2024 PACB CONVENTION

Corporate Governance
How to Be a Better Director

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Nicholas Bybel, Jr. is a partner of Bybel Rutledge LLP where his practice focuses on business and corporate law, mergers and acquisitions, financial institution regulation, securities offerings and compliance, and corporate governance. Mr. Bybel also regularly consults on corporate structuring, strategic planning, and capital formation.

During his years of practice, he has represented financial institutions in over 151 mergers, acquisitions, and divestitures. His practice has focused on advising both public and private companies on corporate, strategic and transactional issues. As a result, he has become a trusted advisor to many corporate clients and their Boards of Directors.

Mr. Bybel has taught courses in mergers and acquisitions and securities regulation as a member of the Adjunct Faculty of The Dickinson School of Law of The Pennsylvania State University. Recent publications include “The Role of the Board of Directors in Merger and Acquisition Scenarios,” “A Company’s Duties and Obligations under the Securities Laws,” and “Strategic and Capital Planning to Enhance Long-Term Shareholder Value.”

Mr. Bybel has presented at numerous conferences focused on the financial services industry and is course planner for annual conferences addressing mergers & acquisitions and SEC compliance issues for publicly held companies.

Mr. Bybel has been selected for inclusion for the fifteenth consecutive year, in the Best Lawyers in America® 2025 in the areas of banking and finance, corporate, mergers and acquisitions, securities/capital markets law and securities regulation, including receiving the Best Lawyers® Lawyer of the Year Award in the areas of Mergers and Acquisitions Law for 2023, 2021 Banking and Finance in 2024, 2022, and Corporate Law in 2025 and 2019.

Mr. Bybel is admitted to practice law in Pennsylvania and before the United States Supreme Court and United States Tax Court. Mr. Bybel is a member of numerous professional Associations including the American Bar Association and its Business Law Section, the Pennsylvania Bar Association and its subcommittees for Business Law and Tax Law.

Mr. Bybel received his Juris Doctor from The Dickinson School of Law and an L.L.M. in Taxation (with emphasis on securities law) from Georgetown University Law Center. He is a summa cum laude graduate of Albright College, Reading, PA.

Mr. Bybel is also active in philanthropic, charitable and civic organizations including service to: the Board of The Dickinson School of Law of the Pennsylvania State University, the Board of Directors of the Albright College Alumni Association; former member of the Board of Directors of Crime Stoppers of Dauphin County; and a member of Lodge No. 62 F&AM, Reading, PA.

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A Secret Formula:

$$V(S_t,K,t)=S_t^{*}\mathrm{N}\left(\frac{\ln\frac{S_t^{\alpha}}{K}+\left(r^{*}+(\sigma_{\lambda}^{*})^{2}\right)(T-t)+(\sigma_{H}^{*})^{2}\left(T^{2H}-t^{2H}\right)}{\sqrt{(\sigma_{\lambda}^{*})^{2}(T-t)+(\sigma_{H}^{*})^{2}\left(T^{2H}-t^{2H}\right)}}\right)-$$

$$-KN\left(\frac{\ln\frac{S_t^{\alpha}}{K}+r^{*}(T-t)}{\sqrt{(\sigma_{\lambda}^{*})^{2}(T-t)+(\sigma_{H}^{*})^{2}\left(T^{2H}-t^{2H}\right)}}\right)$$

where

$$S_t^{*}=S_t^{\alpha}\exp\left[r^{*}(T-T_0)-\int_{T_0}^{T}r(\tau)\,d\tau+\frac{(\sigma_{H}^{*})^{2}\left(T^{2H}-T_0^{2H}\right)+(\sigma_{\lambda}^{*})^{2}(T-T_0)}{2}\right]$$

$$r^{*}=\frac{1}{T}\int_{0}^{T}\alpha(r_{\tau}-q_{\tau})\frac{T-\tau}{T}\,d\tau-\frac{\alpha\sigma^{2}\left(\lambda+2T^{2H-1}\right)}{4}+\frac{H\alpha\sigma^{2}T^{2H-1}}{2H+1}$$

$$\sigma_{\lambda}^{*}=\sqrt{\lambda}\,\alpha\sigma\sqrt{1-\frac{2}{3}\frac{T-T_0}{T-t}}\qquad \sigma_{H}^{*}=\alpha\sigma\sqrt{1-\frac{H(2H+3)}{(H+1)(2H+1)}\frac{T^{2H}-T_0^{2H}}{T^{2H}-t^{2H}}}$$

However…not the secret formula to creating Good Corporate Governance or
How to be a Better Director…

or even a good Golf Game.

