



MARKET SQUARE PLAZA | 17 N SECOND STREET, SUITE 1300 | HARRISBURG, PA 17101  
Ph 717.787.2665 Fx 717.787.8773 W [www.dobs.state.pa.us](http://www.dobs.state.pa.us)

# **SAMPLE BYLAWS**

## **of a Bank, Bank and Trust Company, Savings Bank, or Non-Depository Trust Company**

**For questions, please contact:**

Joseph A. Moretz, Manager, Corporate Applications Division  
Donna J. Solomon, Administrator, Corporate Applications Division  
Angie L. Smith, Administrative Officer, Corporate Applications Division

(717) 783-2253

**Please note:**

*Italicized text is provided for guidance purposes only and should not be included in the bylaws.*

Underscored text should only be included in the bylaws of an institution with trust powers.

Savings banks should substitute “trustees” for “directors.”

Non-depository trust companies should substitute “company” for “bank.”

[NAME OF INSTITUTION]

**BYLAWS**

**Adopted [Date]**

**ARTICLE I**

Meetings of Shareholders

*Applicable Sections of the Pennsylvania Banking Code of 1965 are referenced in the left margin of these sample bylaws.*

Section 1209  
*Meetings of Shareholders*

**Section 1.** The annual meeting of the shareholders for the election of directors shall be held at such place within the Commonwealth of Pennsylvania and at such time as the Board of Directors shall fix.

If for any reason no election of directors is held on that day, the meeting may be adjourned as provided in the Banking Code of 1965.

Section 1209(c)  
*Special Meetings*

**Section 2.** Special meetings of the shareholders may be called at any time by the President, by the Board of Directors, or at the request of holders of not less than one-fifth of all the shares entitled to vote at the particular meeting.

Section 1210  
*Notice of Meetings of Shareholders*

**Section 3.** A written or printed notice of the time and place of each meeting shall be given to every shareholder of record entitled to vote at the meeting at his or her address appearing on the books of the bank, at least five days before the date of the meeting.

Section 1217  
*Determination of Shareholders of Record*

**Section 4.** The Board of Directors may fix a date for the determination of the shareholders entitled to receive notice of and to vote at any meeting or to receive any dividend, distribution, or allotment of rights or a date for any change, conversion, or exchange of shares by fixing a record date not more than sixty days prior thereto.

Section 1211(b)  
*Constitution of Quorum*

**Section 5.** The presence, in person or by proxy, of the holders of a majority of the outstanding shares entitled to vote shall constitute a quorum. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting unless otherwise provided by law.

The shareholders present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

If a meeting cannot be organized for lack of a quorum, those present may adjourn the meeting to such time and place as they may determine.

Section 1211(c)  
*Adjourned  
Meetings to  
Elect Directors*

In the case of a meeting for the election of directors which is twice adjourned for lack of a quorum, those present at the second of such adjourned meetings shall constitute a quorum for the election of directors without regard to the other quorum requirements of this section, the articles, or bylaws.

Section 1212  
*Voting Rights of  
Shareholders*

**Section 6.** A shareholder may vote in person or by proxy duly authorized in writing in accordance with the law, and shall be entitled to one vote for each share standing in his or her name on the books of the bank.

Section 1213(b)  
*Election of  
Directors;  
Cumulative  
Voting*

In each election of directors, a shareholder is entitled to vote his or her shares on a cumulative basis. (OR: Shareholders shall not be permitted to cumulate votes for the election of directors.) *If cumulative voting is not allowed, such prohibition must also be set forth in the Articles of Incorporation.*

Section 1220  
*Judges of  
Election*

**Section 7.** The Board of Directors shall appoint three judges, not candidates for office and who need not be shareholders, to conduct the election or vote at any meeting. After a meeting the judges shall make a report in writing of any question or matter determined by them and execute a certificate of any fact found by them which the Secretary shall cause to be recorded in the minutes of the meeting. If any judge of election shall not be present at a meeting the vacancy shall be filled by the chairman of the meeting.

