

CHAPTER 299

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

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

C.14A:5-31 Establishment of procedures, conditions relative to certain proxy solicitation materials.

1. A corporation may 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, including the form of proxy, for an upcoming election of directors. Those procedures or conditions may include, but shall not be limited to, the following:

(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, or any affiliate of those shareholders, who have not, and whose nominee 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.

2. This act shall take effect immediately.

Approved January 16, 2018.