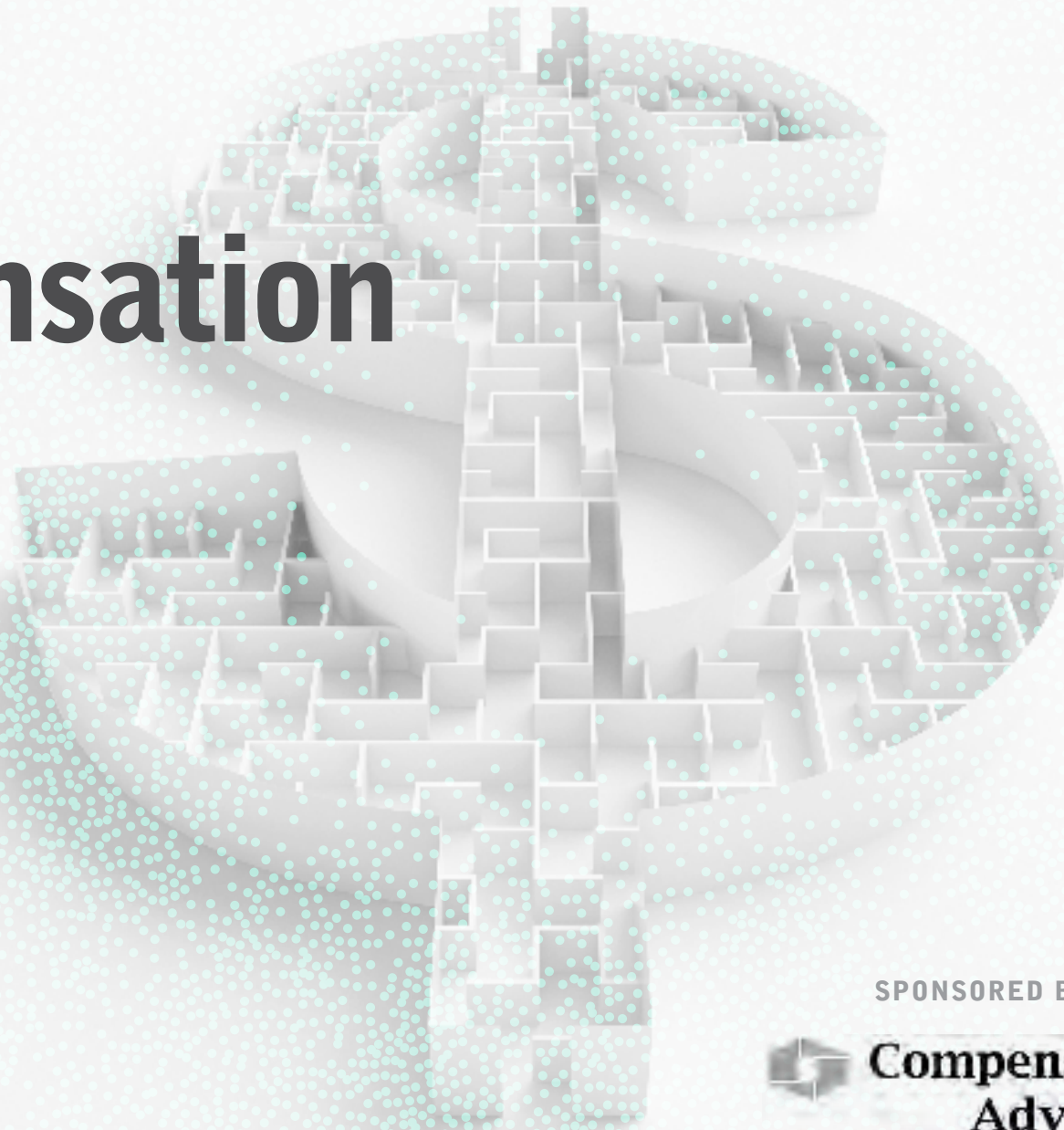


2019 Compensation Survey



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About Bank Director

Since its inception in 1991, Bank Director has been a leading information resource for senior officers and directors of financial institutions. Chairmen, CEOs, CFOs, presidents and directors of banks and financial institutions turn to Bank Director to keep pace with the ever-changing landscape of the financial services industry. For more information about Bank Director, visit www.bankdirector.com.

BankDirector.

About Compensation Advisors

Compensation Advisors serves the financial industry providing guidance on compensation and hiring developments. They offer LINQS+, a solution that delivers executive, director and shareholder benefits. Other deliverables include executive and director compensation reviews, pay-for-performance incentive plans, equity allocation plans, benefit plan design structures, risk assessments, regulatory updates and committee governance. www.compensationadvisors.com.



EXECUTIVE SUMMARY



Emily McCormick is the vice president of research for Bank Director, an information resource for directors and officers of financial companies. You can follow her on Twitter or get connected on LinkedIn.

Today, more banks are tying their chief executive officers' pay to performance indicators, as indicated by 80 percent of the directors and executives responding to Bank Director's 2019 Compensation Survey, sponsored by Compensation Advisors. That's up from 75 percent when Bank Director last posed the question, in 2015.

Most, at 59 percent, tie CEO compensation to their strategic plan or corporate goals.

But the metrics banks prefer vary according to their structure. Public banks are more apt to tie pay to performance—just 8 percent indicate they don't do so—and tend to favor goals established in the strategic plan (72 percent), as well as metrics such as return on assets (58 percent), return on equity (53 percent) and efficiency (40 percent).

Among private banks, net income is the preferred metric, at 55 percent. Twenty-seven percent of respondents in this group say CEO compensation is not tied to performance.

The survey was conducted in April 2019, and includes the perspectives of more than 300 bank directors and executives—including chief executives and human resources officers—as well as data obtained from the proxy statements of more than 100 publicly traded banks.

It includes details about current CEO and director compensation packages—in the aggregate, and by asset size and ownership structure. The survey also focuses on succession planning and board refreshment.

Respondents indicate that their CEOs all received a salary in fiscal year 2018, at a median of \$325,000; the median total compensation was \$515,728. Paying a cash incentive (78 percent), and offering benefits and perks (75 percent) are also common forms of compensation throughout the industry. Less common are nonqualified deferred compensation or retirement benefits (49 percent) and equity grants (47 percent). However, payment of equity differs broadly based on the ownership of the bank: Almost three-quarters of respondents from public banks say their CEO received an equity grant last year.

KEY FINDINGS

→ CEOs Want Equity

When asked how compensation for the CEO could be improved, 36 percent point to offering non-equity, long-term incentive compensation. Twenty-three percent believe the bank should offer equity at greater levels, and 21 percent say they should offer some form of ownership in the bank. Twenty-two percent believe the bank should pay a higher salary to the CEO.

→ How Old Are CEOs?

The median age of a bank CEO is 58. Seventy percent are Baby Boomers, between the ages of 55 and 73.

→ Few Expect to Leave

Seventy-two percent believe the current CEO will remain at their bank for at least the next two years.

→ Time to Retire?

Twenty-one percent believe it's time for their CEO to announce his or her retirement.

→ Appointing the Next CEO

Thirty-one percent say their bank has designated a successor for the CEO. One-quarter have identified potential successors.

→ Board Performance

Nearly one-third indicate their board conducts an annual evaluation.

→ Exit Strategy

Forty-one percent have a mandatory retirement policy in place for directors. The median retirement age is 75—an increase from 72, as reported three years ago.

