

48.06 BOARD OF DIRECTORS.

Subdivision 1. **Size.** The business of a bank must be managed by a board of at least five directors, unless a greater number is otherwise required by law. A board of directors of a financial institution referred to in section 47.12 which has fewer than five members on August 1, 1995, is not subject to this requirement but may be increased to not more than five members by order of the commissioner of commerce.

If the number of directors exceeds nine, they may designate, semiannually, by resolution, nine of their number, a majority of whom constitutes a quorum for the transaction of business. Every director of a bank shall take and subscribe an oath to faithfully perform the official duties of a director, and not knowingly violate, or permit to be violated, any provision of law. The taking of this oath must be duly certified in the minutes of the records of the bank.

Subd. 2. **Classes.** In its certificate of incorporation, a corporation may establish classes of its directors and the terms for each class. No class may be elected for a term of less than one year, or more than five years, and the term of office of at least one class must expire each year.

Subd. 3. **Vacancies.** If the certificate of incorporation or the bylaws so provides, a vacancy in the board of directors may be filled by the remaining directors. Not more than one-third of the members of the board may be so filled in any one year except any number may be appointed to provide for at least five directors until any subsequent meeting of the shareholders.

Subd. 4. **Quorum to do business.** Except as otherwise provided in subdivision 1, a majority of the directors constitutes a quorum for the transaction of business.

Subd. 5. **Action without meeting.** Any action which might be taken at a meeting of the board of directors may be taken without a meeting if done in writing signed by all of the directors.

History: (7670) *RL s 2986; 1927 c 260 s 1; 1965 c 171 s 7; 1981 c 220 s 9; 1982 c 473 s 10; 1983 c 250 s 5; 1986 c 444; 2005 c 69 art 1 s 11*