

CHAPTER 363

AN ACT concerning actions of corporate directors and amending N.J.S.14A:6-7.1.

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

1. N.J.S.14A:6-7.1 is amended to read as follows:

Directors' voting; quorum of board of directors and committees; action of board and committees; action of directors without a meeting.

14A:6-7.1. Directors' voting; quorum of board of directors and committees; action of board and committees; action of directors without a meeting.

(1) Each director shall have one vote at meetings of the board or at meetings of board committees unless the certificate of incorporation provides the director is entitled to more than one vote pursuant to a provision in the certificate of incorporation consistent with subsection 14A:6-7.1(2).

(2) The certificate of incorporation may provide either that one or more directors elected by the holders of shares of a class or series shall have more than one vote or that the shareholders at an annual or special meeting shall have the right to designate one or more directors who shall have more than one vote. The certificate of incorporation shall also specify either the number of votes which those directors shall have or that the shareholders electing those directors shall have the right to specify the number of votes which the directors shall have. Any person appointed by the board to fill a vacancy of a directorship with more than one vote shall have only one vote unless otherwise provided by the certificate of incorporation. If a director has more than one vote as provided in this subsection, any reference in this act to the vote or act of a majority of the board, of the directors, or of the entire board, or similar language, means the vote or act of directors who are entitled to cast a majority of the votes.

(3) The participation of directors with a majority of the votes of the entire board, or of any committee thereof, shall constitute a quorum for the transaction of business, unless the certificate of incorporation or the by-laws provide that a greater or lesser proportion shall constitute a quorum, which in no case shall be less than one-third of the votes of the entire board or committee.

(4) Any action approved by a majority of the votes of directors present at a meeting at which a quorum is present shall be the act of the board or of the committee, unless this act, or the certificate of incorporation, or the by-laws require a greater proportion, including a unanimous vote.

(5) Unless otherwise provided by the certificate of incorporation or by-laws, any action required or permitted to be taken pursuant to authorization voted at a meeting of the board or any committee thereof, may be taken without a meeting if, prior or subsequent to the action, all members of the board or of such committee, as the case may be, consent thereto in writing or by electronic transmission and the written consents or electronic transmissions are filed with the minutes of the proceedings of the board or committee. Such consent or electronic transmission shall have the same effect as a unanimous vote of the board or committee for all purposes, and may be stated as a unanimous vote in any certificate or other document filed with the Secretary of State. The filing of written consents or electronic transmissions shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. "Electronic transmission" shall have the meaning contained in section 14A:1-8.1.

2. This act shall take effect immediately.

Approved January 16, 2018.