

THE BUSINESS AND AFFAIRS OF A COMMERCIAL BANK SHALL BE MANAGED UNDER THE DIRECTION OF A BOARD OF DIRECTORS.

REVISOR'S NOTE: This section is new language that combines without substantive change the identical provisions of CA §§ 6-126(a)(1) and 6-147(a)(1).

The term "commercial bank" is defined in § 1-101 of this article.

As to the role of a board of directors, generally, see Comment to CA § 2-401.

Present CA §§ 6-126(b) and 6-147(b) — which relate to the management of a State bank or trust company, respectively, before the election of directors — are deleted as unnecessary in light of new § 3-202(b)(6) of this title, which provides for the naming of the first board in the articles of incorporation.

3-402. NUMBER OF DIRECTORS.

EACH COMMERCIAL BANK SHALL HAVE AT LEAST 5 AND NOT MORE THAN 30 DIRECTORS, AS ITS CHARTER OR BYLAWS PROVIDE.

REVISOR'S NOTE: This section is new language that combines the similar provisions of CA §§ 6-127(a) and 6-148(a).

The phrase "as the bylaws provide" presently appears only as to trust companies. In this section, it is made applicable also to State banks and, in light of the provisions of new § 3-202(b)(6) of this title, revised to include a reference to the charter as well. See also § 3-407 of this subtitle as to additional directorships.

The term "commercial bank" is defined in § 1-101 of this article.

3-403. QUALIFICATIONS OF DIRECTORS.

(A) IN GENERAL.

(1) AFTER THE INITIAL ISSUANCE OF CAPITAL STOCK BY A COMMERCIAL BANK, EACH OF ITS DIRECTORS SHALL OWN IN GOOD FAITH AND OF RECORD UNENCUMBERED SHARES OF THE CAPITAL STOCK OF:

(I) THE COMMERCIAL BANK; OR

(II) A CORPORATION THAT OWNS MORE THAN 80 PERCENT OF THE CAPITAL STOCK OF THE COMMERCIAL BANK.

(2) THE UNENCUMBERED CAPITAL STOCK OWNED BY THE