

CHAPTER 226

AN ACT concerning the directors of State-chartered banks and amending P.L.1948, c.67.

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

1. Section 102 of P.L.1948, c.67 (C.17:9A-102) is amended to read as follows:

C.17:9A-102 Directors; classification; election; vacancies; tenure.

102. Directors; classification; election; vacancies; tenure.

A. A bank may provide in its certificate of incorporation for the classification of its directors in respect to the time for which they shall severally hold office, but no class of directors shall hold office for a term shorter than one year or longer than five years, and the term of office of at least one class shall expire in each year. No classification of directors shall be effective prior to the first annual meeting of stockholders.

B. The directors named in the certificate of incorporation shall hold office until the first annual meeting of stockholders, and until their successors shall have been elected and qualified. At the first annual meeting of stockholders, and at each annual meeting thereafter, the stockholders shall elect directors to hold office until the next succeeding annual meeting of stockholders, except in the case of the classification of directors pursuant to subsection A. of this section.

C. Directors elected at each annual meeting of stockholders shall be elected by ballot of the stockholders. The persons nominated for election as a director at each annual meeting of stockholders who receive the greatest number of votes shall be elected as directors at that annual meeting.

D. When an increase in the number of directors is authorized, other than an increase authorized pursuant to subsection F. of this section, the newly created directorships shall be filled by the stockholders. The board of directors may, at its option, fill any other vacancy in the board. If, following a vacancy, less than 5 directors or less than a quorum remain, the directors in attendance at the next regular or special meeting of the board shall fill the vacancy.

E. A director elected at an annual meeting of the stockholders shall hold office for the term for which he is elected from the time when a majority of all directors elected at such meeting shall have qualified, and until his successor shall have been elected and qualified. A director otherwise elected or appointed, including a director appointed pursuant to subsection F. of this section, shall hold office from the time when he shall have qualified until the time when a majority of the directors elected at the next annual meeting shall have qualified.

F. If the original or amended certificate of incorporation of a bank so provides, the directors may, between annual meetings, increase the number of directors by not more than 2, and may, subject to the limitation imposed by subsection A. of section 101 of P.L.1948, c.67 (C.17:9A-101), appoint persons to fill the vacancies so created.

2. This act shall take effect immediately.

Approved January 3, 2008.