



New Jersey Amends Law to Permanently Permit Remote Shareholder Meetings

Publication:

Riker Danzig Corporate Client Alert August 26, 2021

On August 24, 2021, Governor Phil Murphy signed into law legislation permitting New Jersey corporations and financial institutions to hold shareholders' meetings in part or solely by means of remote communication. P.L.2021, c.202. The new law took effect immediately upon signature.

At the start of the COVID-19 pandemic in March 2020, the State Legislature amended the New Jersey Business Corporation Act to allow New Jersey corporations to hold shareholder meetings remotely during a state of emergency declared by the Governor. The new law removes the requirement that a state of emergency must be in effect, with the result that corporations may permanently hold remote shareholder meetings, with or without an in-person component, as long as their boards approve remote participation and adopt the required guidelines and procedures to govern such meetings. The new law also applies to State-chartered banks and savings and loan associations, whereas the March 2020 law applied only to regular business corporations. P.L.2020, c.15.

Under the new law, so long as the corporation's or financial institution's board of directors authorizes and adopts guidelines and procedures governing such a meeting, a meeting of shareholders (including S&L members) may be held solely or partially by means of remote communication. Shareholders participating in such a meeting shall be deemed present in person and entitled to vote at the meeting, regardless of whether the meeting is held at a designated place or solely by means of remote communication. The corporation or financial institution is also required to implement reasonable measures in connection with any such meeting to (i) verify that each person participating remotely is a shareholder or proxy of a shareholder, (ii) provide each shareholder participating remotely with a reasonable opportunity to participate in the meeting, and (iii) record and maintain a record of any shareholder votes or other actions taken by remote communication at the meeting.

The Legislature also previously enacted an amendment to the New Jersey Nonprofit Corporation Act permitting nonprofit corporations to hold remote member meetings during a state of emergency declared by the Governor. At this time, it remains unclear whether the Legislature will enact a further amendment with respect to nonprofits to remove the state of emergency requirement for remote member meetings.

If you have any questions about the new law or the procedures for permitting remote shareholder participation, please contact Jason D. Navarino at jnavarino@riker.com, Mary Kay Roberts at mroberts@riker.com or any member of Riker Danzig's [Corporate](#) Group or [Financial Services](#) Group.

Attorneys:

Jason D. Navarino · Mary Kathryn Roberts

Practice:

Corporate Law