

bank and of a trust company may own, in lieu of stock of the bank or trust company, stock of a corporation which owns more than eighty per cent of the capital stock of such bank or trust company.

SECTION 1. *Be it enacted by the General Assembly of Maryland, That Sections 34 and 60 of Article 11 of the Annotated Code of Maryland (1968 Replacement Volume), title "Banks and Trust Companies," subtitles "Banks" and "Trust Companies," be and are hereby repealed and re-enacted with amendments to read as follows:*

34.

The affairs of the bank shall be managed by a board of not less than five nor more than thirty directors, a majority of whom shall be residents of Maryland and shall be elected by the stockholders and hold office for one year, and until their successors have been elected and have qualified. A majority of the board of directors shall constitute a quorum for the transaction of business. In the first instance the directors shall be elected at a meeting held before the bank is authorized to commence business by the Commissioner, and afterwards, such annual election shall be held at the office of the corporation, at such time and place as the bylaws shall provide, and in addition to the notice provided for in the bylaws, notice of the election shall be published in a newspaper of general circulation in the city or county where the principal office of the bank is located, not less than ten days, nor more than thirty days, in advance of the meeting; and if for any reason an election is not had at that meeting, such election may be held at a subsequent meeting called for that purpose, of which due notice shall be given as provided in the bylaws of such bank. [Every director shall take and subscribe an oath that he will diligently and honestly perform the duties of such office, and will not knowingly violate or permit a violation of any provision of this article; that he is the owner in good faith of unencumbered stock in the bank, of the par] *No person may be a director of a bank who is not the owner in good faith of unencumbered shares of capital stock of such bank, or of any corporation which owns more than eighty per cent of the capital stock of such bank, having an aggregate par or stated value of not less than two hundred and fifty dollars (\$250.00) in the case of banks having a capital stock of not in excess of fifty thousand dollars (\$50,000.00); five hundred dollars (\$500.00) in the case of banks having a capital stock of more than fifty thousand dollars (\$50,000.00) standing in his name on the books of the bank or corporation. Provided, however, that in determining the amount of stock which a director shall own only the par value or stated value of the common and preferred stock shall be considered and capital notes and/or debentures sold or issued by any such banking institution or corporation shall not be considered in such calculation. Every director shall take an oath that he will diligently and honestly perform the duties of such office, and will not knowingly violate or permit a violation of any provision of this article, and that he is the owner in good faith of unencumbered shares of capital stock of the value required by this section. Any vacancy in the board of directors shall be filled by the board, and the directors so appointed shall hold office until the next election. Within fifteen days after the date on which the annual meeting of the stockholders is held, the directors elected at such meeting shall, after due qualification, hold a meeting at which the officers of the bank shall*