

State Banking Board Regulation No. 8

ACTION: Notice of proposed repeal of State Banking Board Regulation No. 8 – Stock Purchase Plans and Stock Option Plans, request for comments.

SUMMARY: The Superintendent solicits comments on the proposed repeal of existing Regulation No. 8 that covers stock purchase plans and stock option plans. The regulation was effective January 12, 1966. No substantive situations relating to the Department's statutory functions to which this regulation would apply have been encountered in a number of years. The proposed repeal eliminates a regulation that is no longer viewed as relevant or needed by the Department in carrying out its functions.

Comments should be written (refer to REGULATION NO. 8) and may be mailed to the address below. Requests for oral hearings should also be in writing and mailed to the address below. An opportunity for oral hearing will be granted if requested by 25 persons, by a governmental subdivision or agency, or by an association having not less than 25 members.

DATES: Comments must be received on or before Thursday, January 25, 2024.

ADDRESS: Comments may be mailed to Mr. Michael E. Hill, Superintendent of Banks, State of Alabama, State Banking Department, P.O. Box 4600, Montgomery, Alabama 36103-4600. Comments may also be delivered to or inspected at the State Banking Department, Center for Commerce, 401 Adams Avenue Suite 680, Montgomery, Alabama between 8:00 a.m. and 4:45 p.m. weekdays.

FOR FURTHER INFORMATION CONTACT: Deputy Superintendent Trabo Reed or General Counsel Elizabeth Bressler at (334)242-3452.

EFFECTIVE DATE: The proposed repeal of Regulation No. 8 shall become effective April 1, 2024. Prior to such repeal being effective, however, the Superintendent shall have fully considered all comments received on or before Thursday, January 25, 2024 and obtained the concurrence of the State Banking Board.

REGULATION NO. 8

WHEREAS, Section 40(11) of Title 5 of the Code of Alabama of 1940 provides that the Superintendent of Banks may, with the concurrence of a majority of the members of the State Banking Board, promulgate reasonable rules and regulations;

AND WHEREAS, the Superintendent of Banks, with the concurrence of a majority of the members of the State Banking Board, recognizes the need of and desirability for rules and regulations pertaining to stock purchase plans and stock option plans for banks where such plans are reasonably designed to attract and hold capable and valuable personnel;

NOW THEREFORE, be it known that the State Banking Board in official meeting assembled on January 12, 1966, does hereby adopt the following resolution: **RESOLVED**, that the Superintendent of Banks will consider for approval stock purchase plans and stock option plans provided the following conditions are met:

(a) Application for approval shall be made to the Superintendent of Banks, Montgomery, Alabama, in the form of a letter accompanied by the following information:

- (1) A description of all material provisions of the plan.
- (2) Proposed notice of shareholders' meeting, proxy and proxy statement.
- (3) Number of shares of authorized but unissued stock to be allocated to the plan.
- (4) Proposed amendments to articles of association creating authorized but unissued stock and eliminating preemptive rights as to the shares reserved under the plan.

(b) The plan is administered by a committee, none of whose members may participate in the plan.

(c) The number of shares allocable to any person under the plan is reasonable in relation to the purpose of the plan and the needs of the bank.

(d) In the case of a stock option plan, the number of shares subject to the plan is not unreasonable in relation to the bank's capital structure and anticipated growth.

(e) After receipt of the approval of the Superintendent of Banks to the plan, said plan shall be adopted pursuant to the laws and statutes of Alabama pertaining thereto and certified copies of such proceedings shall be submitted to the Superintendent of Banks for final approval prior to the issuance of any shares thereunder.

As evidence of the adoption of the foregoing resolution, each member of the State Banking Board has hereunto set his hand on this the 12th day of January, 1966.

s/Robert M. Cleckler
Chairman

s/Noel M. Dowling
Member