→ The Next Generation

Forty-seven percent indicate their board is working to recruit younger directors. The median age of the youngest director serving on responding boards is 48.

→ Board Pay

Seventy-two percent say their directors receive a board meeting fee, at a median of \$900 per meeting. Sixty-nine percent pay an annual cash retainer, at a median of \$20,000.

→ Top Challenges

Forty-three percent say that tying compensation to performance is a top compensation challenge facing their institution, followed by managing compensation and benefit costs (37 percent) and recruiting commercial lenders (36 percent).

CHALLENGES

1. Do institutional investors or private equity firms hold at least 50 percent of the bank's stock/ownership?

Question asked of respondents whose banks are publicly traded or privately held. Numbers don't add up to 100 percent due to rounding.

Institutional Investors			
Ownership Structure	Public	Private	Total
No	70%	87%	80%
Yes	22%	8%	13%
Unsure	8%	5%	6%

Private Equity			
Ownership Structure	Public	Private	Total
No	79%	88%	85%
Yes	11%	8%	9%
Unsure	10%	4%	6%

2. What are your top three compensation challenges for 2019?

Respondents were asked to select up to three options.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Tying compensation to performance	46%	55%	38%	38%	39%	43%
Managing compensation and benefit costs	36%	33%	32%	44%	39%	37%
Recruiting commercial lenders	27%	34%	30%	38%	44%	36%
Succession planning for the CEO and/or executives	36%	41%	33%	32%	25%	34%
Retaining key people	27%	28%	38%	29%	29%	31%
Recruiting younger talent	27%	28%	30%	32%	27%	29%
Offering competitive pay	27%	20%	36%	26%	23%	26%
Recruiting technology talent	18%	20%	17%	12%	10%	16%
Understanding and complying with regulations, including compliance risk	36%	12%	15%	19%	17%	16%
Recruiting key executives	18%	13%	20%	12%	14%	15%
Creating liquidity for thinly-traded stock	-	13%	12%	13%	21%	14%

CEO COMPENSATION

3. The CEO at my bank received the following types of compensation in fiscal year 2018.

Respondents were asked to select all that apply. Proxy data included.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Salary	100%	100%	100%	100%	100%	100%
Cash incentive	90%	89%	81%	60%	59%	78%
Other benefits & perks	88%	82%	76%	63%	61%	75%
Nonqualified deferred compensation and/or retirement benefit	60%	57%	40%	37%	52%	49%
Equity grants	96%	66%	44%	11%	11%	47%

Ownership Structure	Public	Private	Mutual	Total
Salary	100%	100%	100%	100%
Cash incentive	86%	70%	63%	78%
Other benefits & perks	87%	64%	56%	75%
Nonqualified deferred compensation and/or retirement benefit	53%	40%	67%	49%
Equity grants	74%	20%	11%	47%

4. Enter the cash compensation amounts for the CEO of your bank for FY 2018.

Median values reported. Proxy data included. Respondents were asked to enter a value greater than zero or leave the field blank.

*Indicates a count of less than 10 within a field.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Salary	\$806,246	\$470,000	\$300,000	\$250,000	\$192,500	\$325,000
Cash incentive	\$894,750	\$183,857	\$100,000	\$50,000	\$44,827	\$118,446
Equity grants (fair market value)	\$1,167,170	\$200,000	\$60,287	\$36,000	\$17,000*	\$215,268
Benefits & perks	\$77,508	\$50,000	\$41,181	\$23,340	\$28,000	\$40,050
Total CEO compensation	\$3,255,935	\$859,765	\$475,000	\$308,000	\$238,189	\$515,728

Ownership Structure	Public	Private	Mutual	Total
Salary	\$423,000	\$250,000	\$350,000	\$325,000
Cash incentive	\$200,000	\$71,025	\$66,840	\$118,446
Equity grants (fair market value)	\$325,780	\$55,500	\$29,934*	\$215,268
Benefits & perks	\$50,000	\$25,000	\$48,000	\$40,050
Total CEO compensation	\$839,389	\$331,837	\$506,331	\$515,728

5. Is CEO compensation tied to any of the following?

Respondents were asked to select all that apply.

59%



Strategic plan and/or corporate goals

52%



Net income

44%



Return on assets

34%



Asset quality

Ownership Structure	Public	Private	Mutual	Total
Strategic plan and/or corporate goals	72%	49%	69%	59%
Net income	50%	55%	46%	52%
Return on assets	58%	34%	50%	44%
Asset quality	40%	36%	12%	34%
Return on equity	53%	27%	15%	34%
Efficiency	40%	22%	42%	30%
CEO compensation is not tied to performance indicators	8%	27%	19%	20%
Earnings per share growth	33%	12%	-	17%
Total shareholder return	22%	11%	-	14%
Other factors	11%	11%	4%	10%

6. In your opinion, how could your bank's CEO compensation package be improved?

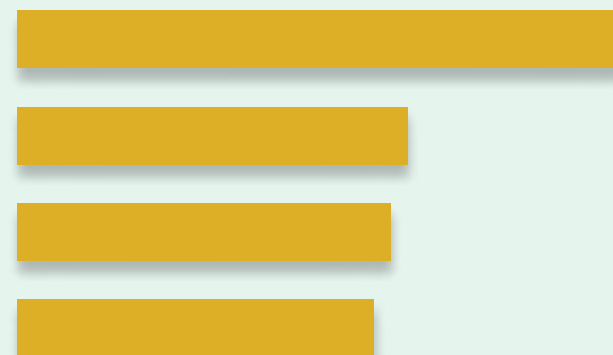
Respondents were asked to select all that apply.

36% We should offer non-equity, long-term incentive compensation

23% We should offer equity at greater levels

22% We should pay a higher salary

21% We should offer equity or some form of ownership in the bank

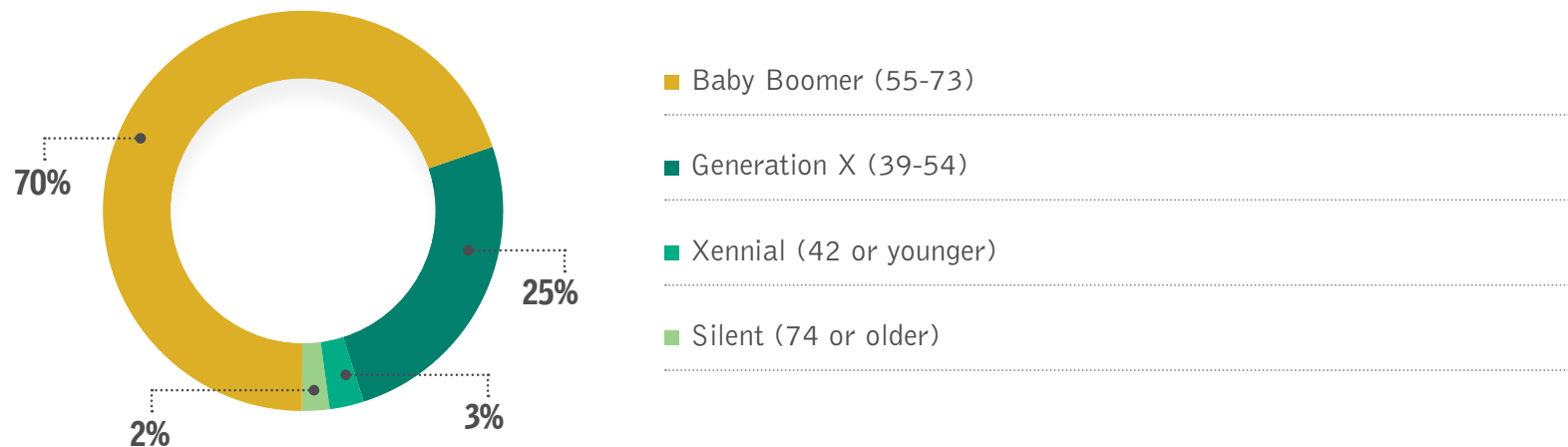


Ownership Structure	Public	Private	Mutual	Total
We should offer non-equity, long-term incentive compensation	23%	39%	52%	36%
We should offer equity at greater levels	33%	23%	-	23%
We should pay a higher salary	19%	23%	24%	22%
We should offer equity or some form of ownership in the bank	12%	29%	10%	21%
We should offer a higher cash incentive	12%	20%	10%	16%
Other	19%	15%	14%	16%
We should expand our health and/or wellness benefits	17%	9%	14%	12%

CEO SUCCESSION

7. What is the age of your bank's CEO?

Median value reported. Proxy data included. There was one respondent who indicated their CEO is a millennial, accounting for less than 1 percent of responses.



