

TO THE CHIEF EXECUTIVE OFFICER OF THE STATE CHARTERED BANK
ADDRESSED:

Instructions for Annual Meeting of the Shareholders

As required by Subsections 524.541 and 524.611 of the Code of Iowa, the following forms are to be prepared and used at the next annual meeting of the shareholders and filed with the Superintendent of Banking within ten days following the meeting. All forms are available on our Web site, www.idob.state.ia.us.

SHAREHOLDERS RESOLUTION — It will be necessary for the shareholders to adopt a resolution fixing the number of board members for the ensuing year. The number of directors cannot be less than five nor more than the maximum number permitted by the Articles of Incorporation of the bank. A majority of the directors must be residents of Iowa. At the meeting, the shareholders must then elect the same number of directors as fixed by the resolution. “Number of shares present” refers to shares represented in person and those represented by proxy. “Number of shares present” should be equal to or greater than “Number of shares voting in affirmative.” See Subsections 524.601 and 524.602 of the Code. If the annual meeting is not held on the date specified in the Articles of Incorporation, please include a letter indicating **why** the meeting was not held on the correct date.

OATH OF DIRECTORS — Every director at the annual meeting of the shareholders must sign the oath. Type the names of all individuals elected (whether present at the meeting or not) below the signature so that we may be sure to have the correct name. If it is impossible to obtain signatures of all directors elected within the time indicated, forward the oath of those who signed. As soon as possible, have the absentee(s) execute an individual oath form and forward it to this office. (See Footnote 1 on *Oath of Directors* form.) If the director(s) sign(s) the *Oath of Directors* form, an individual oath form need not be signed. Subsection 524.701(2) requires that the bank’s CEO be a member of the Board of Directors.

The Code has no requirement that a director of a state bank be required to own stock in the state bank for which he/she is to serve as a director. However, the Articles of Incorporation of some state banks still require that directors be elected from the shareholders, which means that to be eligible to serve as a director, the person must own at least one share of common stock in the state bank. The bank’s Articles of Incorporation should be reviewed to determine if this is a requirement. The column headed “Number of Shares Owned” refers to **bank** stock shares owned, **not** holding company shares. The Articles of Incorporation of some banks also require that a vice president be elected to the Board of Directors. If your Articles include this requirement, be sure one of your directors is a vice president of the bank.

ELECTION OF OFFICERS — List the name, address, and title of each officer of the bank. There should be a minimum of a president, vice president, and cashier (524.701(1)). Subsection 524.701(2) states that the Board shall elect one officer as the chief executive officer, who shall also be a member of the Board of Directors. The CEO should be listed on this form.

LIST OF SHAREHOLDERS — On this form, you are to list each shareholder of **bank stock** and the number of shares owned by each as of the date of the annual meeting of the shareholders. In many banks, the holding company owns 100 percent of the bank stock. In those cases, only the holding will be listed on this page.

AFFILIATE SHAREHOLDER LIST — On this form, you list each shareholder of an affiliate of your bank. The most common example is a bank holding company. List shareholder name, address, number of shares of that affiliate, and percentage interest. In a holding company, the number of shares would be holding company shares owned, not bank shares. This is required by Subsection 524.541 of the Code. An affiliate is described as a corporation, trust, estate, or association owning 50 percent or more of the bank's stock that is a shareholder in a state bank.

A careful reading of Division V of Chapter 524 of the Code is required prior to the annual meeting of the shareholders. In particular, you are referred to Subsection 524.533 of the Code, which requires that written or printed notice of the annual meeting of the shareholders must be given not less than 10 nor more than 60 days before the date of the meeting. You are referred to Subsections 524.535 and 524.536 of the Code for provisions governing the preparation of the list of shareholders eligible to vote shares.

All of the forms are available to print or download from our Web site at www.idob.state.ia.us . Click on the following links: Banking / Applications & Forms / Annual Meetings.

Please check all forms carefully before mailing to be sure that all instructions have been followed and that all have been properly signed and acknowledged. **All forms must be original forms with original signatures or copies of forms with original signatures. Signature stamps are not considered original signatures.** If you have any questions about the preparation of the forms, please do not hesitate to contact your assigned Bank Analyst at 515-281-4014.