

BANKS

Compensation Consulting Services for Banks

THE CURRENT COMPENSATION ENVIRONMENT

Economic uncertainty, new regulatory mandates, and heightened scrutiny of executive compensation practices make it increasingly challenging for banks to attract, motivate, and retain key talent. Amidst the multitude of new considerations, redesigning long-term incentive plans to address underwater options and newly emerging ownership/holding requirements are key issues for many organizations. Public banks also must accommodate the increased disclosure requirements for Say on Pay/Say on Frequency. And all banks are focused on addressing new regulatory requirements to review incentive compensation arrangements to ensure sound risk management practices. Clawbacks, deductibility and 162m issues, severance/golden parachute practices round out a very busy agenda.

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 more than 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, San Francisco and San Jose.

For more information on how PM&P can help you create comprehensive compensation solutions, please visit our website www.pearlmeyer.com or contact the PM&P office nearest you.