**Section 1000.2020 Directors of a Mutual Holding Company**

a) Each new Board of Directors for the holding company shall be selected by vote of members, in a process to be determined by the bylaws of each entity.

b) Each Board of Directors shall have at least 5 members.

c) The provisions of Sections 3303-4, 3303-6, 3303-7, and 3303-10 of the Act shall apply to a mutual holding company with regard to directors' vacancies, directors' attendance at meetings, qualifications to be a director, and similar matters, except that the holding company may file a written request for waiver of compliance with any provision with the Director. Such request must provide detailed discussion of the grounds for such request. In determining whether to grant a waiver of compliance, the Director shall consider the following factors, including, but not limited to:

1) Where application of those provisions to holding companies would be inappropriate because the provisions were drafted for savings and loans;

2) Where a holding company and its subsidiary meet or exceed all applicable capital requirements and are not in violation of any statutes, rules or regulations;

3) Where there are not current contested or regulatory matters;

4) Where waiver would work undue hardship or result in undue advantage or risk, prejudicing a situation currently or in the future; and,

5) The Director may not waive any provision of Section 3303-10.

d) Upon creation of the stock subsidiary, the Board of Directors of the original mutual institution shall nominate a Board of Directors for the stock subsidiary.

e) A mutual holding company may provide for cumulative voting for directors in its bylaws.

(Source: Amended at 30 Ill. Reg. 18990, effective December 1, 2006)