Article 6.

Corporate Administration.

§ 54C-100. Membership of a mutual association.

The membership of a mutual State savings bank shall consist of:

(1) Those who hold deposit accounts in a savings bank, and

(2) Those who borrow funds and those who become obligated on a loan from the savings bank, for as long as the loan remains unpaid and the borrower remains liable to the savings bank for the payment of the loan.

A person, as a matter of right or in a trust or other fiduciary capacity, or any partnership, association, corporation, political subdivision, or public or governmental unit or entity may become a member of a mutual savings bank. Members shall be possessed of voting rights and any other rights as are provided by a savings bank's certificate of incorporation and bylaws as approved by the Commissioner of Banks. Members are the owners of a mutual savings bank. (1991, c. 680, s. 1; 2001-193, s. 16.)

§ 54C-101. Directors.

(a) The directors of a mutual savings bank shall be elected by the members at an annual meeting, held under G.S. 54C-106, for any terms as the bylaws of the savings bank may provide. Director's terms may be classified in the certificate of incorporation. Voting for directors by deposit account holders shall be weighted according to the total amount of deposit accounts held by the members, subject to any maximum number of votes per member which a savings bank may choose to prescribe in its bylaws. Voting rights for borrowers shall be fully prescribed in a detailed manner in the bylaws of the savings bank.

(b) The directors of a stock savings bank shall be elected by the stockholders at an annual meeting, held under G.S. 54C-106, for any terms as the bylaws of the savings bank may provide. Director's terms may be classified in the certificate of incorporation.

(c) A director of a State savings bank shall have a significant ownership interest in the State savings bank.

(d) A State savings bank shall have no less than five directors. (1991, c. 680, s. 1.)

§ 54C-102. Bylaws.

The bylaws and any amendments shall be certified by the appropriate corporate official and submitted to the Commissioner of Banks for approval before they may become effective. (1991, c. 680, s. 1; 2001-193, s. 16.)

§ 54C-103. Duties and liabilities of officers and directors to their associations.

Officers and directors of a State savings bank shall act in a fiduciary capacity towards the savings bank and its members or stockholders. They shall discharge duties of their respective positions in good faith, and with that diligence and care which ordinarily prudent persons would exercise under similar circumstances in like positions. (1991, c. 680, s. 1.)

§ 54C-104. Conflicts of interest.

Each director, officer, and employee of a State savings bank has a fundamental duty to avoid placing himself in a position which creates, or which leads to or could lead to a conflict of interest or appearance of a conflict of interest having adverse effects on the interests of members,

customers, or stockholders of the savings bank, soundness of the savings bank, and the purposes of this Chapter. (1991, c. 680, s. 1.)

§ 54C-105. Voting rights.

Voting rights in the affairs of a State savings bank may be exercised by members and stockholders by voting either in person or by proxy. (1991, c. 680, s. 1.)

§ 54C-106. Annual meetings notice required.

(a) A savings bank shall hold an annual meeting of its members or stockholders. The annual meeting shall be held at a time and place as shall be provided in the bylaws or determined by the board of directors.

(b) The board of directors of a mutual savings bank shall cause to be published once a week for two weeks preceding such meeting, in a newspaper of general circulation in the county where such savings bank has its principal office, a notice of the meeting, signed by the savings bank's secretary, and stating the time and place where it is to be held. In addition to the foregoing notice, a savings bank shall disseminate additional notice of any annual meeting by notice made available to all members entering the premises of any office or branch of the savings bank in the regular course of business by posting therein, in full view of the public and its members, one or more conspicuous signs or placards announcing the pending meeting, the time, date and place of the meeting and the availability of additional information. Printed matter shall be freely available to the members containing any information as may be prescribed in rules issued by the Commissioner of Banks. The additional notice shall be given at any time within the period of 60 days before and 14 days before the meeting and shall continue through the time of the meeting.

(c) The board of directors of a stock savings bank shall cause a written or printed notice, signed by the savings bank's secretary and stating the time and place of the annual meeting, to be delivered not less than 10 days nor more than 50 days before the date of the meeting, either personally or by mail to each stockholder of record entitled to vote at the meeting. If mailed, the notice is deemed to be delivered when deposited in the United States postal service addressed to the stockholder at the address as it appears on the records of the corporation, with postage thereon prepaid. (1991, c. 680, s. 1; 2001-193, s. 16.)

§ 54C-107. Special meetings; notice required.

(a) Special meetings of members or stockholders of a savings bank may be called by the president or the board of directors or by any other officers or persons as may be provided for in the charter or bylaws of the savings bank.

(b) Notice of any special meeting of members or stockholders shall be given in the same manner as provided for annual meetings under G.S. 54C-106. (1991, c. 680, s. 1.)

§ 54C-108. Quorum.

Unless otherwise provided in the savings bank's charter or bylaws, 50 holders of deposit accounts in a mutual savings bank or 50 stockholders or a majority of shares eligible to vote in a stock savings bank, present in person or represented by proxy, shall constitute a quorum at any annual or special meeting. (1991, c. 680, s. 1.)

§ 54C-109. Bonding.

(a) A savings bank shall maintain a blanket indemnity bond of at least a minimum amount as prescribed by the Commissioner of Banks.

(b) A savings bank that employs collection agents, who for any reason are not covered by the bond required in this section, shall provide for the bonding of each agent in an amount equal to at least twice the average monthly collections of the agent. The agents shall be required to make settlement with the association at least once monthly. No coverage by bond will be required of any agent that is a bank or an association insured by the Federal Deposit Insurance Corporation. The amount and form of the bonds and the sufficiency of the surety thereon shall be approved by the board of directors and the Commissioner of Banks before it is valid. A bond shall provide that its cancellation, either by the surety or by the insured, shall not become effective unless and until 30 days' notice in writing shall have been given to the Commissioner of Banks. (1991, c. 680, s. 1; 2001-193, s. 16.)

§§ 54C-110 through 54C-120. Reserved for future codification purposes.