

Breakout 2: **Building a Strategic Asset Board**

Terry Lehman

*Citizens & Northern
Corporation*

Cathy Richmond

Mascoma Bank

Moderated By:

Alan Kaplan

Kaplan Partners



BankDirector.

#BBTF24



TALENT MATTERS.

EXECUTIVE SEARCH | BOARD ADVISORY | MANAGEMENT ASSESSMENT

BANK DIRECTOR
BANK BOARD TRAINING FORUM 2024

September 16, 2024

Alan J. Kaplan, Founder & CEO

Building a Strategic Asset Board

- Terry Lehman, Retired CPA, Chair, Citizens & Northern Corporation/C&N Bank
- Joined C&N Board in 2016; Chair since 2021

- Cathy Richmond, Esq., Chair, Mascoma Mutual Financial Services Corp./Mascoma Bank
- Joined Mascoma Board in 2013; Chair since 2024

- Alan Kaplan, Moderator, Founder & CEO, Kaplan Partners
- Retained Executive Search and Board Advisory Firm Founded in 1994

Building a Strategic Asset Board

- Citizens & Northern Corporation (NASDAQ: CZNC)
 - \$2.6 Billion in assets
 - 30 offices: 28 in PA and 2 in NY
 - Active Wealth Management and Insurance Businesses
 - 11 Directors (4 women, 7 men)

- Mascoma Mutual Financial Services Corp.
 - \$2.9 Billion in assets
 - 29 offices evenly split in NH & VT plus 1 in ME
 - Active Wealth Management Business
 - 13 Directors (6 women, 7 men {two diverse men})

Building a Strategic Asset Board: Best Practices

- Be proactive and plan ahead for board succession.
- Consider Board Evaluations and ultimately Confidential Peer Assessments (360) to help identify areas for director improvement and board education.
- Consider a third-party to enhance assessment objectivity & confidentiality.
- Dealing with the “elephants in the boardroom” is a hallmark of great boards. Don’t shy away from issues like CEO Succession & Director Underperformance.
- Thoughtfully Evaluate the Skills, Demographics and Geographic Needs of the Board when the opportunity for a new director arises. Fish in new ponds!

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KAPLAN PARTNERS

RETAINED EXECUTIVE SEARCH AND BOARD ADVISORY FIRM

- Founded May 1, 1994: 30+ years of financial services governance, search & succession success!
- Board Advisory Services for: Director succession, performance, diversity, and recruitment
- Executive Assessment Services for: CEO succession and executive development
- Over 100 successful financial institution President/CEO succession assignments
- **Over 50% of 2020 thru 2023 executive placements were diverse talent**
- **Since 2020, 84% of board placements have been diverse talent (industry average = 59%)**

ALAN J. KAPLAN

FOUNDER + CEO

- 37 years in executive search and talent assessment
- Early career as a credit-trained corporate banker
- Led 100+ financial institution President/CEO succession assignments
- National Association of Corporate Directors *Certified Director & Board Leadership Fellow*
- Former Global Board of Directors, Association of Executive Search & Leadership Consultants (AESC). 2022 Recipient, *AESC Award of Excellence*
- Penn Liberty Bank Advisory Board member
- National speaker and author for industry associations on corporate governance, talent management, and leadership succession

DARA KLEIN

MANAGING DIRECTOR

- Financial Services Practice Co-Leader
- 20 years in retained executive search and board advisory
- Extensive Board, CEO, CFO and CRO search and assessment expertise
- Deep expertise in cultural assessment and organizational fit
- Industry leader in executive succession and talent management
- National speaker for women's business organizations, universities & associations
- PA Bankers Association, Champion for Women Award, 2021
- Women Business Collaborative, Advisory Council Co-Chair
- Getting Out and Staying Out, Board Member, Vice-Chair Governance Committee