

17-1611. Board of directors; election from districts; delegates to meetings; compensation of officers and directors; executive committee; vacancy in board of directors. (a) The affairs of the association shall be managed by a board of not less than five directors, elected by the members or voting stockholders from such association's own numbers.

(b) The bylaws may provide that the territory in which the association has members shall be divided into districts and that the directors shall be elected according to such districts, either directly or by district delegates elected by the members in that district. In such a case the bylaws shall specify the number of directors to be elected by each district, the manner and method of reapportioning the directors and of redistricting the territory covered by the association.

(c) The bylaws may provide that primary elections shall be held in each district to elect the directors apportioned to such districts and the result of all such primary elections must be ratified by the next regular meeting of the association.

(d) The bylaws may take away the right to vote by proxy or by mail, and may provide for the election of delegates to the annual meeting. In all cases where the annual meeting is a delegate meeting a majority of the delegates elected shall constitute a quorum. The bylaws may provide for delegates to district meetings and define their powers. An association may provide for a fair remuneration for the time actually spent by its officers and directors in its service. No director during the term of such director's office shall be a party to a contract for profit with the association differing in any way from the business relations accorded regular members or holders of common stock of the association, or to any other kind of contract differing from terms generally current in that district.

(e) The bylaws may provide for an executive committee and may allot to such committee all the functions and powers of the board of directors subject to the general direction and control of the board.

(f) When a vacancy on the board of directors occurs, other than by expiration of term, the remaining members of the board, by a majority vote, shall fill the vacancy unless the bylaws provide for an election of directors by district. In such a case the board of directors shall immediately call a special meeting of the members or stockholders in that district to fill the vacancy.

History: L. 1921, ch. 148, § 11; R.S. 1923, 17-1611; L. 1931, ch. 150, § 5; L. 1992, ch. 227, § 11; July 1.