

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1961

## ENROLLED

SENATE BILL NO. 38

(By Mr. Tiley)

PASSED

February 10th, 1961

In Effect

ninety days from Passage

Filed in Office of the Secretary of State

of West Virginia

February 17, 1961

JOE F. FURDETT  
SECRETARY OF STATE

**ENROLLED**  
**Senate Bill No. 38**  
(By MR. RILEY)

---

[Passed February 10, 1961; in effect ninety days from passage.]

---

AN ACT to amend article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section designated section eighteen-a, relating to the power of corporations to indemnify present or former directors and officers.

*Be it enacted by the Legislature of West Virginia:*

That article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section designated section eighteen-a, to read as follows:

Section 18-a. *Indemnification of Directors and Officers.*

2 —Every corporation subject to the provisions of this

3 article shall have power to indemnify any director or  
4 officer or former director or officer of the corporation, or  
5 any person who may have served at its request as a di-  
6 rector or officer of another corporation in which it owns  
7 shares of capital stock or of which it is a creditor, against  
8 expenses actually and necessarily incurred by him in con-  
9 nection with the defense of any action, suit or proceeding,  
10 civil or criminal, in which he is made a party by reason of  
11 being or having been such director or officer, except in  
12 relation to matters as to which he shall be adjudged in  
13 such action, suit or proceeding to be liable for negligence  
14 or misconduct in the performance of duty to the corpora-  
15 tion; amended by restoring original language in the print-  
16 ed bill, and to make any other indemnification that shall  
17 be authorized by the articles of incorporation or by any by-  
18 law or resolution adopted by the shareholders after notice.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*James Davis, Jr.*  
Chairman Senate Committee

*Mrs. H. H. Withrow*  
Chairman House Committee

Originated in the Senate.

Takes effect *ninety days from* passage.  
*Howard Thayer*  
Clerk of the Senate

*C. Blankenship*  
Clerk of the House of Delegates

*Howard Carson*  
President of the Senate

*John W. Singleton Jr.*  
Speaker House of Delegates

The within *approved* this the *17th*  
day of *February*, 1961.

*W. W. Barron*  
Governor