Introduction

- Boeing, Bayer, Johnson & Johnson and Wells Fargo
  - All large companies with a focus on shareholder value
  - All currently facing a crisis, in some cases a prolonged crisis

- Good Governance is critical when challenges arise
  - Developing Good Governance during a crisis or when under enforcement is too late!
  - Must develop and maintain good governance when times are good!

Agenda

- What is Good Governance
- How does it Impact Shareholder Value
- What are the current and evolving trends in Corporate Governance
- What is the relationship among Good Governance, Corporate Reputation, and Shareholder Value
- What is the relationship between Corporate Governance, Fiduciary Duty and Shareholder Value
- What is the relationship between transparency, accuracy, consistent communication and Corporate Governance
- How good Corporate Governance can enhance the probability of a successful outcome
- How can I be a "Better Director"

SPOILER ALERT: Good Directors, Practice Good Governance

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What is Good Governance?

What is Corporate Governance?

A Company's internal mechanisms that define the relationships between the board of directors and…

- Shareholders
- Management
- Stakeholders

CORPORATE GOVERNANCE IS THE WAY A COMPANY POLICES ITSELF

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How Does Corporate Governance Benefit a Company?

- Corporate governance practices are transitioning from simply meeting legal requirements to enhancing a company's performance and corporate reputation.

- Effective corporate governance improves the decision-making process to maximize economic value consistent with the company's objectives.

Why Should Corporate Governance Matter to You?

- Corporate governance is intended to increase the accountability of the company and to avoid major disasters **before** they occur
  - Questionable ethics and “creative” accounting can cause massive financial and legal problems
- Effective governance can help prevent scandals and frauds, while simultaneously enhancing the company’s image in the public eye as a responsible and worthy capital investment

- **Corporate governance keeps a company honest and out of trouble**

Understanding Governance Means Understanding Board of Directors Evolution

How have Boards Evolved?

- Ceremonial Board
- Liberated Board
- Progressive Board

Ceremonial Board

Characteristics:

- Formalistic
- Downstream communication
- Tight agenda
- Approval of proposed actions

Liberated Board

- Characteristics:
  - ✓ Engaged, excited
  - ✓ Individual action, not collective
  - ✓ Lack of focus, tangents drain energy
  - ✓ Lack of direction, consensus, and closure
  - ✓ Necessary transition step
- Product of Sarbanes-Oxley

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Progressive Board

- Characteristics:
  - ✓ Uniformly effective as a cohesive group
  - ✓ Provides value while maintaining independence
  - ✓ Focus on issues and directors contribute to discussions leading to consensus and closure
  - ✓ Challenge without breaking harmony
- Goal:
  - ✓ Add value, long-term potential
  - ✓ Competitive advantage

