

## BANKS

### Compensation Consulting Services for Banks

#### THE CURRENT COMPENSATION ENVIRONMENT

A global financial crisis, economic recession, and government-sanctioned restrictions on compensation make it increasingly challenging for banks to attract, motivate, and retain key talent. The industry faces a multitude of compensation challenges, from dealing with underwater options to recalibrating performance measures in the face of financial uncertainty and intense public scrutiny. At the same time, the Troubled Asset Relief Program (TARP) is driving all banks – whether TARP participants or not – to re-examine existing compensation arrangements related to incentive compensation practices, risk assessment, severance payouts, clawbacks, deductibility under 162(m), Say on Pay and other issues.

In times like these, when customized, insightful and effective advice are needed more than ever, PM&P offers banks an unparalleled level of expertise and experience in the design and administration of their compensation programs.

#### ■ OUR SERVICES

Our services cover the full spectrum of pay issues including:

- Executive Compensation
- Board Compensation
- Employee Compensation
- Short & Long-Term Incentive Plan Design
- Incentive Plan Risk Assessment
- Mutual Bank Conversions – Equity Allocation Strategy
- Banking Compensation Surveys
- Compensation Discussion and Analysis and Proxy Review
- Post-Termination Calculations (Severance and Change-in-Control)
- CEO & Director Performance Evaluations
- Governance Best Practices
- Succession Planning
- Say on Pay and Shareholder Communication

#### OUR APPROACH

PM&P serves hundreds of bank clients annually, to provide independent outside counsel to Compensation Committees and Boards and support management through the development of executive and employee compensation programs tailored to the business needs of each client.

We serve as a trusted business partner with our clients, providing a full array of advice and information in support of their unique strategic goals and vision.

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#### **OUR COMMITMENT TO THE INDUSTRY**

PM&P understands the complex industry issues associated with consolidations, mergers and acquisitions, conversions, regulatory compliance, and expansion into non-traditional banking services such as investments, trust and insurance.

Our firm's industry involvement includes sponsorship of Corporate Board Member's annual Bank Director Conference. Our consultants frequently write and speak on banking industry issues, including presentations and articles for the American Bankers Association (ABA), American Association of Bank Directors (AABD), American Banker, National Association of Corporate Directors (NACD) and state banking groups. PM&P also administers and publishes bank-specific compensation surveys in partnership with a number of regional banking associations.

#### **OUR CLIENTS**

PM&P's Banking consultants work closely with a wide range of banking organizations, from de novo banks to mature banks with over \$30 billion in assets and from mutual banks and credit unions to publicly-traded commercial banks and thrifts.

#### **ABOUT PEARL MEYER & PARTNERS**

For 20 years, PM&P has served as a trusted independent advisor to Boards and their senior management in the areas of compensation governance, strategy and program design. The firm provides comprehensive solutions to complex compensation challenges through the development of programs that align rewards with business goals to create long-term value for all stakeholders: shareholders, executives and employees. The firm maintains offices in New York, Atlanta, Boston, Charlotte, Chicago, Houston, Los Angeles and San Jose.

**For more information on how PM&P can help you create comprehensive compensation solutions, please visit our website [www.pearlmeyer.com](http://www.pearlmeyer.com) or contact the PM&P office nearest you.**