58

The median age of a bank CEO

8. Do you believe your CEO could depart for any of the below reasons over the next two years?

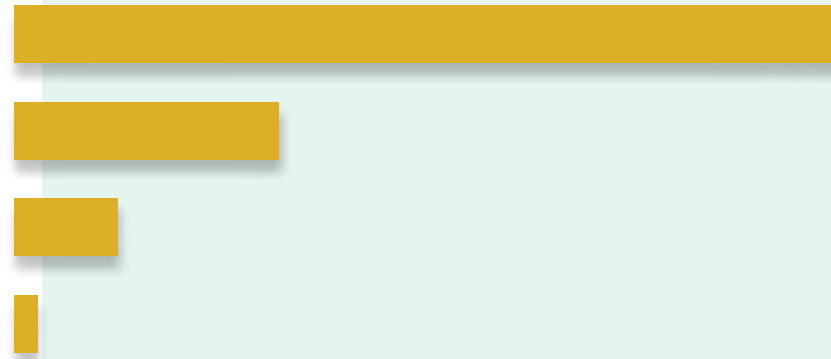
Respondents were asked to select all that apply. *Indicates a count of less than 10 within a category.

72% No, I believe he or she will still serve as CEO

23% Retirement and/or health

9% Poached by another bank

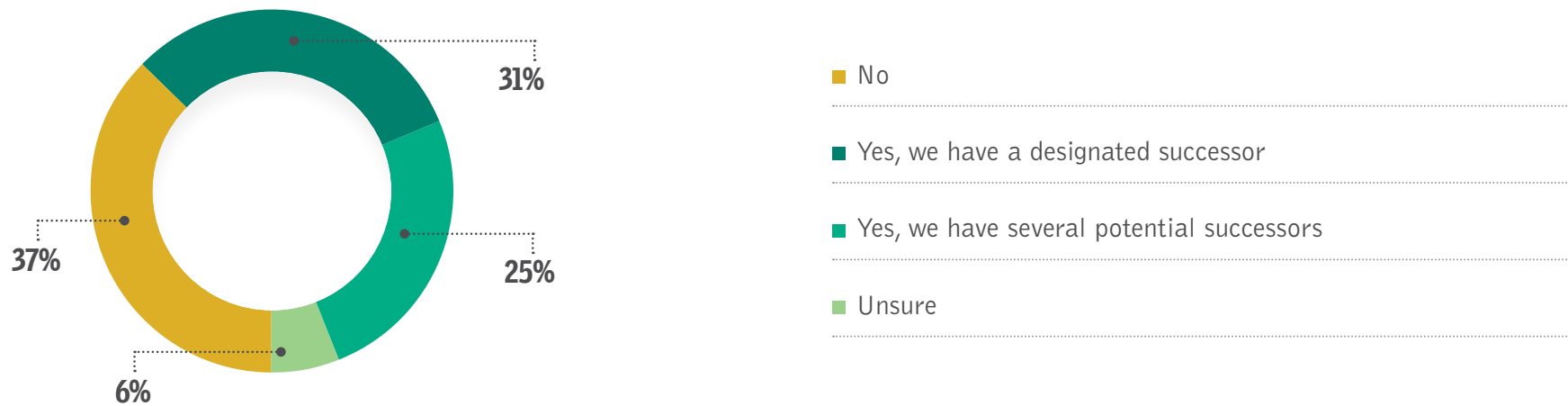
2% Other



Bank Asset Size	>\$10B*	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
No, I believe he or she will still serve as CEO	60%	69%	74%	71%	75%	72%
Retirement and/or health	40%	20%	20%	27%	21%	23%
Poached by another bank	-	12%	6%	8%	11%	9%
Other	-	5%	-	2%	-	2%

9. Has your bank identified a successor or potential successors for the CEO?

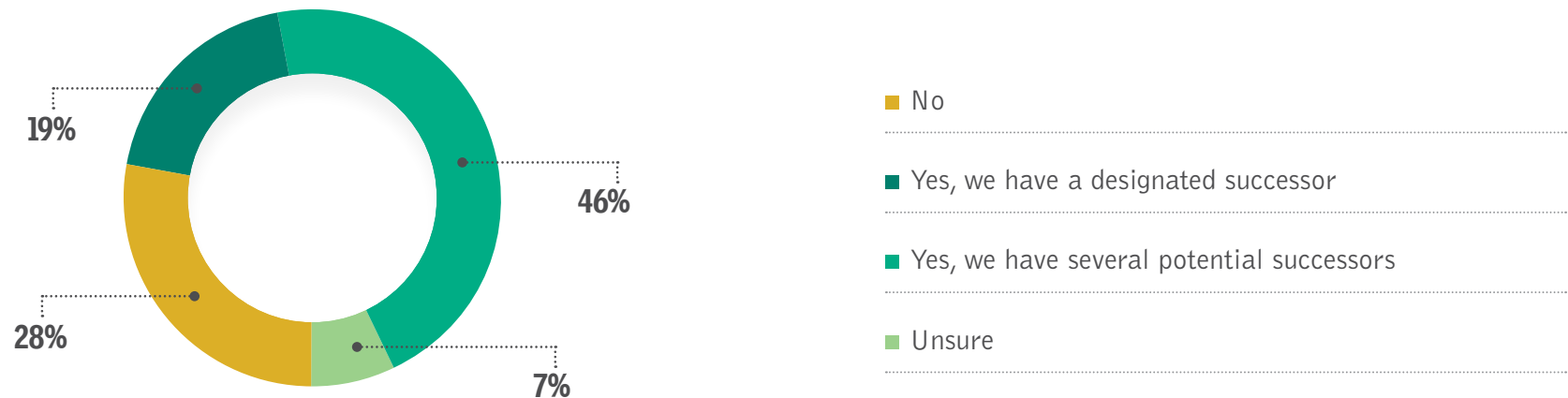
Numbers don't add up to 100 percent due to rounding. *Indicates a count of less than 10 within a category.