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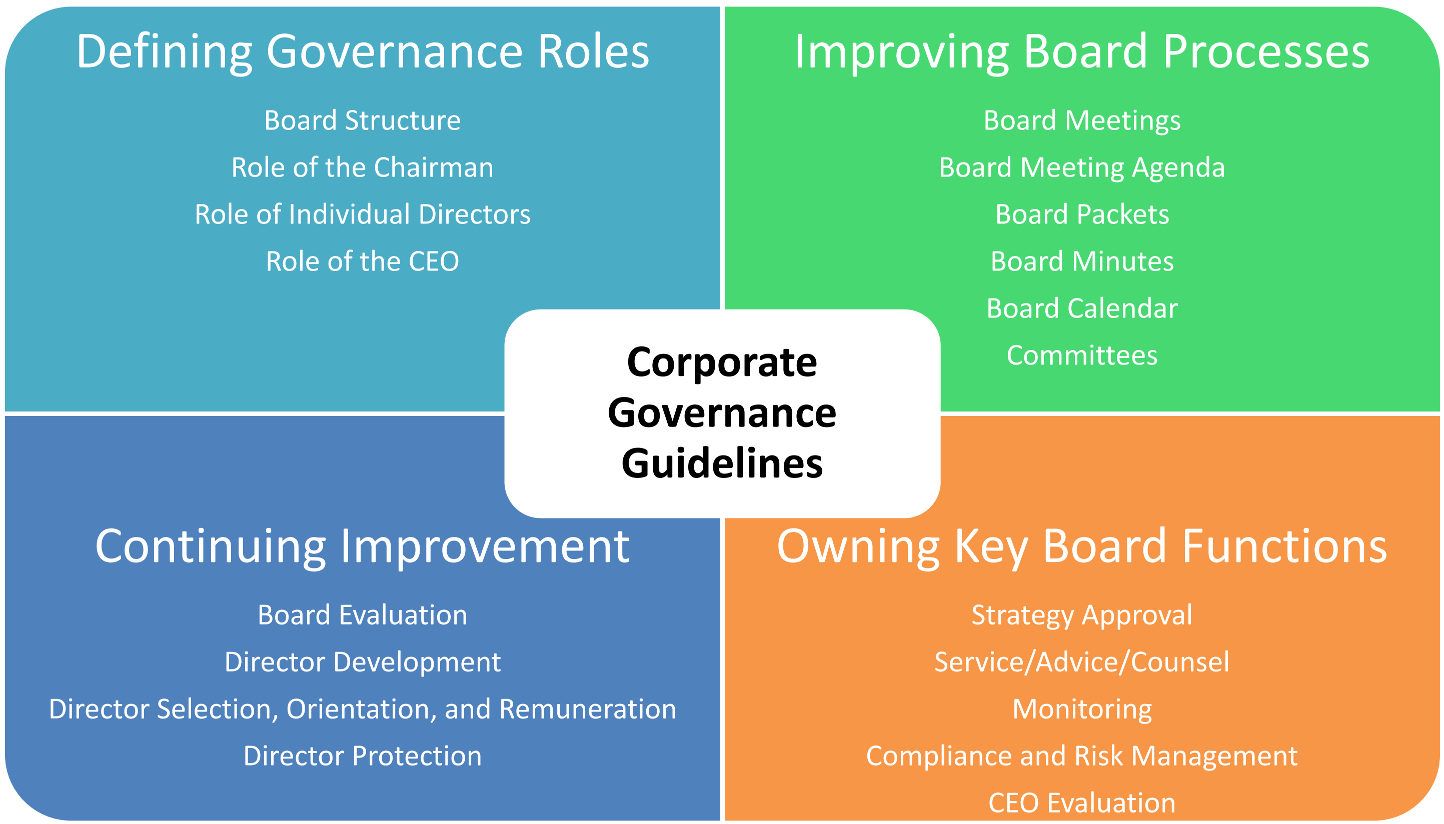
Phase Analysis

Exhibit 1: The Phases of Boards			
	Phase 1: Ceremonial	***Phase 2: Liberated***	***Phase 3: Progressive***
Group Dynamics	CEO all powerful; directors passive. No productive dialogue in boardroom.	Directors free to speak up in boardroom *but.* . .dialogue is fragmented, a few directors overstep bounds, tangents drain energy, and most of the time no consensus is reached. Board pledges to improve *but.* . .focuses on mechanical solutions and does not act on self-evaluation with conviction.	Directors gel as a group. Mutual respect and trust among directors and management. One or two directors emerge as facilitators to channel lively debates. Everyone participates and consensus is very frequently achieved on key issues. Self-evaluation gives tool for continuous improvement and directors take results seriously.
Information Architecture	Management tightly controls information flow. Usually too little information. Information is summarized at very high level, and presentations run long.	Management willingly makes company transparent to board but. . .is frustrated by ad hoc demands by some directors that leave management scrambling. Board asks for more information *but.* . . what they get is not packaged well and doesn't help the directors understand the guts of the business.	Information is focused, timely, regular, and digestible. Management anticipates board needs. Directors learn the business.
Focus on Substantive Issues	Compliance only. Usually rubber-stamps CEO's decisions.	Board desires to make a contribution *but.* . .overwhelmed by issues, becomes driven by compliance and routine operating issues.	Board and CEO jointly set twelve-month agenda. Board focuses on issues that are value-added and anticipatory, as well as those that are compliance-related.

Source: Boards that Deliver, Charan.

How Do Progressive Boards Operate?



Said another way. . .

3 Key Roles Encompass Nine Detailed Board Best Practices

Shape mission and strategic direction

- Shape the mission and vision
- Engage actively in strategic decision making and policy decisions

