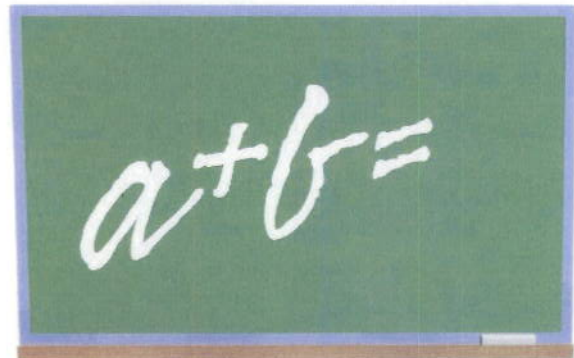


In Training

Educating your board of directors helps ensure their success – and yours.

BY MELANIE SCARBOROUGH



The Director's To-Do List

As part of his training for bank directors, Jay Brew of m.rae resources inc. provides them with a list of director's duties:

1. The first duty of a director is to create long-term value.
2. The second duty is to create a strategic plan.
3. The third duty is to set the risk tolerance of the bank.
4. The fourth duty is to evaluate the CEO.
5. The fifth duty is to be educated.

"Around that is the creation of value and strategic goals and how do we protect the bank from a risk standpoint, and do we have the leadership? Education needs to be done at every point within those duties."

Brew points out that "nowhere in those duties does it say you have to micromanage." Directors don't need to be educated on handling tactical situations, he tells them; it is management's job to deal with those. "We recommend becoming a more focused bank director. We bring them back to the strategic goals."

—M. S.