

Supplement to the FCA Informational Memorandum Providing Guidance for System Institutions Affected by the COVID-19 Pandemic

2020 annual meeting and election activities

The Farm Credit Administration issued an [informational memorandum on May 4](#) to provide guidance to Farm Credit System (System) institutions on issues related to the COVID-19 pandemic. The memorandum includes guidance regarding operational issues affecting System institutions during the COVID-19 pandemic. It also states that we will provide additional guidance in the form of supplements to the informational memorandum.

This is the second supplement to the May 4 informational memorandum. It discusses matters related to association annual meetings and elections during the 2020 calendar year.

May an association postpone its 2020 annual meeting and election activities because of the COVID-19 pandemic?

Each association schedules its annual meeting and related elections in accordance with its bylaws and policies. These activities usually occur within 12 months of the last annual meeting. For calendar year 2020, FCA will allow associations to complete their annual meetings and election activities no later than December 31, 2020.

The actual date for an annual meeting otherwise remains a decision of the association. However, all ballots must be cast by December 31, 2020, and sent to an independent tabulator or tellers committee. The tabulation process and announcement of results may extend to no later than January 31, 2021.

In addition, each association is expected to coordinate its 2020 annual meeting and election activities with the FCA examiner-in-charge of the association.

What are the notice requirements if the 2020 annual meeting is rescheduled?

A rescheduled annual meeting may require more than one annual meeting information statement (AMIS) under FCA regulations §§ [620.20](#) and [620.21](#). If an AMIS was issued before the meeting was rescheduled and the annual meeting is postponed more than 90 days, a new AMIS would be necessary.

For postponements of less than 90 days, an abbreviated AMIS may be issued, which need only contain election information. The abbreviated AMIS may take the form of a postcard or something similar.

No additional AMIS is required for meetings rescheduled under 30 days from the original meeting date as long as notice of the new meeting date is otherwise communicated to all voting stockholders of the association.

How will a postponement of the 2020 annual meeting and election activities affect term limits for directors and the nominating committee?

If an association chooses to postpone its 2020 annual meeting in response to the COVID-19 pandemic, the institution may temporarily extend the service of an incumbent director occupying a seat up for election in 2020. Several associations may already have bylaw provisions allowing a director to stay in office until his or her replacement is elected.

An association may also extend the services of its current nominating committee until the new 2020 annual meeting date. Ordinarily nominating committees have a mandatory one-year term. However, because of the unique circumstances surrounding the COVID-19 pandemic, FCA is temporarily allowing an extension of the nominating committee's one-year term.

How may an association satisfy the "in-person" requirement of § 611.110(a) during the COVID-19 pandemic?

Because of the health concerns related to COVID-19, FCA will temporarily treat the use of teleconferencing as complying with the in-person requirement of FCA regulation § [611.110](#)(a). However, all existing requirements related to floor nominations, voter security, and voter confidentiality continue to apply throughout the 2020 election process.

Associations are reminded that § 611.110(c) permits the use of online meetings where appropriate safeguards are in place. To conduct online meetings, System institutions must have policies and procedures in place addressing how participants will access and use the online meeting space. (For the definition of an "online meeting" and "online meeting space," see § [611.100](#)(d) and (e).)

Use of online meetings does not exempt an association from in-person accommodations, which are required for those shareholders not participating in e-commerce.

Will an association have to change its bylaws to postpone the 2020 annual meeting and election activities?

We do not believe a bylaw change is necessary given the COVID-19 emergency declaration. However, we recommend the association obtain an emergency resolution from its board that allows postponement of the 2020 annual meeting and related election activities. The resolution should also authorize extending the services of the nominating committee and any outgoing directors until the delayed election date.

Should the voting record date and the record date list of shareholders be updated for delayed annual meetings?

Yes. A voting record date and the associated record date list are vital to the election process because they establish who will be allowed to vote in the 2020 election. (Refer to § [611.100](#)(i) and (j) for definitions of terms.) To ensure new stockholders are not denied an opportunity to vote in 2020 and to reduce the number of former stockholders sent balloting material, we expect each association to use a record date close to the actual annual meeting date.

Whom do I contact for more information?

If you have any questions regarding this supplement, please contact Jason Moore, Accountant, Office of Regulatory Policy, at (703) 883-4256 (mooreja@fca.gov).