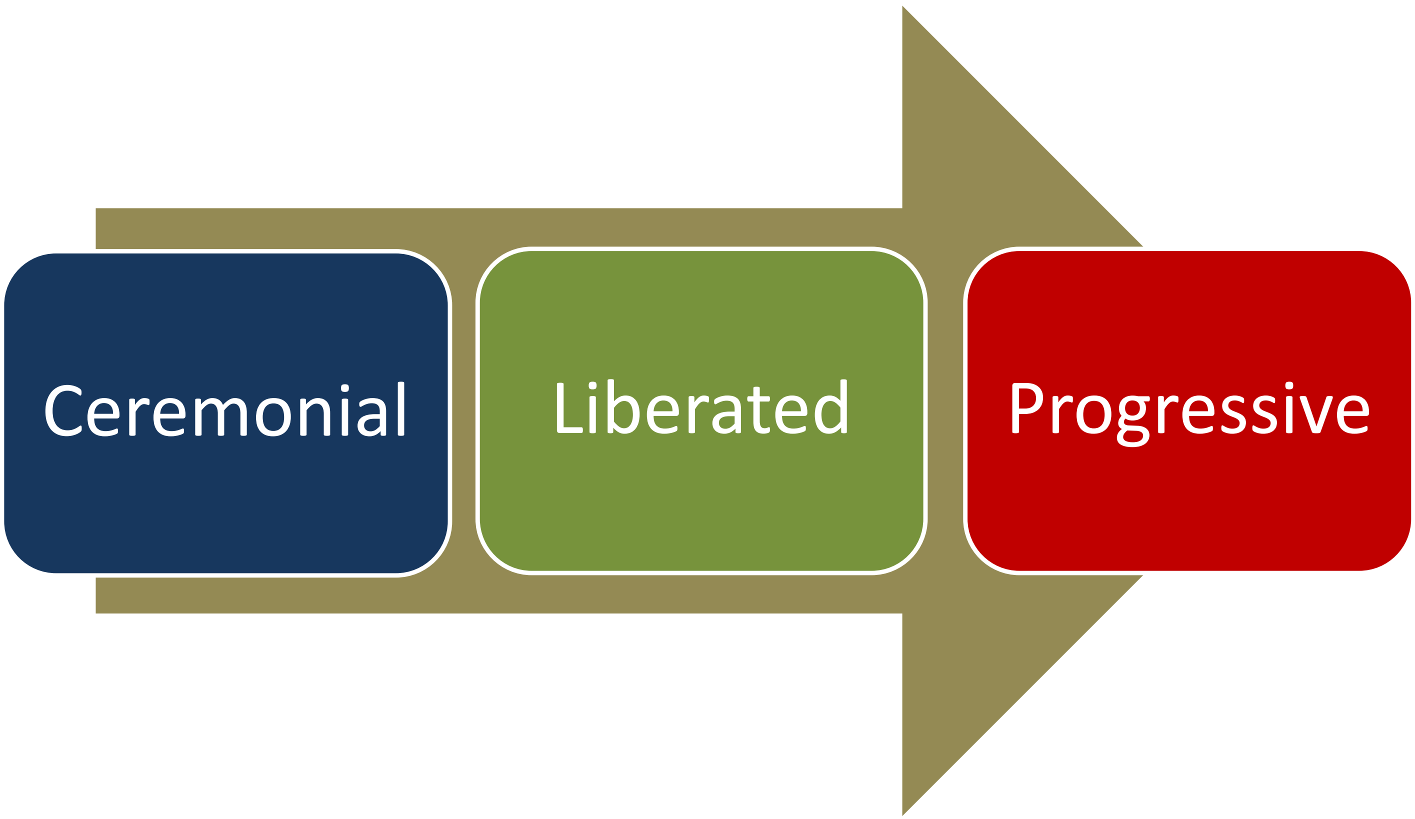
Monitor and improve performance

- Oversee financial management and ensure appropriate risk management
- Monitor performance and ensure accountability
- Improve board performance

