shall be entitled to equal distribution of the
be eligible for distributions of earnings.
balance requirements for account holders to
Board, provided that the Mutual Holding
from time to time be authorized by the
tribute net earnings to account holders of
239.5].
quired association consistent with 12 CFR
membership rights of the members of the ac-
post-reorganization acquisition of a mutual
action, or a mutual holding company makes a
reorganization involves an acquiree associa-
tional changes to this section 7 may be re-
associations for calendar year 1989. Addi-
tion whose charter conforms to the model
company formed by a reorganizing associa-
appear in the charter of a mutual
Holding Company's bylaws, except that the
number of directors may be decreased to a
number greater than fifteen, as fixed in the Mutual
Holdings shall be under the direction of a
Secretary of the Association
APPENDIX B TO PART 239—SUBSIDIARY
HOLDING COMPANY OF A MUTUAL
HOLDING COMPANY MODEL CHARTER
FEDERAL MHC SUBSIDIARY HOLDING
COMPANY CHARTER
Section 1. Corporate title. The full cor-
porate title of the mutual holding company
(“MHC”) subsidiary holding company is
XXX.
Section 2. Domicile. The domicile of the
MHC subsidiary holding company shall be in
the city of ______ in the State of
Section 3. Duration. The duration of the
MHC subsidiary holding company is per-
petual.
Section 4. Purpose and powers. The pur-
pose of the MHC subsidiary holding company
is to pursue any or all of the lawful objec-
tives of a federal mutual holding company
chartered under section 18(o) of the Home
Owners’ Loan Act, 12 U.S.C. 1467a(o), and to
exercise all of the express, implied, and inci-
dental powers conferred thereby and by all
acts amendatory thereof and supplemental
thereto, subject to the Constitution and laws
of the United States as they are now in ef-
effect, or as they may hereafter be amended,
and subject to all lawful and applicable
rules, regulations, and orders of the Board
of Governors of the Federal Reserve System
(“Board”).
Section 5. Capital stock. The total number
of shares of all classes of the capital stock
that the MHC subsidiary holding company
has the authority to issue is ______, all of which
shall be common stock of par [or if no par is
specified then shares shall have a stated]
value of ______ per share. The shares may be
issued from time to time as authorized by
the board of directors without the approval
assets of the Mutual Holding Company, pro-
rata to the value of their accounts in the As-
sociation, in the event of voluntary or invol-
untary liquidation, dissolution, or winding
up of the Mutual Holding Company.
Section 8. Amendment. Adoption of any
preapproved charter amendment shall be ef-
fective after such preapproved amendment
has been approved by the members at a legal
meeting. Any other amendment, addition,
change, or repeal of this charter must be ap-
proved by the Board prior to approval by the
members at a legal meeting. The charter shall be ef-
fective upon filing with the Board in accord-
ance with regulatory procedures.
Attest:
Secretary of the Association
By:
President or Chief Executive Officer of the
Association
By:
Secretary of the Board of Governors of the
Federal Reserve System
Effective Date:
of its shareholders, except as otherwise provided in this section 5 or to the extent that such approval is required by governing law, rule, or regulation. The consideration for the issuance of the shares shall be paid in full before their issuance and shall not be less than the par (or stated) value. Neither promissory notes nor future services shall constitute payment for the issuance of shares of the MHC subsidiary holding company. The consideration for the shares shall be cash, tangible or intangible property (to the extent direct investment in such property would be permitted to the MHC subsidiary holding company), labor, or services actually performed for the MHC subsidiary holding company, or any combination of the foregoing. In the absence of actual fraud in the transaction, the value of such property, labor, or services, as determined by the board of directors of the MHC subsidiary holding company, shall be conclusive. Upon payment of such consideration, such shares shall be deemed to be fully paid and non-assessable. In the case of a stock dividend, that part of the retained earnings of the MHC subsidiary holding company that is transferred to common stock or paid-in capital accounts upon the issuance of shares as a stock dividend shall be deemed to be the consideration for their issuance.

Except for shares issued in the initial organization of the MHC subsidiary holding company, no shares of capital stock (including shares issuable upon conversion, exchange, or exercise of other securities) shall be issued, directly or indirectly, to officers, directors, or controlling persons (except for shares issued to the parent mutual holding company) of the MHC subsidiary holding company other than as part of a general public offering or as qualifying shares to a director, unless the issuance or the plan under which they would be issued has been approved or preapproved by the Board.

Section 6. Preemptive rights. Holders of the capital stock of the MHC subsidiary holding company shall not be entitled to preemptive rights with respect to any shares of the MHC subsidiary holding company which may be issued.

Section 7. Directors. The MHC subsidiary holding company shall be under the direction of a board of directors. The authorized number of directors, as stated in the MHC subsidiary holding company’s bylaws, shall not be fewer than five nor more than fifteen except when a greater or lesser number is approved by the Board, or his or her delegate.

Section 8. Amendment of charter. Except as provided in Section 5, no amendment, addition, alteration, change or repeal of this charter shall be made, unless such is proposed by the board of directors of the MHC subsidiary holding company, approved by the shareholders by a majority of the votes eligible to be cast at a legal meeting, unless a higher vote is otherwise required, and approved or preapproved by the Board.

Appendix C to Part 239—Mutual Holding Company Model Bylaws

MODEL BYLAWS FOR MUTUAL HOLDING COMPANIES

The term “trustees” may be substituted for the term “directors.”

1. Annual meeting of members. The annual meeting of the members of the mutual holding company for the election of directors and for the transaction of any other business of the mutual holding company shall be held, as designated by the board of directors, at a location within the state that constitutes the principal place of business of the mutual holding company, or at any other convenient place the board of directors may designate, at (insert date and time within 180 days after the end of the mutual holding company’s fiscal year, if not a legal holiday, or if a legal holiday then on the next succeeding day not a legal holiday). At each annual meeting, the officers shall make a full report of the financial condition of the mutual holding company and of its progress for the preceding year and shall outline a program for the succeeding year.

2. Special meetings of members. Special meetings of the members of the mutual holding company may be called at any time by the president or the board of directors and