Ohio Revised Code

Section 1105.10 Removing director; vacancy.

Effective: January 1, 2018
Legislation: House Bill 49 - 132nd General Assembly

(A) Once elected or appointed, a director may be removed as follows:

(1) By the board of directors or the superintendent of financial institutions if any of the following applies:

(a) The director has filed for relief or is a debtor in a case filed under Title XI of the United States Code;

(b) A court has determined the director is incompetent;

(c) The director has been removed in accordance with federal law.

(2) By the board of directors for any of the grounds set forth in the state bank's code of regulations or bylaws;

(3) By a majority of the disinterested directors if they determine the director has a conflict of interest.

(B)(1)(a) Except as provided in division (B)(1)(b) of this section, unless the articles of incorporation or the code of regulations of the state bank expressly provide that removal of members of the board of directors shall require a greater vote, the shareholders or members may remove all the directors, all the directors of a particular class, or any individual director from office, without assigning any cause, by the vote of the holders of a majority of the voting power entitling them to elect directors in place of those to be removed.

(b) If the shareholders or members have the right to vote cumulatively in the election of directors of the bank, unless all the directors or all the directors of a particular class are removed, the vote of shareholders or members does not remove an individual director if the votes cast against the director's removal, if cumulatively voted at an election of all the directors or all the directors of a particular class, as the case may be, would be sufficient to elect at least one director.

(2) If one or more directors is removed pursuant to division (B)(1) of this section, the shareholders or members may elect a new director at the same meeting for the unexpired term of each director removed. Failure of the shareholders or members to elect a director to fill the unexpired term of any director removed is deemed to create a vacancy in the board.

(C) Unless the articles of incorporation or the code of regulations otherwise provide, the remaining directors, though less than a majority of the whole authorized number of directors, may, by the vote of a majority of their number, fill any vacancy in the board for the unexpired term.

(1) A vacancy exists if the shareholders or members increase the authorized number of directors but fail at the meeting at which the increase is authorized, or an adjournment of the meeting, to elect the additional directors provided for, or if the shareholders or members fail at any time to elect the whole authorized number of directors.

(2) The office of a member of the board of directors becomes vacant if the director dies, resigns, or is removed. A resignation takes effect immediately unless the director specifies another time.

(D) If a vacancy created on the board of directors causes the number of directors to be less than that fixed by the articles of incorporation or code of regulations, the vacancy shall not be required to be filled until such time as an appropriate candidate is identified and duly appointed or elected.

(E) Notwithstanding divisions (B) and (C) of this section, the requirement for a quorum set forth in section 1701.62 of the Revised Code applies to a state bank's board of directors.