Ensure leadership and resources

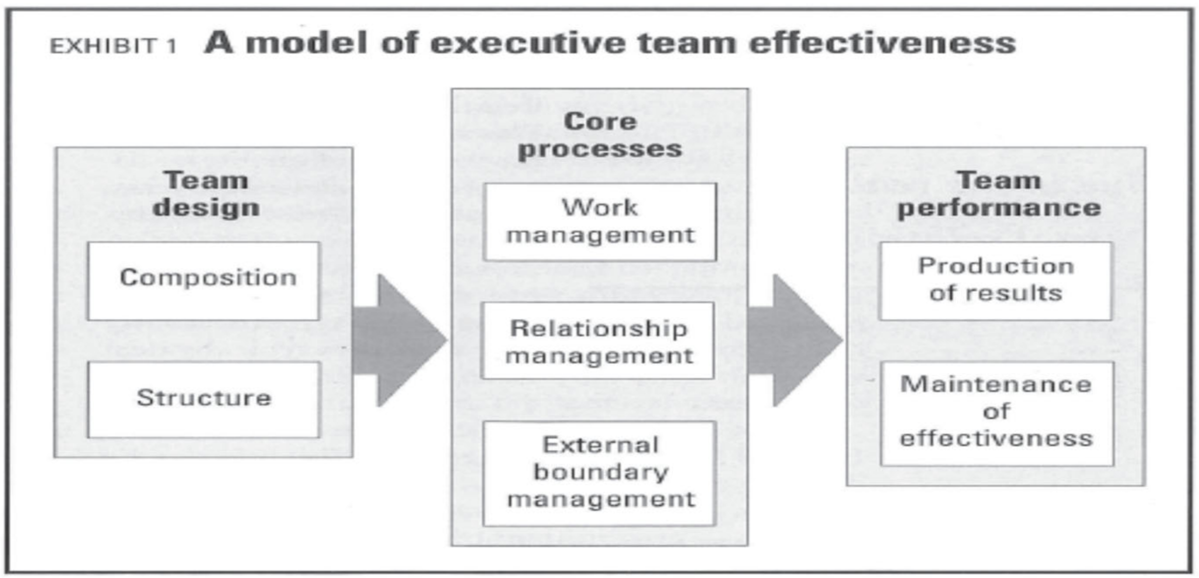
- Select, evaluate, and develop the CEO
- Ensure adequate financial resources
- Provide expertise and access for company needs
- Enhance reputation of company

Where Do We Stand As A Board?



The Board as a Team

- Boards, working as a team, provide significant ongoing value to the company



Source: From Ritual to Real World: The board as a team, David A. Nadler.

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How Does Corporate Governance Build Value?

Corporate Governance that Builds Value

- Roles of the Board
  - Provide Strategic Oversight
  - Influence the Development of Leadership
  - Create a Corporate Culture
  - Ensure Organizational Continuity via Succession
  - Evaluate Management Performance against Corporate Objectives
  - Oversee the adequacy of internal controls, risk management, financial reporting, and compliance

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Corporate Governance that Builds Value

- Development of Management Leadership
  - Communication
  - Evaluation
  - Compensation
    - Short Term
    - Long Term
  - Strategic Role
    - Who leads strategic planning?
      - Board of Directors or Management
      - “Chicken or Egg”

Corporate Governance that Builds Value

- Importance of Corporate Culture
  - Beliefs and behaviors of a company
  - Develops organically over time from the cumulative traits of the people the company hires
  - Often implied, not expressly defined
  - Affects every aspect of the business
    - Employee morale
    - Customer satisfaction
    - Public image

Balancing Short-Term and Long-Term Growth

- Boards are responsible for setting the agenda of the organization with respect to short-term and long-term goals
- Buffett and Dimon believe that the pressures to meet short-term earnings estimates have contributed to the decline in the number of public companies in America over the past two decades
- While an effective long-term strategy of corporate governance drives economic growth and job creation, an unhealthy focus on short-term profits at the expense of long-term strategy, growth and sustainability can harm the company and the entire economy
- Good governance balances growth and promotes long term shareholder value

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What are the Current and Evolving Trends of Corporate Governance

Pennsylvania Publicly Held Bank Holding Companies

Data for SEC Reporting Bank Holding Companies Between $500 Million and $5 Billion in Assets	2023	Five Year Trend
Average Number of Board Members	10.9	----
Chairman Independent of CEO	70% Yes 30% No	↑
Average Age of Directors	63.7	↑
Median Age of Directors	64	
Average Mandatory Retirement Age	74	↑
Percentage of Banks with Mandatory Retirement Age for Directors	48%	↑ *
Average Director Tenure	11.2	↑
Term Limits	1	----

* Bylaw Exceptions Prevalent

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What is the Relationship Among Good Governance, Corporate Reputation, and Shareholder Value

Corporate Governance and its Impact on Shareholder Value

- The Institutional Shareholder Services conducted a study on the correlation between corporate governance and company performance
  - The study considered four corporate governance factors
    - Board Composition;
    - Compensation;
    - Takeover Defenses; and
    - Audit
  - Board Composition identified as most important factor and Takeover Defenses as the least important factor

Source: ISS Corporate Governance Study: The Correlation between Corporate Governance and Company Performance

Weak Corporate Governance Leads to Lower Shareholder Value

1. Poor Stock Performance
    - Lower Stock Returns in the preceding 3, 5, and 10 year periods
    - 5 year returns are 3.95% below industry average
2. Less Profitable
    - Lower ROA, ROAE, ROAI, ROE, ROI
    - ROE 4.86% below industry average
    - Net profit margins 6.38% above industry average compared to companies with good corporate governance which had net profit margins of 21.66% above industry average (a performance difference of 28.04%)