CEO						
Bank Asset Size	>\$10B*	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
No	20%	37%	33%	35%	46%	37%
Yes, we have a designated successor	60%	24%	35%	29%	39%	31%
Yes, we have several potential successors	20%	33%	26%	26%	14%	25%
Unsure	-	6%	6%	11%	2%	6%

10. Has your bank identified a successor or potential successors for key executives?

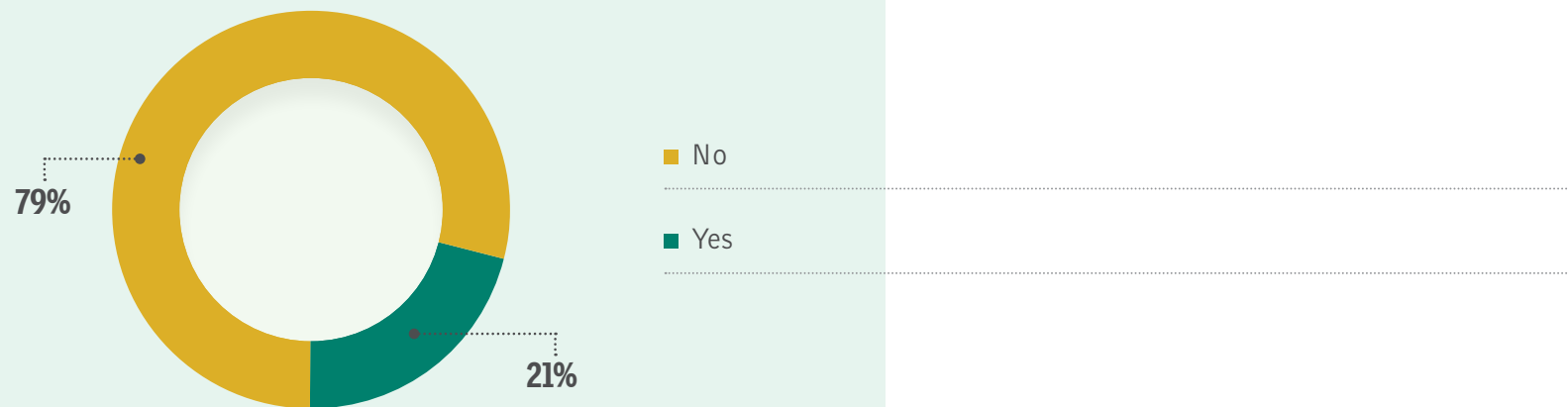
*Indicates a count of less than 10 within a category.



Executives						
Bank Asset Size	>\$10B*	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
No	-	18%	31%	32%	38%	28%
Yes, we have a designated successor	40%	11%	23%	21%	21%	19%
Yes, we have several potential successors	60%	65%	42%	39%	26%	46%
Unsure	-	6%	4%	8%	14%	7%

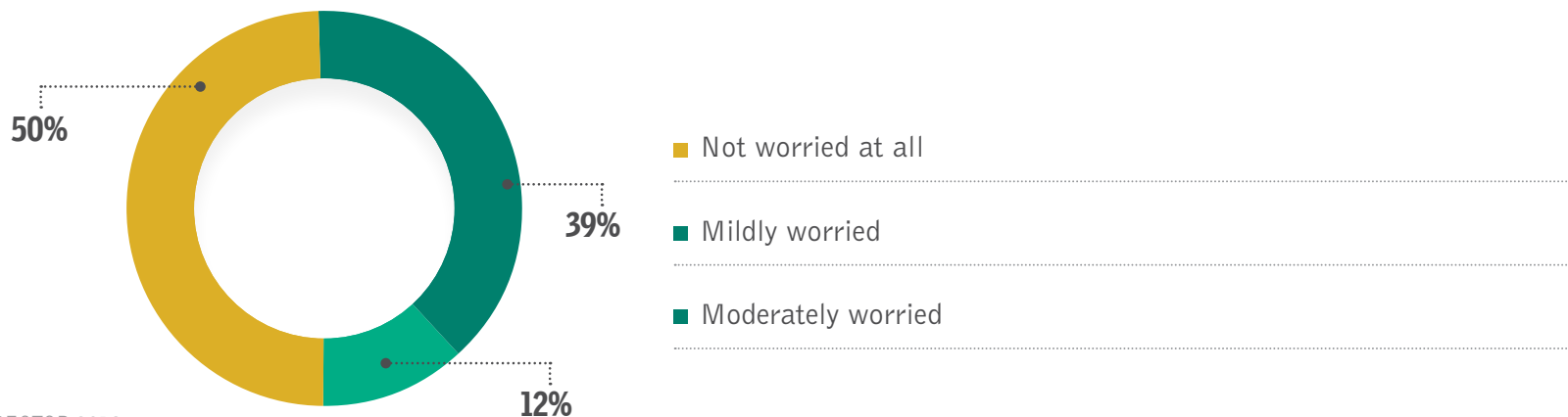
11. Do you believe it's time for your CEO to announce his or her retirement, and make room for his or her successor to lead the bank?

Question only asked of outside directors and chairmen who indicated their CEO is aged 65 or older.



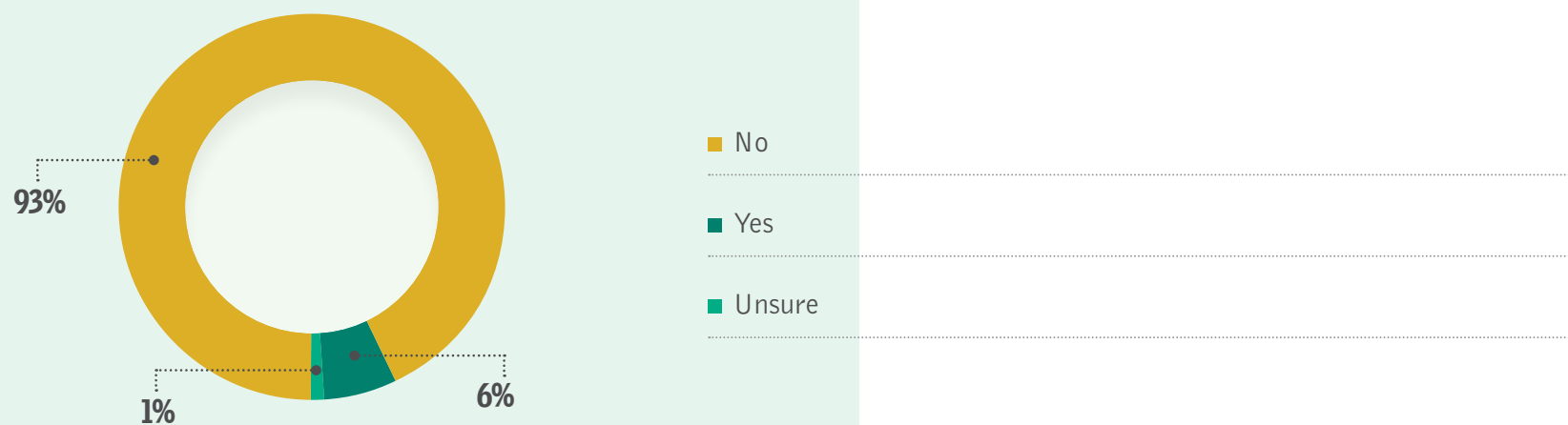
12. How worried are you that a potential CEO successor could leave to pursue an opportunity to lead another bank?

Question only asked of outside directors and chairmen who indicated their bank has designated a successor or potential successors for the CEO.



13. Within the past five years, has a potential successor resigned to lead another bank?

Question only asked of outside directors and chairmen.



