

1301:12-1-05 Charter Conversions

- A) Applications for the conversion to a savings bank organized and chartered under the laws of this state shall be filed with the division of savings banks in accordance with section 1161.63 or 1161.631 of the Revised Code, and this rule.
- B) In addition to the requirements of section 1161.63 or 1161.631 of the Revised Code, the application shall contain:
 - 1) A copy of the proposed amendments to the applicant's articles of incorporation;
 - 2) A copy of the constitution and bylaws proposed to be adopted or amended by the applicant'
 - 3) A plan of conversion including:
 - a) An updated business plan detailing the applicant's intention with regard to operating practices, a projected budget, management policies and compensation, lending policies, the payment of dividends and interest, a list of the services currently offered by the applicant and any services to be added or deleted as a result of the charter conversion, and any other information regarding the prudent operation of a savings bank;
 - b) Details as to how the applicant plans to comply with the laws pertaining to savings banks that differ from the laws formerly governing the applicant; and
 - c) A description of the estimated expenses and financial impact of the conversion.
 - 4) Copies of the applicant's annual audit reports and report of income and condition for the last three calendar years;
 - 5) A comprehensive statement of the applicant's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods for the last three calendar years;
 - 6) The names, addresses, experience, and general character of the applicant's officers, directors, and controlling persons;
 - 7) A comprehensive description of the applicant's corporate structure including authorized and outstanding capital, holding companies, subsidiaries, service corporations, and affiliates;
 - 8) A description of the services rendered by the applicant's holding companies, subsidiaries, service corporations, and affiliates;
 - 9) A balance sheet for each holding company, subsidiary, service corporation, and affiliate;
 - 10) The locations of the applicant's branches;
 - 11) Information regarding any supervisory or enforcement actions taken by regulators within the last three calendar years;
 - 12) A copy of the most recent regulatory report(s) of examination;
 - 13) Evidence of all applicable federal regulatory approvals; and
 - 14) Such other information as the superintendent, in his discretion, may request.

- C) Notwithstanding paragraph (B) of this rule, the applicant may request permission to file an abbreviated application to convert to a savings bank. The abbreviated application shall contain such information as the superintendent, in his discretion, may require. In order to make a determination as to whether an applicant shall be permitted to file an abbreviated application, the superintendent may consider, among other things, the availability from alternative sources of the information required in paragraph (B) of this rule.
- D) Prior to approving the application for charter conversion, the superintendent shall make such inquiry as is necessary to determine whether the applicant will be able to commence operations as a savings bank established and operated under the provisions of Chapters 1161. to 1165 of the Revised Code.
 - 1) In order to determine the applicant's overall condition with regard to safety and soundness, the superintendent may conduct an entrance examination of the affairs of an applicant prior to approving the application for charter conversion. To the extent that the superintendent conducts an entrance examination, he may charge the applicant nonrefundable examination expenses in an amount no greater than two thousand five hundred dollars.
 - 2) The superintendent, in his discretion, may waive any requirement of this rule.
- E) If the applicant for conversion to a savings bank is a state chartered bank regulated by the Ohio division of banks, the applicant shall file a notice with the division of banks of its intent to convert to a savings bank. Such notice shall be filed at the time the applicant files its application with the division of savings banks.

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF

- FIRST:** The name of the corporation shall be _____
_____.
- SECOND:** The place in the State of Ohio where the principal office of the corporation is to be located is the City of _____, County of _____.
- THIRD:** The corporation is formed for the purpose of conducting the business of a savings bank, exercising any powers and engaging in any activities permitted under Chapters 1161 through 1165 of the Ohio Revised Code, as now in force or hereafter amended, and doing any and all things related or incidental thereto.
- FOURTH:** The maximum number of shares which the corporation is authorized to have outstanding is _____ (_____), all of which shall be common shares with a par value of _____ (\$_____) per share.

The directors of the corporation are authorized to adopt amendments to these Articles of Incorporation in respect of any unissued or treasury common shares and thereby to fix or change, to the full extent now or hereafter permitted by Ohio law: the division of such shares into series and the designation and authorized number of shares of each series; the dividend rate; the dates of payment of dividends and the dates from which they are cumulative; liquidation price; redemption rights and price; sinking fund requirements; conversion rights; restrictions on the issuance of shares of any class or series; and such other rights, preferences and limitations as shall not be inconsistent with this Article Fourth.

Except as may otherwise be required by the laws of the State of Ohio, all voting power of the corporation for all purposes is vested exclusively in the holders of the common shares, who shall be entitled to one vote for each common share held.

FIFTH: No holder of shares of any class of the corporation shall have, as a matter of right, the preemptive right to purchase or subscribe for shares of any class of the corporation now or hereafter authorized, or to purchase or subscribe for securities or other obligations convertible into or exchangeable for such shares or which by warrants or otherwise entitle the holders thereof to subscribe for or purchase any such shares.