Source: ISS Corporate Governance Study: The Correlation between Corporate Governance and Company Performance

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Weak Corporate Governance Leads to Lower Shareholder Value

3. Riskier
   - More share price volatility: 6.20% above industry average
   - Smaller with lower price-to-book ratios: 0.55 below industry average
   - Less interest coverage and lower operating cash flow to current liabilities: operating cash flow to current liabilities 0.01 above industry average compared to companies with good corporate governance at which that number is 0.29 above industry average
4. Lower Dividend Payouts and Dividend Yields
   - 3.81% below industry average dividend payout ratio

Source: ISS Corporate Governance Study: The Correlation between Corporate Governance and Company Performance

Strong Corporate Governance Leads to Higher Shareholder Value

1. Stronger Stock Performance
   - Higher Stock Returns in the preceding 3, 5, and 10 year periods
   - 5 year returns are 7.91% above industry average
2. More Profitable
   - Higher ROA, ROAE, ROAI, ROE, ROI
   - ROE 18.98% above industry average
   - Net profit margins 21.66% above industry average

Source: ISS Corporate Governance Study: The Correlation between Corporate Governance and Company Performance

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Strong Corporate Governance Leads to Higher Shareholder Value

3. Less Risky
   - Less share price volatility: 5.63% below industry average
   - Larger with higher price-to-book ratios: 0.59 above industry average
   - More interest coverage and higher operating cash flow to current liabilities: operating cash flow to current liabilities 0.29 above industry average
4. Higher Dividend Payouts and Dividend Yields
   - 6.64% above industry average dividend payout ratio

Source: ISS Corporate Governance Study: The Correlation between Corporate Governance and Company Performance

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Strong Corporate Reputation Leads to Higher Shareholder Value

- The International Journal of Business and Management explored the impact of corporate reputation on firm performance
- The Conclusions:
    1. **"Research universally shows that a good reputation demonstrably increases corporate worth and provides sustained competitive advantage."**
    2. **"Good corporate governance enhances the quality of corporate reputation which in turn enhances the financial performance and market value of the organization involved."**

Source: International Journal of Business and Management: Corporate Reputation & Firm Performance: Empirical Literature Evidence

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Common Characteristics of an Activist Target

- Low Market Value Relative to Book Value but Profitable
- Poor Operating Performance
- Undervalued Relative to Peer Group
- One or More Business Lines or Sectors Significantly Underperforming Compared to Market
- Institutional Investors Own Vast Majority of Outstanding Voting Stock
- Free Cash Flow (excess cash beyond what a firm requires for normal ongoing operations and capital investment)
- Zombie Directors
- Stale Board
- Outlier in Corporate Social Responsibility
- Director Restrictions
- Significant Media and/or Criticism about Acquisition, Regulatory Action, or Problematic Product Launch
- Board Considering or Conducting New CEO Search
- Executive Pay Inconsistent with Performance
- Failure to Follow Corporate Governance Best Practices

Source: Shareholder Activism, Who, What, When, and How?, PWC

Common Characteristics of an Activist Target (Banking Specific)

- Activism is prevalent in banking: about one-third of the public banks had some form of activism and about 8.5% of banks have activism during each year.
- Activist tend to target banks with the following attributes:
  - Value Banks
    - Low Profitability with Growth Potential
    - Smaller Size
    - Operate in Fewer States
  - Agency Problems
    - Higher Cash Holdings but Fewer Dividends
    - More Branches per Dollar of Assets
  - Easier to Implement Change
    - Higher Institutional Ownership
    - Higher Analyst Coverage
    - Fewer Deposits and More Loans

Source: Shareholder Activism in Banking, The Federal Reserve Bank of Kansas City Research Working Papers, Raluca A. Roman

Common Characteristics of an Activist Target (Banking Specific)

Reasons for Activist Engagement:

1. Engage Management (36.5%)
   – "Undervalued"
2. Strategic Changes (35.1%)
   – Business Strategy / M&A
3. Internal Corporate Governance (28.1%)
   – Electing Activist to Board / Firing CEO / Board Independence Challenges / Compensation Issues / Fair Representation / Declassify Board / Remove Poison Pill / Corporate Fraud
4. Capital Structure (13.9%)
   – Payout Policy / Capital Structure
5. Proxy Fight (11.6%)
6. Asset Sale (6.5%)
7. Litigation/Bankruptcy (2.6%)

Source: Shareholder Activism in Banking, The Federal Reserve Bank of Kansas City Research Working Papers, Raluca A. Roman

