

17-4612. Board of trustees; compensation, when; terms; quorum. (a) The business of a cooperative shall be managed by a board of not less than five (5) trustees, each of whom shall be a member of the cooperative. The bylaws shall prescribe the number of trustees, their qualifications, other than those prescribed in this act, the manner of holding meetings of the board of trustees and of electing successors to trustees who shall resign, die, or otherwise be incapable of acting. The bylaws may also provide for the removal of trustees from office and for the election of their successors. Trustees shall not receive any salaries for their services as trustees and except in emergencies, shall not be employed by the cooperative in any capacity involving compensation without the approval of the members. The bylaws may, however, provide that a fixed fee and expenses of attendance may be allowed to each trustee for attendance at each meeting of the board of trustees and for other functions duly authorized for and on behalf of the cooperative.

(b) The trustees of a cooperative named in any articles of incorporation, consolidation, merger or conversion, shall hold office until the next annual meeting of the members and until their successors are elected and qualify. At each annual meeting or, in case of failure to hold the annual meeting as specified in the bylaws, at a special meeting called for that purpose, the members shall elect trustees to hold office until the next annual meeting of the members, except as otherwise provided in this act. Each trustee shall hold office for the term for which elected and until a successor is elected and qualifies.

(c) Instead of electing all the trustees annually, the bylaws may provide that half of them, or a number as near thereto as possible, shall be elected to serve until the next annual meeting of the members and that the remaining trustees shall be elected to serve until the second succeeding annual meeting. Thereafter, as trustees' terms expire, the members shall elect their successors to serve until the second succeeding annual meeting after their election.

(d) Instead of electing the trustees in the manner as provided in subsections (b) or (c) of this section, the bylaws may provide that the members shall be elected at such annual meetings to serve for terms of three (3) years, except that the terms of the first trustees elected pursuant to this subsection may be fixed in said bylaws for a number of years not exceeding three (3), and upon the expiration thereof all members thereafter to be elected for terms of three (3) years.

(e) A majority of the board of trustees shall constitute a quorum.

(f) If a husband and wife hold a joint membership in a cooperative, either one, but not both, may be elected a trustee.

History: L. 1941, ch. 185, § 12; L. 1959, ch. 121, § 1; L. 1978, ch. 81, § 3; July 1.