

ACTS, 1984. - Chap. 176.

Chap. 176. AN ACT RELATIVE TO THE BOARD OF DIRECTORS OF THE CO-OPERATIVE CENTRAL BANK.

Be it enacted, etc., as follows:

SECTION 1. Chapter 45 of the acts of 1932 is hereby amended by striking out section 2, as most recently amended by section 78 of chapter 371 of the acts of 1983, and inserting in place thereof the following section:-

Section 2. There shall be a board of nineteen directors of the central bank who shall be elected by the member banks in the manner hereinafter provided for terms of three years except in the case of vacancies. Directors elected to fill vacancies shall be elected for the unexpired terms. The directors shall fill any vacancies on the board until the next annual meeting. All directors shall be sworn and hold office until their successors are qualified. If a person elected does not within thirty days thereafter, take the oath, his office shall thereupon become vacant. At all meetings of the directors, eleven members shall constitute a quorum, but a lesser number may adjourn from time to time. The board of directors shall from time to time adopt such rules and regulations as they may deem necessary to effect the purposes of this act, and of sections twenty-eight and twenty-nine of said chapter one hundred and seventy of the General Laws. The central bank, by a vote of two-thirds of the delegates of the member banks present and voting, may from time to time adopt such by-laws and amendments thereto as may be necessary to effect such purposes. Such by-laws and amendments thereto shall not become effective until they shall have been approved by the commissioner of banks, hereinafter called the commissioner.

In the election of directors and, except as provided in section nine of said chapter seventy-three, in voting on any other matter legally to come before a meeting, each member bank, by a delegate authorized by its board of directors, shall have one vote; provided, that such delegate shall not vote on behalf of more than one member bank. A majority of the votes so cast shall elect directors.

(a) There shall be fifteen directors of the central bank elected from the boards of directors or officers of member banks by delegates as provided herein.

Not more than three directors of the central bank shall, at any one time, be directors or officers of member banks which are members of the Federal Savings and Loan Insurance Corporation; and if after said annual meeting a member bank from which a director of the central bank is elected shall, during his term of office, become a member of said insurance corporation he shall forthwith cease to be a director and his office shall be deemed vacant, unless by continuing as such director the central bank

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directors who are officers or directors of banks which are members of said insurance corporation shall not exceed three as hereinbefore provided. Any such vacancy may be filled by the directors for the unexpired term as provided herein.

(b) The delegates of the member banks shall elect from a list of persons nominated by such banks four directors, none of whom shall be directors, officers, employees or agents of a member bank or a director, trustee or other officer of any other financial institution. Each member bank may nominate persons to be such a director by filing the name of such person with the board of directors not later than sixty days prior to the annual meeting; provided, however, that any such person shall be qualified by training and experience in one of the following fields: business judgment, insurance, investments, real estate, accounting or law.

(c) The provisions of this section and section five shall apply to all meetings and elections held under this section.

SECTION 2. Section two A of said chapter forty-five is hereby repealed.

SECTION 3. Said chapter 45 is hereby further amended by striking out section 4, as most recently amended by chapter 306 of the acts of 1967, and inserting in place thereof the following section:-

Section 4. There shall be a president, not less than two vice presidents, one of whom may be an executive vice president, a treasurer and a clerk of the corporation, and such other officers and committees thereof as the board of directors may deem necessary, which officers and committees shall be elected annually by the directors. The president shall be elected from the board of directors. The clerk of the corporation shall be clerk of the board of directors. The directors may fill any vacancies in said offices and committees until the next annual meeting.

SECTION 4. At the annual meeting of the corporation following the close of the nineteen hundred and eighty-five fiscal year of the central bank, the member banks shall elect the directors provided for in subsection (b) of section two of chapter forty-five of the acts of nineteen hundred and thirty-two. At such election, two of the four directors provided for in said subsection (b) shall be elected for a term of two years, and two such directors shall be elected for a term of three years. Thereafter, each such director shall be elected for a three-year term.

SECTION 5. Sections one and four shall take effect on June first, nineteen hundred and eighty-five.

Approved July 10, 1984.