

REGULATION NO. 8

WHEREAS, Section 40(11) of Title 5 of the Code of Alabama of 1940 provides that the Superintendent of Banks may, with the concurrence of a majority of the members of the State Banking Board, promulgate reasonable rules and regulations;

AND WHEREAS, the Superintendent of Banks, with the concurrence of a majority of the members of the State Banking Board, recognizes the need of and desirability for rules and regulations pertaining to stock purchase plans and stock option plans for banks where such plans are reasonably designed to attract and hold capable and valuable personnel;

NOW THEREFORE, be it known that the State Banking Board in official meeting assembled on January 12, 1966, does hereby adopt the following resolution: **RESOLVED**, that the Superintendent of Banks will consider for approval stock purchase plans and stock option plans provided the following conditions are met:

(a) Application for approval shall be made to the Superintendent of Banks, Montgomery, Alabama, in the form of a letter accompanied by the following information:

- (1) A description of all material provisions of the plan.
- (2) Proposed notice of shareholders' meeting, proxy and proxy statement.
- (3) Number of shares of authorized but unissued stock to be allocated to the plan.
- (4) Proposed amendments to articles of association creating authorized but unissued stock and eliminating preemptive rights as to the shares reserved under the plan.

(b) The plan is administered by a committee, none of whose members may participate in the plan.

(c) The number of shares allocable to any person under the plan is reasonable in relation to the purpose of the plan and the needs of the bank.

(d) In the case of a stock option plan, the number of shares subject to the plan is not unreasonable in relation to the bank's capital structure and anticipated growth.

(e) After receipt of the approval of the Superintendent of Banks to the plan, said plan shall be adopted pursuant to the laws and statutes of Alabama pertaining thereto and certified copies of such proceedings shall be submitted to the Superintendent of Banks for final approval prior to the issuance of any shares thereunder.

As evidence of the adoption of the foregoing resolution, each member of the State Banking Board has hereunto set his hand on this the 12th day of January, 1966.

s/Robert M. Cleckler
Chairman

s/Noel M. Dowling
Member