Section 1221  
*Informal Action  
by Shareholders*

**Section 8.** Any action which may be taken at a meeting of the shareholders may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the shareholders who would be entitled to vote on such action at a meeting and shall be filed with the Secretary of the bank.

## ARTICLE II

### Board of Directors

Section 1403(a)  
*Number of  
Directors or  
Trustees*

**Section 1.** The business of the bank shall be managed by a Board of Directors of not less than five nor more than twenty-five in number who shall hold office for one year or until their successors are duly elected and qualified. The shareholders shall, at each meeting for the election of directors, determine how many directors shall be elected at the meeting to serve during the ensuing year. The number of directors may be increased or diminished by the shareholders at any regular meeting, or at any special meeting called for that purpose.

Section 1404(a)  
*Term of Office of  
Directors or  
Trustees*

Between annual meetings of the shareholders, the Board of Directors, by a vote of a majority of the full Board, may increase the membership of the Board, within the maximum above prescribed, by not more than two members and, by like vote, appoint persons to fill the vacancies created thereby.

A director need not be a shareholder of the bank. (OR: Every director shall be a shareholder of the bank. Evidence of ownership shall be the list of shareholders prepared by the officer having charge of the stock ledger.)

*Section 1 may include a qualification that directors must each be the owners of a certain number of shares of the bank's stock.*

Section 1404(c)  
*Classification of  
Directors*

*Section 1 may be written to provide for various classes of directors and terms of office. For example:* The directors shall be divided into four classes to be known as Class 1, Class 2, Class 3, and Class 4. Each of Classes 1, 2, and 3 shall consist of six directors, and Class 4 shall consist of seven directors. Election of directors of Class 1 shall be at the annual meeting of the shareholders in 2011 and every four years thereafter; election of directors of Class 2 shall be at the annual meeting of the shareholders in 2012 and every four years thereafter; election of directors of Class 3 shall be at the annual meeting of the shareholders in 2013 and every four years thereafter; and election of directors of Class 4 shall be at the annual meeting of the shareholders in 2014 and every four years thereafter. The shareholders may, but need not, elect the full number of directors of any class but shall maintain each class as nearly equal in number as possible.

Section 1402(d)  
*Honorary and  
Advisory  
Positions*

**Section 2.** The Board of Directors may appoint each year such number of advisory directors as the Board of Directors may from time to time determine.

Members of the Board of Directors who have served as directors for [number] years or have reached the age of [number] may be appointed by the Board to serve as directors emeritus.

Section 1404(b)  
*Vacancies*

**Section 3.** Any vacancy in the Board of Directors may be filled by appointment by the remaining members of the Board at any meeting of the Board of Directors, and each person so appointed shall serve only until the next meeting of the shareholders at which directors are elected.

Section 1405(a)  
*Meetings*

**Section 4.** A meeting for the purpose of organizing the new Board of Directors and electing and appointing officers of the bank for the succeeding year shall be held at the first regularly scheduled meeting of the Board following the annual meeting of the shareholders.

**Section 5.** Regular meetings of the Board of Directors shall be held, without notice, at [time] on the [day] of each month. When such meeting falls upon a holiday, the meeting shall be held on the next succeeding business day.

Special meetings may be called by the President and shall be called at the request of any three directors. Notice of the special meeting shall be given to each member of the Board of Directors by the Secretary at least one day before the date of such meeting.

Section 1405(b)  
*Quorum*

**Section 6.** A majority of all the directors in office shall constitute a quorum, but a less number may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice.

Section 1405(e)  
*Participation by Telephone*

**Section 7.** Directors may participate in meetings of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and all directors so participating shall be deemed present at the meetings.

Section 1402(c)  
*Compensation*

**Section 8.** Each director, advisory director, and director emeritus, not a salaried officer, may receive a fee for attendance at each meeting of the Board of Directors, or any committee, in such amount as the Board of Directors may from time to time determine.