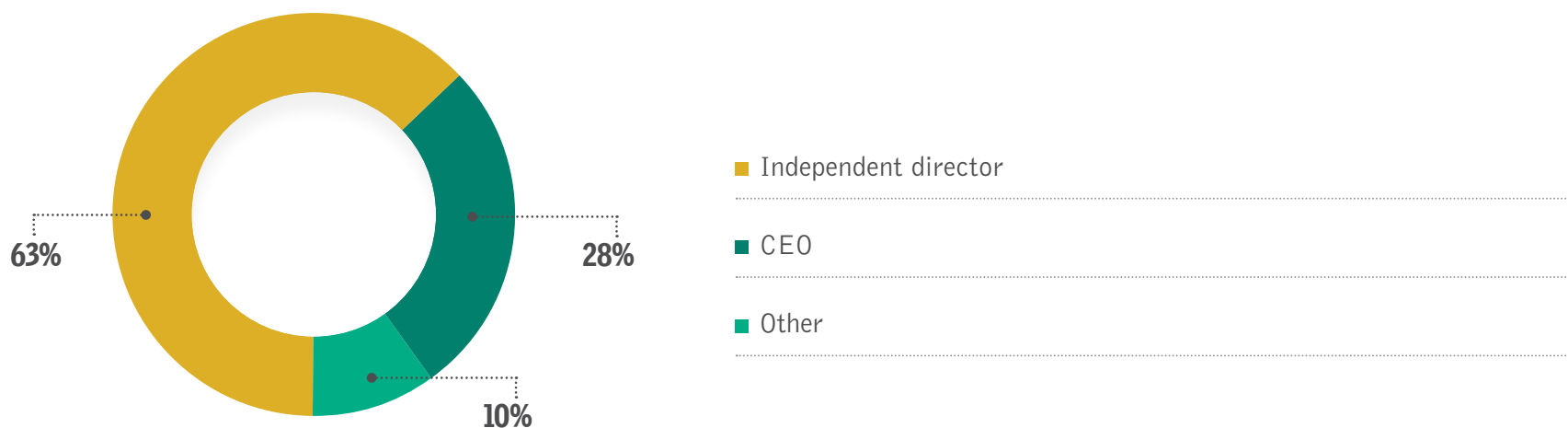
BOARD COMPENSATION

14. Do your directors and/or non-executive chairman receive compensation for board service?



15. Is the chairman of the board also the CEO or an independent director?

Numbers don't add up to 100 percent due to rounding.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Independent director	46%	62%	62%	68%	72%	63%
CEO	33%	28%	31%	23%	20%	28%
Other	20%	9%	7%	9%	7%	10%

16. The non-executive chairman at my bank receives the following types of compensation.

Respondents were asked to select all that apply. Proxy data included. Only asked of respondents who indicated the chairman is an independent director.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Annual cash retainer	96%	95%	79%	41%	54%	74%
Board meeting fee	28%	61%	79%	87%	86%	70%
Committee fees	36%	64%	65%	50%	57%	57%
Equity compensation	80%	63%	40%	4%	14%	40%
Committee retainer	48%	37%	8%	4%	4%	20%
Deferred compensation/benefits	-	15%	8%	11%	11%	10%

Ownership Structure	Public	Private	Mutual	Total
Annual cash retainer	89%	51%	71%	74%
Board meeting fee	58%	86%	88%	70%
Committee fees	54%	60%	59%	57%
Equity compensation	60%	16%	6%	40%
Committee retainer	30%	6%	12%	20%
Deferred compensation/benefits	10%	3%	47%	10%

17. Enter the cash compensation amounts for the non-executive chairman of your bank for FY 2018.

Median values reported. Proxy data included. Only asked of respondents who indicated the chairman is an independent director. *Indicates a count of less than 10 within a field.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Fee per board meeting	\$2,000*	\$800	\$1,000	\$1,000	\$800	\$900
Annual cash retainer	\$97,000	\$40,000	\$17,813	\$9,000	\$10,400	\$30,000
Equity compensation	\$69,987	\$25,000	\$10,164	\$18,000*	\$15,000*	\$25,000

Ownership Structure	Public	Private	Mutual	Total
Fee per board meeting	\$800	\$900	\$1,400	\$900
Annual cash retainer	\$35,000	\$12,000	\$37,200	\$30,000
Equity compensation	\$30,000	\$15,000	\$18,000*	\$25,000

18. Outside directors at my bank receive the following types of compensation.

Respondents were asked to select all that apply. Proxy data included.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Board meeting fee	27%	66%	84%	86%	87%	72%
Annual cash retainer	96%	86%	69%	40%	46%	69%
Committee fees	50%	68%	76%	49%	56%	62%
Equity compensation	80%	58%	27%	5%	10%	37%
Committee retainer	84%	40%	15%	5%	3%	29%
Deferred compensation/benefits	14%	12%	10%	9%	10%	11%

Ownership Structure	Public	Private	Mutual	Total
Board meeting fee	58%	86%	91%	72%
Annual cash retainer	86%	48%	65%	69%
Committee fees	63%	62%	61%	62%
Equity compensation	60%	13%	4%	37%
Committee retainer	45%	8%	22%	29%
Deferred compensation/benefits	11%	6%	35%	11%

19. Enter the cash compensation amounts for outside directors for FY 2018.

Median values reported. Proxy data included. *Indicates a count of less than 10 within a field.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Fee per board meeting	\$2,000	\$1,000	\$800	\$1,000	\$750	\$900
Annual cash retainer	\$50,000	\$21,000	\$12,850	\$8,800	\$9,700	\$20,000
Equity compensation	\$55,011	\$25,000	\$10,000	\$12,000*	\$10,000*	\$30,000

Ownership Structure	Public	Private	Mutual	Total
Fee per board meeting	\$938	\$800	\$1,150	\$900
Annual cash retainer	\$25,000	\$11,250	\$20,600	\$20,000
Equity compensation	\$33,084	\$14,140	\$18,000*	\$30,000

20. Which of the following benefits and perks are offered to independent directors?

Respondents were asked to select all that apply. Proxy data included.



No benefits offered



Travel expenses



Life insurance

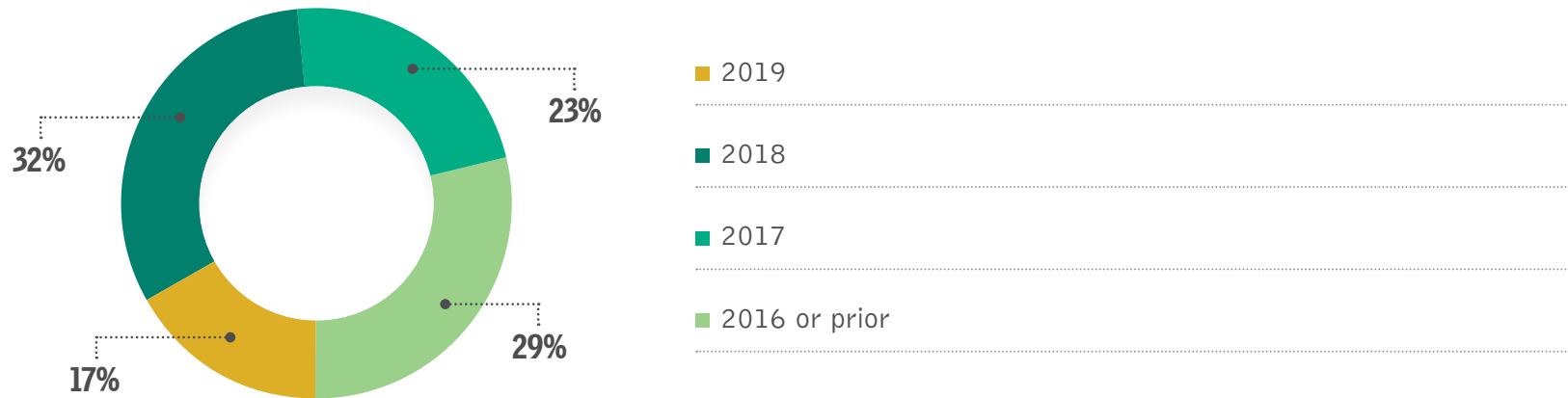


Retirement plan

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
No benefits offered	72%	53%	62%	75%	70%	65%
Travel expenses	19%	38%	31%	17%	22%	27%
Life insurance	13%	14%	7%	7%	11%	10%
Retirement plan	9%	15%	3%	5%	5%	8%
Eligibility for group medical insurance	6%	7%	2%	5%	8%	5%
Other perks	3%	4%	2%	2%	5%	3%
Long-term care insurance	3%	1%	3%	3%	3%	3%
Paid medical insurance	6%	3%	-	2%	3%	2%

