

CHAPTER 159

AN ACT concerning equity awards under certain employee benefit plans and amending N.J.S.14A:8-1.

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

1. N.J.S.14A:8-1 is amended to read as follows:

Employee benefit plans.

14A:8-1. Employee benefit plans.

(1) A corporation may establish and carry out wholly or partly at its expense, any one or more of the following plans for the benefit of some or all employees, as hereinafter defined, and their families, dependents or beneficiaries:

(a) Plans providing for the sale or distribution of its shares of any class or series, held by it or issued or purchased by it for the purpose, including stock option, stock purchase, stock bonus, profit-sharing, savings, pension, retirement, deferred compensation and other plans of similar nature, whether or not such plans also provide for the distribution of cash or property other than its shares;

(b) Plans providing for payments solely in cash or property other than shares of the corporation, including profit-sharing, bonus, savings, pension, retirement, deferred compensation and other plans of similar nature; and

(c) Plans for the furnishing of medical services; life, sickness, accident, disability or unemployment insurance or benefits; education; housing; social and recreational services; and other similar aids and services.

(2) The term "employees" as used in this chapter means employees, officers, directors, and agents of the corporation or any subsidiary thereof, or other persons who are or have been actively engaged in the conduct of the business of the corporation or any subsidiary thereof, including any who have retired, become disabled or died prior to the establishment of any plan heretofore or hereafter adopted.

(3) Employee benefits plans may be adopted, amended or terminated by a corporation by the act of its board, a committee of the board, or officers to whom the responsibility has been delegated. Notwithstanding the foregoing, any plan providing for the issuance of shares shall be initially adopted by the board or any committee thereof.

(4) The board of directors may, by a resolution adopted by the board or a committee of the board, authorize one or more officers of the corporation to do one or both of the following: (a) designate officers and employees of the corporation or of any of its subsidiaries to be recipients of shares of stock, rights or options created by the corporation; or (b) determine the number of shares, rights or options to be received by those officers and employees; provided, however that the resolution authorizing those officers shall specify the total number of shares, rights or options the officers may award. A resolution adopted pursuant to this subsection shall prohibit any officer from designating himself as a recipient of any shares, rights or options.

2. This act shall take effect immediately.

Approved November 20, 2009.