**Section 9.** The Board of Directors and each committee hereinafter provided for shall each keep minutes of their meetings. Minutes of the committee meetings shall be submitted at the next regular meeting of the Board of Directors, and any action taken by the Board of Directors with respect thereto shall be entered in the minutes of the Board of Directors meeting.

Section 1405(d)  
*Consent in Lieu of Meeting*

**Section 10.** Any action which may be taken at a meeting of the directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors and filed with the Secretary of the bank.

### ARTICLE III

#### Committees

Section 1405(c)  
*Executive or Other Committee*

**Section 1.** The standing committees, which shall be appointed from time to time by the Board of Directors, shall be the Executive Committee, the Trust Committee, the Audit Committee, and such other committees as may be deemed necessary by the Board of Directors or the shareholders for efficient operation of the bank.

**Section 2.** The Executive Committee shall consist of the President and not less than [number] nor more than [number] other directors.

The Executive Committee shall meet weekly at such time as may be fixed by the Board of Directors, or upon call of the President. [Number] members of the Executive Committee shall constitute a quorum.

The Executive Committee shall have and exercise the authority of the Board of Directors in the intervals between the meetings of the Board of Directors so far as

may be permitted by law. All actions taken by the Executive Committee shall be ratified at the next meeting of the Board of Directors.

**Section 3.** The Trust Committee shall consist of the President and not less than [number] nor more than [number] other directors.

Regular meetings of the Trust Committee shall be held at least once each month at a time to be determined by the Trust Committee, and special meetings shall be held upon call of the President. [Number] members of the Trust Committee shall constitute a quorum.

The Trust Committee shall determine the policies and investments of the Trust Department and shall approve the acceptance of all fiduciary relationships and the closing out or the relinquishment of all fiduciary relationships. The Trust Committee shall ratify the acceptance, closing out, or relinquishment of fiduciary relationships by officers designated for that purpose.

**Section 4.** The Audit Committee shall consist of not less than [number] nor more than [number] directors, none of whom shall be active officers of the bank.

[Number] members of the Audit Committee shall constitute a quorum. The Audit Committee shall effect its own organization.

*If the bank, instead of designating an Audit Committee, operates under the procedure whereby the entire Board of Directors is responsible for the function normally fulfilled by the Audit Committee, the above two paragraphs should be replaced with the following: The entire Board of Directors shall serve as the Audit Committee.*

Section 1407(a)  
*Annual Audit*

The Audit Committee (*OR*: The Board of Directors) shall at least once each year have made, by a certified public accountant selected for this purpose, a complete audit of the books and affairs of the bank and the Trust Department. Upon completion of the audit, the certified public accountant shall make a report thereof in accordance with the Department of Banking and Securities minimum requirements for audits and reports. The audit report, with the certified public accountant's recommendations, shall be submitted to the Board of Directors and filed with the Department of Banking and Securities.

Section 1407(b)  
*Audit Report*

Section 1407(c)  
*Internal Auditors*

*If a continuous audit program has been approved by the Department of Banking and Securities and is in effect, the above paragraph should be replaced with the following: The Audit Committee shall supervise the continuous internal audit control program, which has been approved by the Department of Banking and Securities in lieu of an annual audit made by a certified public accountant. An annual summary report shall be submitted to the Board of Directors and filed with the Department of Banking and Securities. Such report shall set forth the degree of compliance with the approved audit program and shall express the opinion of the auditor as to the adequacy of the internal controls. The Audit Committee may, in addition, cause examinations of the books and affairs of the bank and the Trust Department to be made by certified public accountants, as the Audit Committee in*

its discretion deems advisable.

**Section 5.** The President shall have the authority to appoint all special committees and designate alternate members of all committees to serve temporarily for members unable to attend any meeting of a standing committee.

Section 1405(e)  
Participation by  
Telephone

**Section 6.** Directors may participate in meetings of the various committees of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and all directors so participating shall be deemed present at the meetings.

