

CHAPTER 190.

[H. B. 288.]

BANKS AND TRUST COMPANIES—DIRECTORS.

AN ACT relating to banks and trust companies; and amending section 30.12.010, chapter 33, Laws of 1955 and RCW 30.12.010.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Section 30.12.010, chapter 33, Laws of 1955 and RCW 30.12.010 are each amended to read as follows:

RCW 30.12.010
amended.

Every bank and trust company shall be managed by not less than five directors, excepting that a bank having a capital of fifty thousand dollars or less may have only three directors. Directors shall be elected by the stockholders and hold office for one year and until their successors are elected and have qualified. In the first instance the directors shall be elected at a meeting held before the bank or trust company is authorized to do business by the supervisor and afterwards at the annual meeting of the stockholders to be held on a day in the month of January of each year to be specified by the bank's bylaws. If for any cause no election is held at that time, it may be held at an adjourned meeting or at a subsequent meeting called for that purpose in the manner prescribed by the corporation's bylaws. The directors shall meet at least once each month and whenever required by the supervisor. A majority of the board of directors shall constitute a quorum for the transaction of business. At all stockholders' meetings, each share shall be entitled to one vote. Any stockholder may vote in person or by written proxy. Every director must own in his own right shares of the capital stock of the bank or trust company of which he is a director the aggregate par value of which shall not be less than four hundred dollars, unless the capital of the bank shall not exceed fifty

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thousand dollars, in which case he must own in his own right shares of such capital stock the aggregate par value of which shall not be less than two hundred dollars. Any director who ceases to be the owner of the required number of shares of the stock, or who becomes in any other manner disqualified, shall thereby vacate his place.

Immediately upon election, each director shall take, subscribe, swear to and file with the supervisor an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of such corporation and will not knowingly violate or willingly permit to be violated any provision of law applicable to such corporation and that he is the beneficial owner in good faith of the number of shares of stock required by this section, and that the same is fully paid, is not hypothecated or in any way pledged as security for any loan or debt. Vacancies in the board of directors shall be filled by the board.

Passed the House February 19, 1957.

Passed the Senate March 12, 1957.

Approved by the Governor March 22, 1957.