21. When did the board last raise director pay?

Numbers don't add up to 100 percent due to rounding. *Indicates a base count of less than 10 within a category.



Bank Asset Size	>\$10B*	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
2019	-	15%	18%	22%	10%	17%
2018	-	33%	37%	30%	28%	32%
2017	100%	30%	22%	18%	13%	23%
2016 or prior	-	22%	22%	30%	49%	29%

22. Which board-level committees does your bank have?

Respondents were asked to select all that apply. Proxy data included.



Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Audit	100%	99%	97%	97%	91%	97%
Compensation	100%	92%	88%	71%	68%	86%
Governance/nominating	96%	87%	61%	36%	18%	64%
Loan	2%	44%	55%	73%	79%	50%
Executive	32%	40%	45%	42%	47%	41%
Asset/liability (ALCO)	7%	23%	43%	56%	68%	37%
Risk	84%	42%	18%	19%	6%	34%
Compliance	16%	16%	18%	27%	24%	20%
Technology	9%	15%	18%	27%	32%	19%
Trust	7%	22%	24%	19%	6%	18%
Other	21%	14%	10%	14%	12%	14%
Innovation	-	-	-	2%	-	0.3%

23. How many times did the following meet in FY 2018?

Median values reported. Proxy data included. *Indicates a base count of less than 10 within a field.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Holding company	8	10	12	6	8	10
Lead bank	8	12	12	12	12	12
Audit committee	9	6	5	4	4	5
Compensation committee	6	5	3	2	2	4
Governance/nominating committee	4	4	2	1	2*	3
Loan committee	4*	12	12	24	15	15
Executive committee	4	4	5	5	3	4
Asset/liability (ALCO) committee	4*	4	4	4	4	4
Risk committee	4	4	4	5	4	4
Compliance committee	7.5*	4	4*	5	4*	4
Technology committee	4*	4	4	4	4	4
Trust committee	4*	4	6	4	4*	4

24. How many board members currently serve on each?

Median values reported. Proxy data included. *Indicates a base count of less than 10 within a field.

Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Holding company	12	11	9	8	7	10
Lead bank	12	11	10	9	8	10
Audit committee	5	5	4	4	4	4
Compensation committee	4	5	4	4	3.5	4
Governance/nominating committee	4	5	4	4	3.5*	4
Loan committee	7*	6	6	6	4.5	6
Executive committee	6	5	5	5	4	5
Asset/liability (ALCO) committee	7*	5	5	4	3.5	5
Risk committee	5	5	4.5	5*	5*	5
Compliance committee	4*	5	4*	4	3.5*	4
Technology committee	4*	4	4	3	3	4
Trust committee	5*	4.5	3.5	3	5*	4

25. Enter the per-meeting fees your bank paid in FY 2018 to the members of each committee.

Median values reported. Proxy data included. *Indicates a base count of less than 10 within a field.

Committee Member						
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Audit committee	\$1,000	\$750	\$500	\$300	\$258	\$500
Compensation committee	\$1,000	\$500	\$350	\$275	\$200	\$440
Governance/nominating committee	\$1,000	\$500	\$350	\$250*	\$208*	\$500
Loan committee	\$500*	\$500	\$350	\$250	\$200	\$300
Executive committee	\$1,500*	\$825	\$350	\$250	\$250*	\$463
Asset/liability (ALCO) committee	\$500*	\$500*	\$400	\$250	\$150	\$350
Risk committee	\$1,000	\$650	\$400*	\$100*	\$215*	\$690
Compliance committee	\$500*	\$700*	\$350*	\$213*	\$200*	\$350
Technology committee	\$1,700*	\$500*	\$350*	\$250*	\$300*	\$300
Trust committee	\$1,250*	\$500	\$525*	\$150*	\$200*	\$425

26. Enter the per-meeting fees your bank paid in FY 2018 to the chairman of each committee.

Median values reported. Proxy data included. *Indicates a base county of less than 10 within a field.

Committee Chairman						
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Audit committee	\$1,000*	\$750	\$500	\$300	\$258	\$500
Compensation committee	\$1,000*	\$650	\$500	\$400	\$200	\$500
Governance/nominating committee	\$1,000*	\$600	\$400	\$325*	\$233*	\$500
Loan committee	-	\$600	\$400	\$300	\$200	\$350
Executive committee	\$1,000*	\$800	\$500	\$250	\$138*	\$413
Asset/liability (ALCO) committee	\$500*	\$500*	\$500	\$300	\$150*	\$400
Risk committee	\$1,000*	\$825	\$550*	\$100*	\$215*	\$600
Compliance committee	\$1,000*	\$1,000*	\$400*	\$300*	\$175*	\$500
Technology committee	-	\$600*	\$500*	\$300*	\$350*	\$358
Trust committee	\$1,000*	\$563*	\$913*	\$200*	\$200*	\$500

27. Enter the retainer your bank paid in FY 2018 to the members of each committee.

Median values reported. Proxy data included. *Indicates a base count of less than 10 within a field.

Committee Member						
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Audit committee	\$11,000	\$6,000	\$10,000*	\$1,500*	\$25,000*	\$8,800
Compensation committee	\$7,250	\$3,000	\$15,000*	\$1,750*	\$25,000*	\$6,000
Governance/nominating committee	\$20,000*	\$2,750	-	\$2,000*	-	\$5,000
Loan committee	-	\$7,500*	\$10,000*	\$4,000*	\$25,000*	\$6,250*
Executive committee	\$70,000*	\$2,500*	\$16,398*	\$2,300*	-	\$6,000
Asset/liability (ALCO) committee	-	\$1,500*	-	\$800*	\$25,000*	\$1,500*
Risk committee	\$10,000	\$4,000*	-	\$100*	-	\$6,750
Compliance committee	\$20,000*	\$6,000*	-	\$100*	-	\$10,000*
Technology committee	\$12,500*	\$10,000*	-	\$1,500*	-	\$7,500*
Trust committee	-	\$6,000*	-	-	-	\$6,000*