*Please note: Articles IV and V, concerning officers of the bank and their responsibilities and authority, are based upon the officers required by the Banking Code of 1965. If any other officers are to be named in the bylaws, their titles, duties, and authority should be stated in a section for each such officer.*

Section 1409  
Officers

**ARTICLE IV**

Officers

Section 1409(a)  
Number

**Section 1.** The Board of Directors, at their annual organization meeting, shall elect a President, a Secretary, a Treasurer (*OR*: a Cashier), and a Trust Officer. The same individual may hold any two or more offices except both the offices of President and of Treasurer (*OR*: Cashier).

**Section 2.** The President shall be the chief administrative officer of the bank and shall have supervision of the operations of the bank. He shall be a member of the Board of Directors and ex officio member of all committees except the Audit Committee.

**Section 3.** The Secretary shall keep the minutes of the meetings of the shareholders, of the Board of Directors, and of the Executive Committee. He shall have charge of the corporate records, the papers, and the corporate seal of the bank. He shall give notice of all meetings of the shareholders and of the Board of Directors, and of special meetings of the Executive Committee.

**Section 4.** The Treasurer (*OR*: The Cashier) shall be responsible for all money, funds, securities, fidelity and indemnity bonds, and other valuables belonging to the bank, exclusive of assets held by the bank in a fiduciary capacity; shall cause to be kept proper records of the transactions of the bank; and shall perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

**Section 5.** The Trust Officer shall manage and direct the operations and functions of the Trust Department and shall be responsible to the Board of Directors, the President, and the Trust Committee for the administration of the bank's fiduciary powers.

*The following sections are provided as examples of sections that may be included if other officers are to be named in the bylaws.*

**Section 6.** The Vice Presidents shall have such duties and powers as may from time to time be assigned to them by the Board of Directors or by the President in the absence of any assignment by the Board of Directors. One or more may be designated Executive Vice President and one may be designated as Vice President in charge of Trusts.

The Vice President in charge of Trusts shall manage and direct the operations and functions of the Trust Department and shall be responsible to the Board of Directors, the President, and the Trust Committee for the administration of the bank's fiduciary powers.

**Section 7.** The Auditor shall have charge of auditing the books, records, and accounts of the bank. He shall report directly to the Board of Directors or the Audit Committee.

**Section 8.** Each Assistant Officer shall assist in the performance of the duties of the officer to whom he is assistant and shall perform such duties in the absence of the officer. He shall perform such additional duties as the Board of Directors, the President, or the officer to whom he is assistant may from time to time assign to him.

Section 1409(c)  
*Authority*

## ARTICLE V

### Authority of Officers

**Section 1.** The President, the Secretary, and the Treasurer (*OR*: the Cashier) shall each have authority to affix and attest the corporate seal of the bank.

**Section 2.** The President or any Vice President, acting in conjunction with the Secretary or the Treasurer (*OR*: the Cashier), or the Assistant Secretary or the Assistant Treasurer (*OR*: the Assistant Cashier), is authorized to perform such corporate and official acts as are necessary to carry on the business of the bank, subject to the directions of the Board of Directors and the Executive Committee.

They are fully empowered:

- a. To sell, assign, and transfer any and all shares of stock, bonds, or other

personal property standing in the name of the bank or held by the bank either in its own name or in any fiduciary capacity or as agent;

**b.** To assign and transfer any and all registered bonds and to execute requests for payment or reissue of any such bonds that may be issued now or hereafter and held by the bank in its own right or in any fiduciary capacity or as agent;

**c.** To sell at public or private sale, lease, mortgage, or otherwise dispose of any real estate or interest therein held or acquired by the bank in its own right or in any fiduciary capacity or as agent, except the real estate and buildings occupied by the bank in the transaction of its business, and to execute and deliver any instrument necessary to completion of the transaction;

**d.** To receive and receipt for any sums of money or property due or owing to the bank in its own right or in any fiduciary capacity or as agent and to execute any instrument of satisfaction therefor or any lien of record;

**e.** To approve the acceptance of and the closing out or relinquishment of fiduciary relationships;

**f.** To execute and deliver any deeds, contracts, agreements, leases, conveyances, bills of sale, petitions, writings, instruments, releases, acquittances, and obligations necessary in the exercise of the corporate or fiduciary powers of the bank, including any bond required in the execution or administration of any fiduciary capacity.

