

BOARD ASSESSMENT SERVICES AMERICAN ASSOCIATION OF BANK DIRECTORS

AABD's Board Assessment Services are designed to provide to boards of directors of banks and savings institutions an independent, experienced perspective on the effectiveness of individual boards of directors.

Our staff and experts will conduct a review of board structures, practices, and policies and prepare a report identifying the board's strengths and weaknesses and how corporate governance might be improved.

The review is not a cookie cutter. We are not just applying a checklist of "best practices" that could apply to any bank or savings institution. We want to gain a practical understanding of how the board is governing itself, how it is working, and how it can be improved.

There are no grades. We provide comments and recommendations only. There is no singling out of individual directors or officers. The report is designed to be constructive, not destructive.

The review will be based on, among other things, the following:

- A comprehensive questionnaire identifying existing corporate governance practices
- A questionnaire on the attitudes of individual board members
- Board reports, board packages, board minutes, articles of incorporation and bylaws
- Committee reports, committee packages, and minutes from typical committee meetings
- Interviews with all of the board members and the CEO

The review can take place on premises or off-site.

The report will consist of a summary of the bank's current corporate governance system and recommendations on how to improve the system. Although the report will not assess individual board members, it will assess the board as a whole.

The report would be presented to the board of directors in draft form, with ample time to respond to any questions. The presentation can be in person or by conference call.

Each board member will have an opportunity to comment on the draft report. Any comments and suggestions by board members will be reflected in the final report.

The benefits of a board of directors' corporate governance assessment include an independent, qualified third party review of the system in place, an honest assessment of how the system is working, and how it might be improved. Boards that retain qualified persons to conduct independent assessments of the board are demonstrating their independence and willingness to explore ways in which the board can improve its governance of the institution.

AABD utilizes its experienced staff and/or outside bank and corporate governance consultants, including several members of AABD's Board of Advisors, to perform the study and prepare the report. There are substantial discounts for banks with AABD members. Please call David Baris, President of AABD at 202-463-4888 for more information.