
By: **Delegate Wood**

Introduced and read first time: January 23, 2002

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Banking Institutions - Directors - Attendance at Board Meetings**

3 FOR the purpose of creating an automatic waiver by the Commissioner of Financial
4 Regulation of the disqualification of a director of a banking institution who fails
5 to attend meetings of the board of directors of the banking institution under
6 certain circumstances; and generally relating to attendance at board meetings
7 by directors of banking institutions.

8 BY repealing and reenacting, with amendments,
9 Article - Financial Institutions
10 Section 3-408 and 4-507
11 Annotated Code of Maryland
12 (1998 Replacement Volume and 2001 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Financial Institutions**

16 3-408.

17 (a) Each director of a commercial bank shall attend at least one half of the
18 regularly scheduled board meetings that are held during the director's term of office.

19 (b) (1) Any director who fails to attend meetings of the board of directors as
20 required by this section is disqualified automatically from serving as director for a
21 succeeding term.

22 (2) The Commissioner may waive the disqualification of a director if the
23 director shows to the Commissioner good cause for the failure to attend the meetings.

24 (C) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (B) OF THIS
25 SECTION, THE DISQUALIFICATION OF A DIRECTOR SHALL BE CONSIDERED WAIVED
26 BY THE COMMISSIONER IF:

27 (1) THE FAILURE TO ATTEND RESULTED FROM THE DIRECTOR'S:

1 (I) ACTIVE MILITARY SERVICE; OR

2 (II) PARTICIPATION AS A MEMBER OF A LEGISLATIVE BODY OF THE
3 FEDERAL OR STATE GOVERNMENT OR OF A POLITICAL SUBDIVISION; AND

4 (2) ABSENCES FOR THE REASONS STATED IN ITEM (1) OF THIS
5 SUBSECTION WERE FOR AT LEAST 2 CONSECUTIVE MEETINGS.

6 4-507.

7 (a) Each director of a savings bank shall attend at least one half of the
8 regularly scheduled board meetings that are held during the director's term of office.

9 (b) (1) Any director who fails to attend meetings of the board of directors as
10 required by this section is disqualified automatically from serving as director for a
11 succeeding term.

12 (2) The Commissioner may waive the disqualification of a director if the
13 director shows to the Commissioner good cause for the failure to attend the meetings.

14 (C) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (B) OF THIS
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17 (1) THE FAILURE TO ATTEND RESULTED FROM THE DIRECTOR'S:

18 (I) ACTIVE MILITARY SERVICE; OR

19 (II) PARTICIPATION AS A MEMBER OF A LEGISLATIVE BODY OF THE
20 FEDERAL OR STATE GOVERNMENT OR OF A POLITICAL SUBDIVISION; AND

21 (2) ABSENCES FOR THE REASONS STATED IN ITEM (1) OF THIS
22 SUBSECTION WERE FOR AT LEAST 2 CONSECUTIVE MEETINGS.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2002.