

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1966

ENROLLED

SENATE BILL NO. 82

(By Mr. Davis)

PASSED February 8, 1966

In Effect from Passage



FILED IN THE OFFICE
ROBERT D. BAILEY
SECRETARY OF STATE
THIS DATE 2-15-66

82
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Senate Bill No. 82
(By MR. DAVIS)

[Passed February 8, 1966; in effect from passage.]

AN ACT to amend and reenact section sixteen, article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to boards of directors of corporations; powers, number, qualifications, terms, quorum, and classes of directors; committees; designation, composition, appointment, powers and action of committees; and protections extended to directors.

Be it enacted by the Legislature of West Virginia:

That section sixteen, article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

Section 16. Board of Directors; Committees.—(a) The
2 business of every corporation organized under the pro-
3 visions of this chapter, or existing under the laws of this
4 state, shall be managed by a board of directors, except
5 as hereinafter or in its charter otherwise provided.

6 (b) The number of directors which shall constitute
7 the whole board shall be such as from time to time shall
8 be fixed by, or in the manner provided in, the by-laws,
9 but in no case shall the number be less than three: *Pro-*
10 *vided,* That when all the shares of a corporation are owned
11 beneficially and of record by either one or two stock-
12 holders, the number of directors may be less than three
13 but not less than the number of stockholders. Directors
14 need not be stockholders unless so required by the charter
15 or the by-laws. The directors shall hold office until their
16 successors are respectively elected and qualified, and a
17 majority of them shall constitute a quorum for the trans-
18 action of business, unless the by-laws shall provide that
19 a different number shall constitute a quorum, which in
20 no case shall be less than one-third of the total number
21 of directors nor less than two directors: *Provided, how-*

22 *ever*, That when a board of one director is authorized
23 under the provisions of this section, then one director
24 shall constitute a quorum.

25 (c) The board of directors may, by resolution or reso-
26 lutions passed by a majority of the whole board, designate
27 one or more committees, each committee to consist of two
28 or more of the directors of the corporation. Any such com-
29 mittee, to the extent provided in the resolution or resolu-
30 tions or in the by-laws, shall have and may exercise the
31 powers of the board of directors in the management of the
32 business and affairs of the corporation, and may authorize
33 the seal of the corporation to be affixed to all papers which
34 may require it. The by-laws may provide that, in the ab-
35 sence or disqualification of any member of any such com-
36 mittee, the member or members thereof present at any
37 meeting and not disqualified from voting, whether or not
38 he or they constitute a quorum, may unanimously appoint
39 another member of the board of directors to act at the
40 meeting in the place of any such absent or disqualified
41 member. Such committee or committees shall have such
42 name or names as may be stated in the by-laws or as may

43 be determined from time to time by resolution adopted by
44 the board of directors. Unless otherwise provided in the
45 by-laws or ordered by the board, any such committee
46 may act by a majority of its members at a meeting or
47 by a writing signed by all of its members and filed with
48 the minutes of proceedings of the board.

49 (d) The directors of any corporation may, by the char-
50 ter or any amendment thereto, or by a vote of the stock-
51 holders, be divided into one, two or three classes; the
52 term of office of those of the first class to expire at the
53 annual meeting next ensuing; of the second class one year
54 thereafter; of the third class two years thereafter; and
55 at each annual election held after such classification and
56 election, directors shall be chosen for a full term, as the
57 case may be, to succeed those whose terms expire.

58 (e) A director of any corporation, or a member of any
59 committee designated by the board of directors pursuant
60 to this section, shall, in the performance of his duties, be
61 fully protected in relying in good faith upon the books
62 of account or reports made to the corporation by any of
63 its officials, or by an independent certified public ac-

64 countant, or by an appraiser selected with reasonable
65 care by the board of directors or by any such committee,
66 or in relying in good faith upon other records of the
67 corporation.

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

O. Roy Parker
Chairman Senate Committee

James W. Loop
Chairman House Committee

Originated in the Senate.

Takes effect Jan Passage.

Howard Hughes
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

Howard Cannon
President of the Senate

N. Saban White
Speaker House of Delegates

FEB 15 9 14 AM '66

OFFICE OF THE GOVERNOR

The within Approved this the 15th day of February, 1966.

Willett C. Smith
Governor



PRESENTED TO THE
GOVERNOR

FILED

Date 2/14/66

Time 10:50 AM

FEB 15 7 57 PM '66

OFFICE OF
SECRETARY OF STATE
STATE OF WEST VIRGINIA