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What is the Relationship Between Corporate Governance, Fiduciary Duty, and Shareholder Value

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Making Boards Work – Being a Better Director

5 Essential Changes to Make your Board Work and to be a Better Director

- Understand your Fiduciary Duty
- Selecting the Right People
- Spending Quality Time on Strategy
- Engaging with Long-Term Investors
- Compensating Directors for their Role

Source: Making Boards Work; McKinsey & Company

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Making Boards Work: Understand Your Fiduciary Duty

- What are my Legal Duties?
  - Duty of Good Faith
  - Duty of Care
    - The Standard of Care Provision
  - Duty of Loyalty
    - Interested Director Transactions
    - Usurpation of Business Opportunity

Making Boards Work: Selecting the Right People

- Independent Thinkers
- Industry Related or Specialized Knowledge
- Not having adequate directors is an invitation to activist shareholders

Source: Making Boards Work; McKinsey & Company

Making Boards Work: Spending Quality Time on Strategy

- Larger time commitment from directors
- Specifically invest time and energy in understanding and shaping strategy
- Directors should commit at least 35 days a year to their role as a director
- Just being present is not enough; what matters most is the quality and depth of strategic conversations

Source: Making Boards Work; McKinsey & Company

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Making Boards Work: Engaging with Long-Term Investors

- Executives are pushed to maximize short-term results
- Essential to persuade institutional investors to be a counterforce
- Boards need to take an active role in facilitating dialogue with long-term shareholders

Source: Making Boards Work; McKinsey & Company

Making Boards Work: Compensating Directors for their Role

- Incentives can be a great motivator
- Structure directors’ pay toward longer-term rewards
  - Give existing directors incentive shares vesting a set number of years after directors step aside
  - Require incoming directors to purchase equity with their own money

Source: Making Boards Work; McKinsey & Company

What is the Relationship Between Transparency, Accuracy, and Consistent Communication

Boardroom Leadership - Making Boards More Effective

The Three Building Blocks of Progressive Boards:

1. Group Dynamics
2. Information Architecture
3. Focus on Substantive Issues

Source: Boards that Deliver, Charan

Group Dynamics – The Quality of Interactions

- Open mind, no hidden agenda, willing to listen, and be informed – the foundation for good dynamics

- Use board composition to develop an effective functioning group

- Group cohesiveness; i.e. highly functioning sports team where the Chair is the “quarterback”/”offensive coordinator”
  - Leads to constructive, consensus-building board meetings with time-efficient agendas

- “We may disagree at times, but at the end of the day, it’s a great group to work with and we respect each other.” – Can you say this about your board?

Research on group dynamics suggests that groups of 7 to 9 are the most effective at decision-making.

This structure allows all members to take personal responsibility for the group's actions and reach a consensus in a reasonably short time.

Source: Chait, Holland, and Taylor, Board Dynamics Research Team

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Information Architecture

- Board Briefing
- CEO and Senior Management Communications
- Employee and Customer Satisfaction Surveys
- Director Education
- Community Involvement
- Reports of Committees
- Twelve Month Agenda

Source: Boards that Deliver, Charan, as adapted

Twelve Month Agenda – Discipline and Progression

Keeping the BIG Picture

- Strategy
- People
- Risk Management
- Compliance
- Operating Effectiveness
- Urgent Issues

Source: Boards that Deliver, Charan, as adapted

What are the Substantive Issues?

- What is our board's culture? Where are we on the continuum toward becoming a progressive board?
- Do we have the right CEO and senior management team?
- Do we have the right strategy?
- Does the compensation system (incentives) link to the strategy?
- Do we understand how we make money and the external factors and internal factors influencing our ability?
- Is the senior management team looking at external trends and diagnosing the opportunities and threats presented?
- What are the sources of inorganic and organic growth?

We have to use the time we have effectively, and we have to get the right kind of information.

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Boardroom Leadership – Enhancing Your Contribution as a Director

- Understand your company's core business and strategy
- Leverage your knowledge, skills, and experiences to impact the board's unique mission and operating structure
- Assemble and analyze the right level of information that will allow you to make better decisions
- Know when to seek advice from outside consultants and when to rely on your own judgment

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1. Understand Your Company's Core Business And Strategy – Be An *Active* Learner

- Trend Review: Understand the issues that will significantly change, influence, or affect the industry. (i.e. Economic factors, Capital Markets, Technological Factors, and Regulatory Factors)

- Business Review: Three vantage points: competitors, customers, and stakeholders

- Financial Review: Financial Fundamentals (i.e. industry acronyms, balance sheet, income statement)

- Organizational Review: Culture, structure, senior management, leadership development, and employee morale

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2. Leverage Your Knowledge, Skills, And Experiences

- Know why you are on the board – what value do you provide to the bank, the board, and to the CEO?
- How might your experiences help the board oversee the bank's strategy, compliance, and succession planning?
- Understand how interactions among directors and their backgrounds will impact decision making and outcomes.