SIXTH: The directors of the corporation shall have the power to cause the corporation from time to time and at any time to purchase, hold, sell, transfer, or otherwise deal with shares of any class or series issued by it, any security or other obligation of the corporation which may confer upon the holder thereof the right to convert the same into shares of any class or series authorized by the articles of the corporation, and any security or other obligation which may confer upon the holder thereof the right to purchase shares of any class or series authorized by the articles of the corporation. The corporation shall have the right to repurchase, if and when any shareholder desires to sell, or on the happening of any event is required to sell, shares of any class or series issued by the corporation. The authority granted in this Article SIXTH of these articles shall not limit the plenary authority of the directors to cause the corporation to purchase, hold, sell, transfer, or otherwise deal with shares of any class or series, securities, or other obligations issued by the corporation or authorized by its Articles and shall be exercised consistently with Ohio law and administrative rules.

SEVENTH: Notwithstanding any provision of the Ohio Revised Code requiring for any purpose the vote, consent, waiver or release of the holders of shares of the corporation entitling them to exercise any proportion of the voting power of the corporation or of any class or classes thereof, such action, unless expressly otherwise provided by statute, may be taken by the vote, consent, waiver or release of the holders of the shares entitling them to exercise not less than a majority of the voting power of the corporation of such class or classes; provided, however, that unless _____ percent (___%) of the whole authorized number of directors of the corporation shall recommend the approval of any of the following matters, the affirmative vote of the holders of shares entitling them to exercise not less than _____ percent (___%) of the voting

power of the corporation entitled to vote thereon shall be required to adopt:

1. A proposed amendment to the Articles of Incorporation of the corporation or a proposed adoption of Amended Articles;
2. An agreement of merger or consolidation providing for the merger or consolidation of the corporation with or into one or more other corporations;
3. A proposed combination or majority share acquisition involving the issuance of shares of the corporation and requiring shareholder approval; or
4. A proposal to sell, lease, or exchange all or substantially all of the property and assets of the corporation.

The written objection of a director to any such matter submitted to the President or Secretary of the corporation not less than three days before the meeting of shareholders at which any such matter is to be considered shall be deemed to be an affirmative vote by such director against such matter.

EIGHTH: Except where the law or these Articles otherwise provide, this corporation's powers shall be exercised, its business conducted, and its property controlled by the Board of Directors. Each director of the corporation shall satisfy each of the qualification requirements for a director of a savings bank set forth in the Ohio Revised Code and the rules adopted by the Superintendent of the Division of Financial Institutions of the Department of Commerce relating thereto.

NINTH: The Board of Directors shall consist of _____ (___) members. The number of directors may be fixed or changed at a meeting of the shareholders called for such purpose at which a quorum is present only in accordance with these Articles. The directors may also fix or change the number of directors by the affirmative vote of two-thirds (2/3) of the authorized number of directors and may fill any director's office that is created by an increase in the number of directors; provided, however, that the directors may not increase the number of directors to more than _____ (___), reduce the number of directors to less than five (5), or change the number of directors by more than two (2) from the number last fixed by the shareholders. A director so appointed by the directors shall hold office until the next

annual meeting of the shareholders at which directors are elected and until his successor is elected by the shareholders and qualified.

TENTH: Any nominee for election as a director of the corporation may be proposed only by or at the direction of the Board of Directors or by any shareholder entitled to vote for the election of directors. Nominations, other than those made by or at the direction of the Board of Directors, shall be made in writing and shall be delivered or mailed to the President of the corporation not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the purpose of electing directors; provided, however, that if less than twenty-one days' notice of the meeting is given to shareholders, such nomination shall be mailed or delivered to the President of the corporation not later than the close of business on the seventh (7th) day following the day on which the notice of meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder:

1. The name and address of each proposed nominee;
2. The principal occupation of each proposed nominee;
3. The name and residence address of the notifying shareholder; and
4. The number of shares of capital stock of the corporation beneficially owned by the notifying shareholder.

If a shareholder shall attempt to nominate one or more persons for election as a director at any meeting at which directors are to be elected without having identified each such person in a written notice given as contemplated by, and/or without having provided therein the information specified above, each such attempted nomination shall be invalid and shall be disregarded unless the person acting as chairman of the meeting determines that the facts warrant the acceptance of such nomination.

ELEVENTH: A director or directors may be removed from office, with or without assigning any cause, only by the affirmative vote of the holders of shares then entitling them to exercise not less than _____ percent (___%) of the voting power of the corporation entitling them to elect directors in place of those to be removed. In case of any such removal, a new director may be elected at the same meeting for the unexpired term of

each director removed. Failure to elect a director to fill the unexpired term of any director removed shall be deemed to create a vacancy in the Board of Directors.

Notwithstanding the paragraph immediately preceding, any member of the Board of Directors who does not satisfy the requirements of Article EIGHTH of these Articles shall be removed from office by the Board of Directors or the Superintendent of the Division of Financial Institutions of the Ohio Department of Commerce. The Board of Directors may also remove any of its members and thereby create a vacancy in the Board of Directors if:

1. By order of court he has been found to be of unsound mind, or if he is adjudged a bankrupt;
2. Within sixty (60) days from the date of his election he does not qualify by taking, subscribing and filing an oath pursuant to Article EIGHTH of these Articles; or
3. He does not acquire the qualifications specified in Article EIGHTH of these Articles within sixty (60) days from the date of his election; or if he ceases to hold such qualifications for a continuous period of sixty (60) days.