shareholder meeting at which directors are to be elected;

(4) Procedures requiring the nominating shareholder to submit specified information concerning the shareholder and the shareholder's nominees, including information concerning ownership by those persons of shares of the corporation's capital stock;

(5) A provision limiting nominations to shareholders who have not, and whose nominee, or any affiliate of those shareholders has not, within a specified time period, publicly proposed to acquire shares constituting a specified percentage of the voting power of the corporation's outstanding voting stock; and

(6) A provision requiring that the nominating shareholder undertake to indemnify the corporation in respect of any loss arising as a result of any false or misleading information or statement submitted by the nominating shareholder in connection with a nomination.



# ASSEMBLY, No. 2973

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED FEBRUARY 16, 2016

**Sponsored by:**

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

**District 18 (Middlesex)**

**Assemblywoman NANCY J. PINKIN**

**District 18 (Middlesex)**

**Assemblyman TROY SINGLETON**

**District 7 (Burlington)**

**SYNOPSIS**

Allows certain materials to be included in corporation's proxy solicitation materials.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/9/2018)**

1 AN ACT concerning corporation proxy solicitation materials and  
2 supplementing chapter 5 of Title 14A of the New Jersey Statutes.

3

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

6

7 1. A corporation may establish, in its bylaws, procedures or  
8 conditions under which materials with respect to shareholder-  
9 nominated individuals will be included in a corporation's proxy  
10 solicitation materials, including the form of proxy, for an upcoming  
11 election of directors. Those procedures or conditions may include,  
12 but shall not be limited to, the following:

13 (1) A condition requiring a minimum level of beneficial  
14 ownership of shares of the corporation's voting stock by the  
15 nominating shareholder or a minimum duration of ownership of  
16 those shares;

17 (2) Conditions limiting nominations of directors who have been  
18 previously nominated to the board;

19 (3) A provision limiting the number of shareholder-nominated  
20 directors for each shareholder meeting at which directors are to be  
21 elected;

22 (4) Procedures requiring the nominating shareholder to submit  
23 specified information concerning the shareholder and the  
24 shareholder's nominees, including information concerning  
25 ownership by those persons of shares of the corporation's capital  
26 stock;

27 (5) A provision limiting nominations to shareholders, or any  
28 affiliate of those shareholders, who have not, and whose nominee  
29 has not, within a specified time period, publicly proposed to acquire  
30 shares constituting a specified percentage of the voting power of the  
31 corporation's outstanding voting stock; and

32 (6) A provision requiring that the nominating shareholder  
33 undertake to indemnify the corporation in respect of any loss arising  
34 as a result of any false or misleading information or statement  
35 submitted by the nominating shareholder in connection with a  
36 nomination.

37

38 2. This act shall take effect immediately.

39

40

41

#### STATEMENT

42

43 This bill allows a corporation to establish, in its bylaws,  
44 procedures or conditions under which materials with respect to  
45 shareholder-nominated individuals will be included in a  
46 corporation's proxy solicitation materials.

47 As an example, the bill provides the following six procedures or  
48 conditions that a corporation may establish:

- 1       (1) A condition requiring a minimum level of beneficial  
2 ownership of shares of the corporation's voting stock by the  
3 nominating shareholder or a minimum duration of ownership of  
4 those shares;
- 5       (2) Conditions limiting nominations of directors who have been  
6 previously nominated to the board;
- 7       (3) A provision limiting the number of shareholder-nominated  
8 directors for each shareholder meeting at which directors are to be  
9 elected;
- 10      (4) Procedures requiring the nominating shareholder to submit  
11 specified information concerning the shareholder and the  
12 shareholder's nominees, including information concerning  
13 ownership by those persons of shares of the corporation's capital  
14 stock;
- 15      (5) A provision limiting nominations to shareholders who have  
16 not, and whose nominee, or any affiliate of those shareholders has  
17 not, within a specified time period, publicly proposed to acquire  
18 shares constituting a specified percentage of the voting power of the  
19 corporation's outstanding voting stock; and
- 20      (6) A provision requiring that the nominating shareholder  
21 undertake to indemnify the corporation in respect of any loss arising  
22 as a result of any false or misleading information or statement  
23 submitted by the nominating shareholder in connection with a  
24 nomination.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2973

**STATE OF NEW JERSEY**

DATED: NOVEMBER 30, 2017

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 2973.

This bill allows a corporation to establish, in its bylaws, procedures or conditions under which materials with respect to shareholder-nominated individuals will be included in a corporation's proxy solicitation materials.

As an example, the bill provides the following six procedures or conditions that a corporation may establish:

(1) A condition requiring a minimum level of beneficial ownership of shares of the corporation's voting stock by the nominating shareholder or a minimum duration of ownership of those shares;

(2) Conditions limiting nominations of directors who have been previously nominated to the board;

(3) A provision limiting the number of shareholder-nominated directors for each shareholder meeting at which directors are to be elected;

(4) Procedures requiring the nominating shareholder to submit specified information concerning the shareholder and the shareholder's nominees, including information concerning ownership by those persons of shares of the corporation's capital stock;

(5) A provision limiting nominations to shareholders who have not, and whose nominee, or any affiliate of those shareholders has not, within a specified time period, publicly proposed to acquire shares constituting a specified percentage of the voting power of the corporation's outstanding voting stock; and

(6) A provision requiring that the nominating shareholder undertake to indemnify the corporation in respect of any loss arising as a result of any false or misleading information or statement submitted by the nominating shareholder in connection with a nomination.