

\*\*\* DRAFT - NOT YET FILED \*\*\*

1301:1-5-01

**Management duties regarding shareholder meetings.**

(A) For purposes of this rule, "management" means any or all of the directors and officers of a bank.

(B) Prior to each meeting of a bank's shareholders, management of the bank shall give written notice of the meeting to the shareholders in accordance with section 1103.13 of the Revised Code. The notice shall include:

(1) The time of the meeting;

(2) The place for the meeting;

(3) The purpose or purposes for the meeting, which shall include:

(a) Each management proposal to come before the meeting;

(b) Each properly initiated shareholder proposal to come before the meeting of which management has knowledge; and

(c) If the meeting is an annual meeting:

(i) Presentation of the bank's financial statement; and

(ii) Election of the bank's directors or a particular class of directors, as the case may be; and

(4) If the meeting is an annual meeting and the bank is neither subject to the Securities Exchange Act disclosure rules as contained in part II of volume 12 of the Code of Federal Regulations nor wholly owned, except for directors' qualifying shares, by a bank holding company, a statement advising the bank's shareholders:

(a) That each of them is entitled prior to the annual meeting to receive basic financial information concerning the bank;

(b) That the financial information, whether in the form of an annual report to shareholders or other documents, is substantially similar to or more information than the information contained in both of the following:

- (i) Those portions of the consolidated reports of income required to be filed with the superintendent of ~~banks~~financial institutions for each of the two preceding full years covering:
    - (a) Sources and disposition of income;
    - (b) Changes in equity capital; and
    - (c) Allowance for possible loan losses; and
  - (ii) The balance sheet portions of the consolidated reports of condition required to be filed with the superintendent as of the end of each of the two preceding years; and
- (c) Whichever of the following is applicable:
- (i) That each of the bank's shareholders may obtain the financial information from the bank without charge and the address, telephone number, and name or title of the bank employee or officer whom a shareholder should contact for the financial information;
  - (ii) That the bank is delivering the financial information concurrently with the notice of annual meeting; or
  - (iii) That the bank delivered the financial information to the bank's shareholders prior to the notice of annual meeting.
- (C) If management of a bank, other than a bank that is subject to the registration requirements of section 12 of the Securities Exchange Act of 1934, 15 U.S.C. 78L, provides a proxy form for a meeting of the bank's shareholders, or otherwise solicits proxies for such a meeting:
- (1) Management must provide a proxy form that:
    - (a) Identifies the form as management's and the meeting to which it applies;
    - (b) Identifies management's designated proxy committee;
    - (c) Identifies each proposal on which there will be a shareholder vote at the

meeting;

- (d) Indicates management's recommendation on each proposal on which there will be a shareholder vote at the meeting;
- (e) Provides the opportunity for a shareholder giving the proxy to direct that the proxyholder vote the shares for or against or abstain from voting on each proposal on which there will be a shareholder vote at the meeting;
- (f) If the meeting is an annual meeting, or is otherwise a meeting at which directors will be elected:
  - (i) Identifies the persons management recommends be elected as directors; and
  - (ii) Provides the opportunity for the shareholder giving the proxy to direct the proxyholder to vote for all of the persons management recommends, against all of the persons management recommends, or for some and not for others;
- (g) States that the shareholder giving the proxy may revoke the proxy at any time before the completion of the meeting for which the proxy is given and any adjournments thereof by:
  - (i) Attending the meeting or any adjournment thereof and advising the secretary of the bank of the shareholder's intent to vote the shares;
  - (ii) By giving notice in writing to the secretary of the bank of the revocation of the proxy; or
  - (iii) By giving a subsequent proxy;
- (h) Provides that the proxyholder has the authority to vote the shares for which the proxy is given at the meeting as scheduled and at any adjournment thereof unless the shareholder giving it revokes the proxy;
- (i) Requires each holder of the shares for which the proxy is given to sign and date the form and, if signing in a representative capacity, to designate the capacity in which signing; and
- (j) Requires that the holder(s) of the shares for which the proxy is given

indicate the number of shares for which the proxy is given.

(2) Management's proxy form may:

- (a) Indicate that for any matter or election for which the shareholder has not directed how the proxyholder is to vote the shares, the proxy holder is authorized to vote the shares in accordance with management's recommendation; and
- (b) Indicate that the proxyholder is authorized, in the proxyholder's discretion, to vote the shares on any other matter that may properly come before the meeting.

(3) Management must also provide a proxy solicitation statement, and in that statement must:

- (a) Identify the meeting to which the statement applies;
- (b) Name the officers and directors of the bank and indicate the date each director's term expires;
- (c) Identify management's proxy committee;
- (d) State each proposal management intends to present to the shareholders at the meeting, state management's position on each proposal, and explain the basis of management's position on each proposal;
- (e) State each proposal shareholders have properly presented for presentation at the meeting, identify the shareholders making each shareholder proposal, state management's position on each shareholder proposal, explain the basis of management's position on each shareholder proposal, and, if requested to do so, state the proposing shareholders' reasons for making each shareholder proposal;
- (f) Indicate where shareholders choosing to give management their proxies are to send the completed proxy forms; and
- (g) If the meeting is an annual meeting, or otherwise a meeting at which directors will be elected, identify each person management recommends be elected at the meeting as a director, the term for which each person would be elected, and management's basis for recommending that each

person be elected.

- (D) Together with the notice of meeting, and the proxy form and proxy solicitation statement, if any, management may include a less formal letter from the directors or one or more officers of the bank, so long as the letter is not inconsistent with the notice of meeting, proxy form, or proxy solicitation statement, either by contradiction or inclusion of a proposal that was not disclosed in accordance with this rule.

Replaces: 1301:1-4-07

Effective:

Five Year Review (FYR) Dates:

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Certification

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Date

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