**Section 3.** Such of the officers and other employees as may from time to time be designated by the Board of Directors or the Executive Committee shall have the authority to sign checks, drafts, letters of credit, orders, and receipts, and to endorse checks, bills of exchange, orders, drafts, and vouchers made payable or endorsed to the bank, whether in its own right or in any fiduciary capacity or as agent.

**Section 4.** Each of the President, any Vice President, the Secretary, or the Treasurer (*OR*: the Cashier), acting in conjunction with any other of these designated officers, may effect loans on behalf of the bank from any other banking institution, executing notes or obligations and pledging assets of the bank therefor.

## ARTICLE VI

### Indemnification of Directors and Officers

**Section 1.** Subject to the limitation hereinafter set forth, the bank shall indemnify each director and each officer of the bank or of any organization that he is serving as a director or officer at the request of the bank and his heirs and executors or

administrators to the full extent permitted by law against, and reimburse him for, all liability and reasonable expense, including but not limited to court costs, attorneys fees, and the amount paid in any settlement approved as hereinafter provided, incurred, or expended in connection with any claim or proceeding in which he may be involved because of anything he may have done or omitted to do as a director or officer of the bank or of any organization that he may have served as a director or officer at the request of the bank. Such indemnification shall not impair any other right any such person may have.

The indemnity and reimbursement herein provided for shall not extend or apply to any liability and expense of any such director or officer in any proceeding in which he shall be finally adjudged to have been negligent or to have willfully misconducted himself in the performance of his duties as such director or officer, nor to any amount paid to the bank itself. Indemnity shall apply to and reimbursement be given for an amount paid in settlement only if there shall be a determination, with the advice of counsel for the bank, by members of the Board of Directors not involved in the claim or proceeding and forming a majority of the whole Board of Directors, or by a disinterested person or persons named by the Board of Directors, that the amount is reasonable and that the director or officer has not been negligent and has not willfully misconducted himself in his acts or omissions as such director or officer in the matter settled.

## ARTICLE VII

### Emergencies

**Section 1.** In the event of any emergency declared by governmental authorities, the result of a regional or national disaster and of such severity as to prevent the normal conduct and management of the affairs of this bank by its directors and officers as contemplated by these bylaws, any three available directors shall constitute the Executive Committee to exercise the full authority of that Committee until such time as a duly elected Board of Directors can again assume full responsibility and control of the bank.

## ARTICLE VIII

### Amendments

**Section 1.** These bylaws may be altered, amended, or repealed by a vote of a majority of the Board of Directors at any regular meeting of the Board, or at any special meeting of the Board called for that purpose, except the Board of Directors shall not alter, amend, or repeal any bylaw fixing the qualifications, classification, or terms of office of directors. Such action by the Board of Directors is subject, however, to the power of the shareholders to change such action.

*Sample Amendment*

**AMENDMENT TO THE BYLAWS OF**

**[NAME OF INSTITUTION]**

I HEREBY CERTIFY that I am the Secretary of [Name of Institution] and that I am presently serving in this position in accordance with the bylaws of the bank.

I HEREBY FURTHER CERTIFY that at a meeting of the Board of Directors of the bank, duly called and convened in accordance with the laws of the Commonwealth of Pennsylvania and held on [Date], the following Resolution was adopted:

RESOLVED, that Article [Number], Section [Number], shall read as follows:

[Amended Section of the bylaws, restated in its entirety]

I HEREBY CERTIFY that the above resolution was adopted, confirmed, ratified, and approved unanimously by the Board of Directors of the bank and that the bylaws, as amended, are presently in full force and effect.

IN WITNESS WHEREOF, I hereunto set my hand and the seal of this institution on [Date].

SEAL

\_\_\_\_\_  
[Name of Officer]  
Secretary