**Section 1075.1220 Directors of a Mutual Holding Company**

a) Each new board of directors for the mutual 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 five members.

c) Sections 4008, 4009, 4010, and Article 11 of the Act shall apply to a mutual holding company with regard to organization directors' vacancies, organization directors' attendance at meetings, qualifications to be an organization director, enforcement powers, and similar matters, except that the mutual holding company may file a written request for waiver of compliance with any provision with the Director. The request must provide detailed discussion of the grounds for the request. In determining whether to grant a waiver of compliance, the Director shall consider the following factors, including, but not limited to:

1) whether applications of those provision to mutual holding companies would be inappropriate because the provisions are drafted for savings banks;

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

3) whether there are pending contested regulatory matters; and

4) whether waiver would work undue hardship or result in undue advantage or risk, prejudicing a situation currently or in the future.

d) Upon creation of the resulting savings bank, the board of directors of the reorganizing savings bank shall nominate a board of directors for the resulting savings bank.

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

(Source: Amended at 30 Ill. Reg. 19068, effective December 1, 2006)