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Corporate Governance: Annual Meetings and the COVID-19 Emergency

To

Chief Executive Officers of All National Banks, Federal Savings Associations, Department and Division Heads; All Examining Personnel; and Other Interested Parties

Summary

The Office of the Comptroller of the Currency (OCC) recognizes the recent disruptions and significant challenges faced by banks¹ as a result of the coronavirus disease (COVID-19) emergency. The OCC is issuing this bulletin in response to inquiries from banks that are considering changes to the date, time, or location of their annual meetings as a result of stay-at-home and similar orders and potential health concerns. The bulletin also addresses the specific regulatory requirements applicable to federal savings associations (FSA) that may seek to delay their annual meetings.

Note for Community Banks

This bulletin applies to community banks.

Highlights

Before making any changes to the date, time, or location of its annual meeting, a bank's board of directors should consider all relevant facts and circumstances and applicable laws.

For national banks, the requirement to hold an annual meeting is governed by state corporate governance laws and the national bank's governing documents.² The board of directors, after due consideration, should make and properly document any decision to change the date, time, or location of the annual meeting.

For FSAs, the requirement to hold an annual meeting is governed by OCC regulations.³ Specifically, OCC regulations require FSAs to conduct annual meetings no later than 150 days after the end of the fiscal year and to incorporate the time frame for conducting the meeting into its bylaws. Several FSAs with December 31 fiscal year ends have expressed concern that, in light of the COVID-19 emergency, holding an annual meeting within the 150-day time frame may not be prudent. An FSA may amend its bylaws to establish a longer time frame with the OCC's prior approval. The OCC will deem such an amendment to be effective and approved by the OCC at the time the amendment is adopted by the FSA's board of directors if

- the board of directors determines in good faith, and documents in board meeting minutes, that the purpose for extending the time frame is to comply with COVID-19-related state or local travel limitations or for the health and safety of employees and meeting participants.
- the longer time frame for the annual meeting is no greater than 210 days after the end of the FSA's fiscal year.
- the extension of time applies solely to the 2020 annual meeting.⁴

- the FSA promptly informs members or shareholders of the change and complies with all applicable requirements regarding member or shareholder meetings and proxy solicitation.
- the board of directors of the FSA documents in board meeting minutes to use its best efforts to promptly schedule and hold the 2020 annual meeting when it is prudent, based on facts and circumstances.
- the FSA satisfies the requirements of its charter and bylaws in adopting the bylaw amendment.
- the amendment is filed with the appropriate OCC Licensing Office within 30 days after adoption with appropriate documentation to support that the FSA met the above requirements.

The OCC strongly encourages all banks to use electronic methods for submitting licensing filings during the COVID-19 emergency. See Bulletin 2020-20, "Licensing Filings: Use of Electronic Methods for Submission of Licensing Filings."

Further Information

National banks and FSAs with questions or concerns are encouraged to contact their Supervisory Office or the appropriate Licensing Office.

Stephen A. Lybarger

Deputy Comptroller for Licensing

Related Links

- [Bulletin 2020-20](#), "Licensing Filings: Use of Electronic Methods for Submission of Licensing Filings"
- [OCC Licensing Office Contacts](#)

¹ The term "banks" refers collectively to national banks and federal savings associations.

² The corporate governance practices of national banks are subject to state corporate governance laws to the extent those laws are not inconsistent with federal law or bank safety and soundness. Refer to 12 CFR 7.2000(b) (setting forth the bodies of law from which a national bank may select its corporate governance procedures).

³ Refer to 12 CFR 5.21(j) (mutual savings associations) and 12 CFR 5.22(j) and (k) (stock savings associations).

⁴ When amending the bylaws to provide for an extended timeframe for holding the 2020 annual meeting, the FSA's board of directors should retain the standard to hold the annual meeting within the 150-day timeframe in all other years.

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