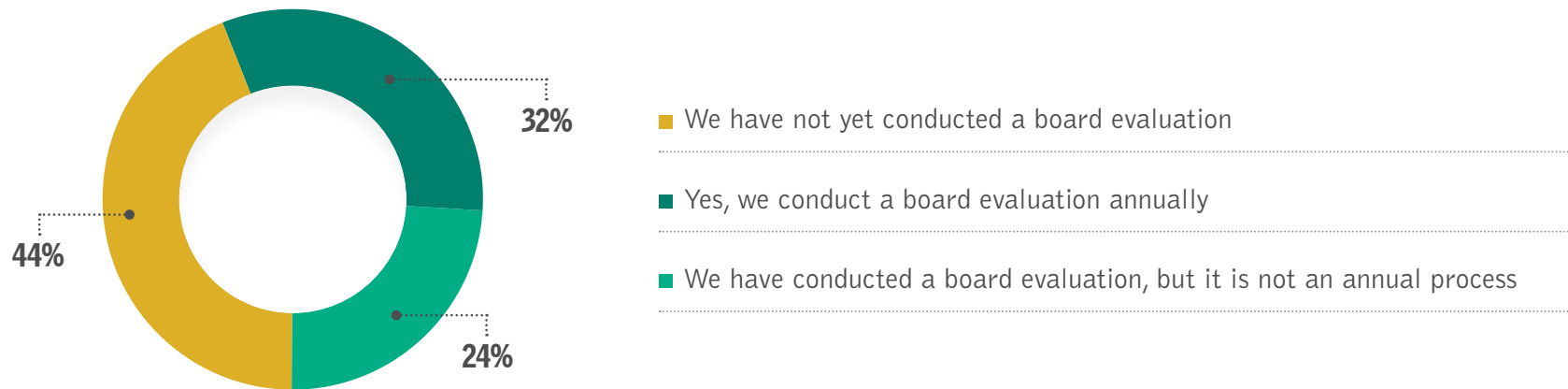
28. Enter the retainer your bank paid in FY 2018 to the chairman of each committee.

Median values reported. Proxy data included. *Indicates a base count of less than 10 within a field.

Committee Chairman						
Bank Asset Size	>\$10B	\$1B - \$10B	\$500M - \$1B	\$250M - \$500M	<\$250M	Total
Audit committee	\$15,000	\$8,750	\$4,500	\$1,800*	\$13,000*	\$10,000
Compensation committee	\$11,500	\$5,000	\$3,150*	\$1,500*	\$25,000*	\$7,500
Governance/nominating committee	\$10,000	\$4,500*	\$1,500*	\$3,000*	-	\$7,000
Loan committee	\$3,000*	\$8,000	\$10,000*	\$4,500*	\$25,000*	\$5,000
Executive committee	\$10,000*	\$3,650	\$25,000*	\$2,300*	\$1,000*	\$5,000
Asset/liability (ALCO) committee	\$40,000*	\$5,000*	\$2,500*	\$800*	\$25,000*	\$5,000
Risk committee	\$10,000	\$8,000	\$1,500*	\$1,000*	-	\$10,000
Compliance committee	\$20,000*	\$12,000*	-	\$100*	-	\$12,000*
Technology committee	\$22,500*	\$4,000*	-	\$1,500*	-	\$20,000*
Trust committee	\$6,250*	\$4,000*	-	-	-	\$4,500

BOARD REFRESHMENT

29. Does your board conduct an annual board evaluation to identify training gaps, evaluate board processes and procedures, and/or examine the performance of individual directors?



Ownership Structure	Public	Private	Mutual	Total
We have not yet conducted a board evaluation	27%	54%	42%	44%
Yes, we conduct a board evaluation annually	53%	18%	42%	32%
We have conducted a board evaluation, but it is not an annual process	20%	27%	16%	24%

30. Is the board evaluation used to identify underperforming or less engaged directors?

Question asked of respondents who indicate the board conducts an annual evaluation.



31. Does the board have a mandatory retirement age or similar mechanism to open seats for new board members?



- No, we do not have an age or tenure-based mechanism in place
- We have a mandatory retirement policy
- We have tenure or term limits
- Other

Ownership Structure	Public	Private	Mutual	Total
No, we do not have an age or tenure-based mechanism in place	45%	65%	10%	53%
We have a mandatory retirement policy	49%	28%	85%	41%
We have tenure or term limits	3%	4%	5%	4%
Other	3%	3%	-	3%

75



32. What is the mandatory retirement age for board members?

Median value reported. Question only asked of respondents who indicate their board has a mandatory retirement age.

48



33. What is the age of your youngest board member?

Median value reported.

34. How long have you served on the board, and what is your age?

Median values reported. Question only asked of independent directors and chairmen.

13



Tenure (years)

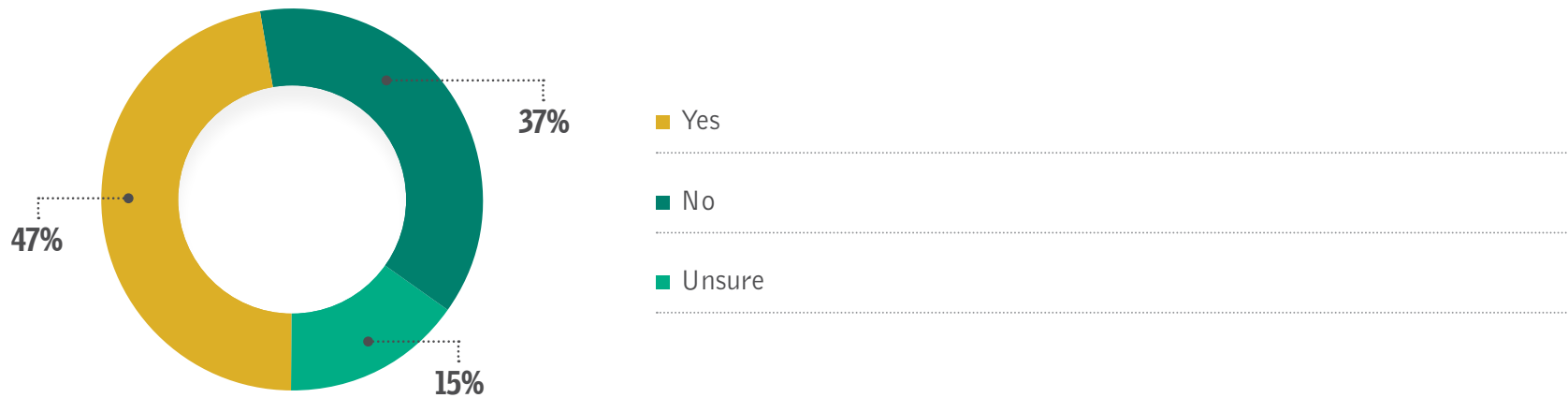
64



Age

35. Is the board and/or nominating/governance committee working to recruit younger directors?

Numbers don't add up to 100 percent due to rounding.



Ownership Structure	Public	Private	Mutual	Total
Yes	59%	41%	47%	47%
No	28%	43%	37%	37%
Unsure	13%	17%	16%	15%

36. What challenges does your board face in attracting younger directors?

Respondents were asked to select all that apply. Only asked of respondents who indicated the board or governance/nominating committee is working to recruit younger directors.