3. Assemble and Analyze Information

- All directors need a common understanding of the bank that provides a foundation for informed debate and decision-making.
- How well do you understand the issues the bank faces?
- Ask management to provide information in a concise format that you can understand and that highlights the most critical information.
- Know how the bank makes money in both the short and long-term.
- On a quarterly basis, reserve an hour or two of a board or committee meeting for continuing education lead by an internal or external speaker.

Healthy Boards Have Regular Performance Checkups

- Examine the board's structure, processes, and policies -- essential to building the board's effectiveness (i.e., keeping the board focused on the right things) and improving its efficiency (i.e. ensuring that directors are doing the right things in the right way)

- Assess performance though questionnaires tailored to the board's and bank's circumstances

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How Can We Improve as Directors and Evolve as a Board?

- Be open-minded and collaborative
- Demonstrate commitment or recommit
- Set responsibilities knowledgeably
- Develop inter-board accountability
- Contribute to dialogue that encourages discussion, focuses on key issues and leads to consensus and clear closure
- Be constructive with feedback
- Conduct and then use performance evaluations
- Establish a corporate governance framework
- Develop and then recruit and select new directors based on a specific set of selection criteria matched against the current board's skills and experiences and perceived corporate needs

How Does Good Corporate Governance Enhance the Probability of a Successful Outcome

Good Governance Results in Good Processes

- Good Processes increase probability of good outcomes

OR

- Bad Governance increases the probability of bad outcomes
- Business Judgment Rule shields from liability for bad outcomes
- Business Judgement Rule can be met by Good Governance and Good Processes

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CONCLUSION

CHECKLIST FOR YOUR BOARD OF DIRECTORS

1. Where are you at in the life cycle of the board evolution and what must you do to become a progressive board ?
2. Is your board informed and up-to-date with recent industry trends and corporate governance trends? Do we know what we do not know?
3. Have you done a board assessment utilizing a board matrix (sample board matrix on next slide for reference)?
4. Does your board have and unparalleled understanding of the industry and your company relative to the industry as a whole?
5. Does your board know the differences in your business between today, yesterday, and tomorrow?
6. How do you plan to address the deficiencies you have discovered after completing the checklist?
7. How will the deficiencies discovered affect recruitment in the future?

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Sample Board Matrix

	Senior Leadership Experience (CEO/ President)	Business Development/ M&A Experience	Public Board Experience	IT/ Technical Experience	Brand Marketing Experience	Governance/Legal Experience
Smith		x	x	x		
Jones	x				x	
Lugo			x			
Drew	x					
Ortiz						x

Top Ten Things your Board Must do to be Successful and Create Value

1. Create “no bullshit” transparency, communications, and presentations that are accurate, plain spoken, and answer the questions of what, where, who, and when.
2. Create a corporate culture of clarity, integrity, honesty, and fair dealing.
3. Communicate clearly and without “marketing hype” the corporation’s strategic plan and direction.
4. Have meaningful and beyond peer equity ownership by directors and managers but not gained through “plans” at the shareholders’ expense. You need “real skin” in the game.
5. Create, implement, and continuously execute director and executive compensation that is fair and directly linked to overall corporate performance without the perception of being managed by managers, officers, or directors for gain at shareholders’ expense.

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Top Ten Things your Board Must do to be Successful and Create Value

6. Do not allow the pressure on short-term financial results and compliance overshadow long-term goals and vision.
7. Create a board of directors composed of quality individuals of varying expertise, who take leadership roles when it comes to their particular areas of expertise and that interact with one another to create a robust and effective social system in the boardroom, and ensure that board succession strategies are in place.
8. Have in place CEO and Senior Management succession planning to ensure a deep bench of talent that meshes with the culture, strategic direction, capabilities and experiences necessary to lead the bank into the future.
9. Collaborate with management to approach strategy formation from a new angle that ensures the corporation recognizes its exposure to innovative competitors and other potential risks and which prepares the corporation for these challenges to its business.
10. The shareholders (owners) come first. Regardless of what anyone else says.

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FINAL TAKEAWAY

Does the Board Get It and…

Do the Shareholders, Regulators, and Markets Believe that They Do!

Thank You

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