AGENDA

April 21, 2020

8:00-8:30 a.m. Continental Breakfast

8:30 – 9:00 a.m. Welcome from RMA and Participant Introductions
  • Participant Discussions – Issues and Trends

9:00 – 9:45 a.m. Compensation Philosophy; Covered Employees
  • Is your philosophy generally/well understood?
  • How do you communicate it? Medium & frequency
  • Pay transparency
  • Utilization of market data
  • Pay mix; portion of pay at risk v. deferred?
  • How does risk/compensation play into your strategic planning process?
  • Whether institutions are making changes to their “Covered Employee” programs?
  • Additional simplifications?
  • Changes to identification processes?
  • Updates of score-carding process
    o Whether institutions continue to issue risk scorecards
    o How do institutions track their risk scorecards; i.e., monthly/quarterly/annually
    o When are employees informed of their performance
    o Challenges?
    o Best practices?

9:45 a.m. – 10:30 a.m. Challenges in Acquiring & Retaining Talent
  • Issues in local markets
  • Impact of persistent low net interest margin environment
  • Millennials/Gen X/Boomers; needs and expectations
  • Using Incentive Compensation Plans as a competitive advantage
  • How are you discussing/training employees relative to compensation, incentive compensation, compensation risk?

10:30 – 10:45 a.m. Break

10:45—11:30 a.m. Pay for Performance
  • Metric selection; goal setting
    o Pursuant to the institution’s budget
    o Relative to a peer group
    o Fixed standard
  • Aligning incentive plan design and pay for performance
    o How do you empower staff; and drive accountability?
    o Performance measures:
      ▪ EPS
      ▪ Net Income
11:30 – 12:15 p.m. Framework for Managing Incentive Compensation

- Number and Types of Incentive Programs
- Compensation Principles; Alignment with Risk Management Framework
  - How has your incentive compensation risk management process evolved over the past year?
- Structure of risk management incentive compensation oversight
- Role of HR, Compliance and Internal Audit
- How do you determine year-end compensation funding and decisions?
  - What role does risk play?
  - What is the role of the CRO?
  - How does your incentive compensation risk management program feed that process?

12:15 – 1:15 p.m. Lunch

1:15- 2:00 p.m. Risk Assessments

- Risk tools used to review incentive plans
- Validation and backtesting
- Plan modifications

2:00-2:45 p.m. Pool Adjustments

- Role of risk adjustments
- Determining whether adjustments should be made; quantitative v. judgement-based approaches
- Pool adjustment process

2:45– 3:30 p.m. Framework for Compensation Adjustment

- Process to determine risk adjustment
  - Triggers?
  - Definitions?
- Role/ importance of self-identified issues
- Due Process?
- Communication of risk adjustment
- Mechanics of claw-backs; equity cancellation

3:30- 4:15 p.m. Communications

- Working with the Line of Business
- Communications with Covered Employees
- Training

4:15 – 4:30 p.m. Summary: recap, action items and next steps.