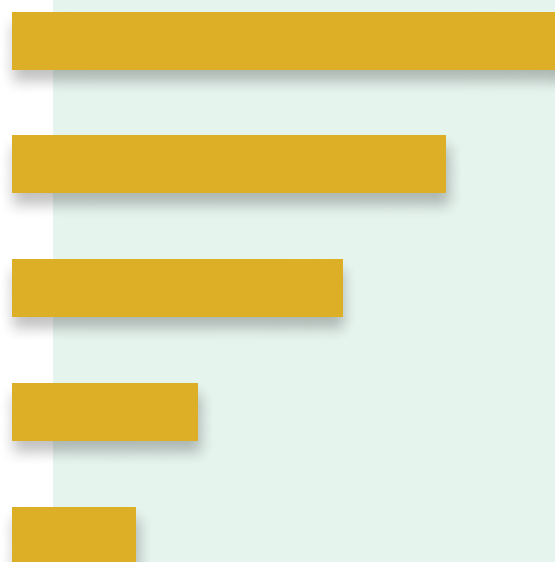
54% They lack the necessary experience

42% They're too focused on building their careers to serve on the board

32% They can't afford to make a sufficient investment in the bank

18% They're not interested in serving on a bank board

12% Other

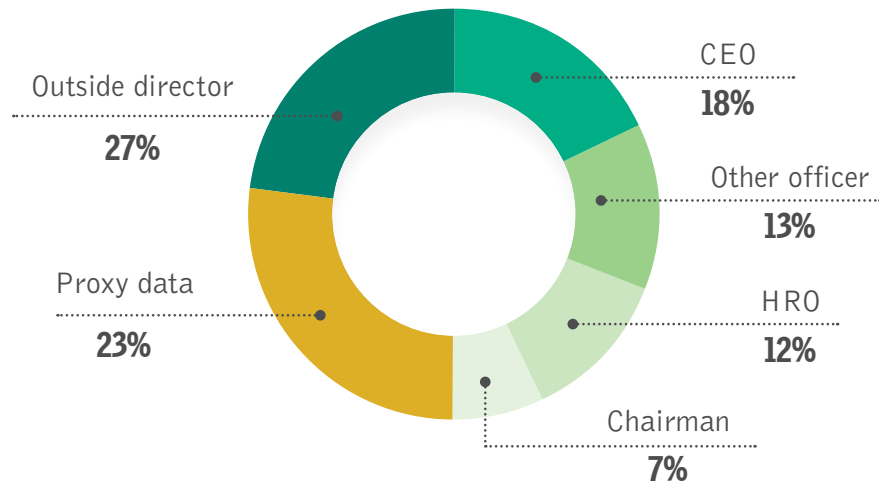


Ownership Structure	Public	Private	Mutual	Total
They lack the necessary experience	60%	52%	44%	54%
They're too focused on building their careers to serve on the board	49%	39%	33%	42%
They can't afford to make a sufficient investment in the bank	32%	34%	22%	32%
They're not interested in serving on a bank board	8%	23%	33%	18%
Other	8%	9%	44%	12%

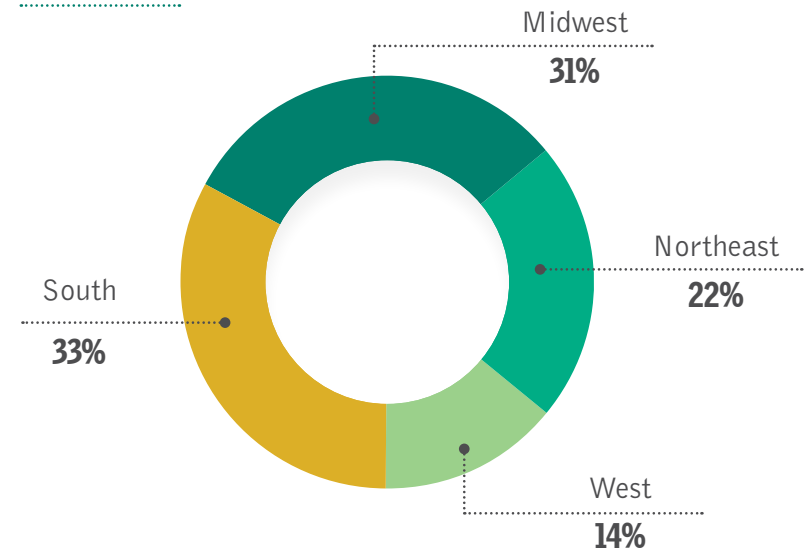
ABOUT THE SURVEY

Bank Director's 2019 Compensation Survey, sponsored by Compensation Advisors, surveyed 348 independent directors, chief executives, human resources officers and other senior executives of U.S. banks to examine trends in director and CEO compensation, and how banks are approaching succession planning and board refreshment. The survey was conducted in April 2019. At the same time, compensation data for directors and CEOs in fiscal year 2018 was collected from the proxy statements of 103 publicly traded financial institutions. Thirty-one percent of respondents represent a financial institution between \$1 billion and \$10 billion in assets, and almost one-quarter a bank between \$500 million and \$1 billion. Forty-nine percent represent a publicly traded institution. Sixty-four percent are located in the South or the Midwest.

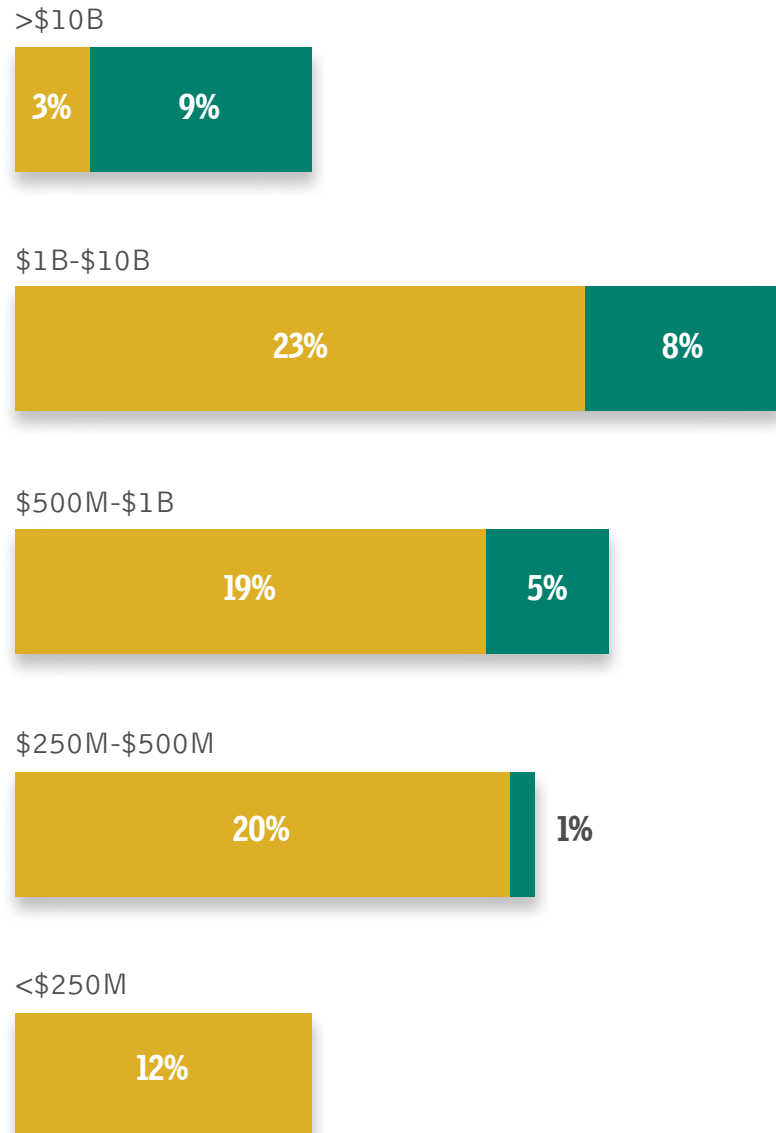
TITLE



REGION



ASSET SIZE



■ Respondents ■ Proxy

OWNERSHIP STRUCTURE

