

Preview of the Research Report:

*2002 Board of Director
Governance and Remuneration
Practices in New England
Regional Banks*



*Executive Compensation
Research™*

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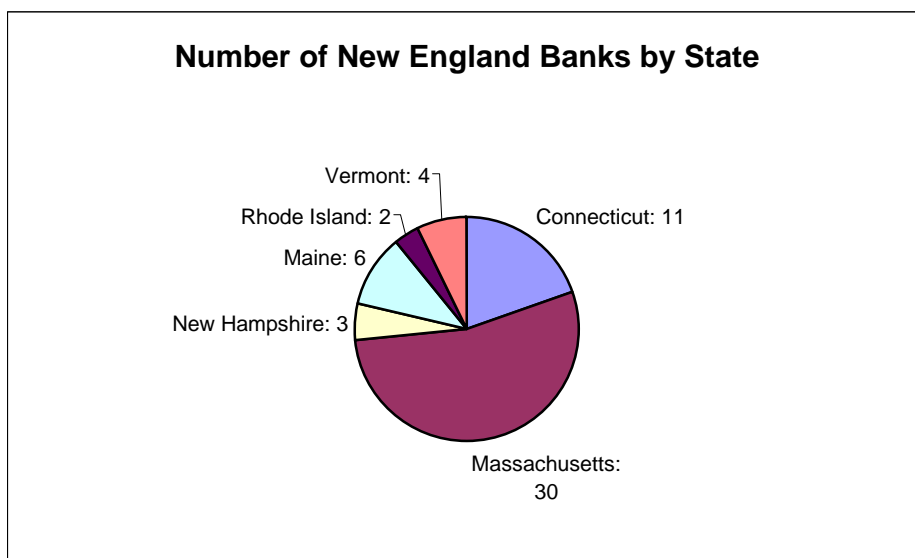
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Introduction

This report provides information on Board of Director practices in New England. The purpose is to assist the boards and shareholders make decisions about the structure and remuneration of outside directors. It includes data from public banks and holding companies of an asset size of up to \$21 billion in the states of Connecticut, Massachusetts, New Hampshire, Maine, Rhode Island, and Vermont. The information was obtained from an extensive analysis of proxies and 10k filings with the Securities and Exchange Commission (SEC).

Although the organizations included reflect a variety of sizes but exclude large money center banks in New England, such as FleetBoston Financial Corporation with \$192 billion in assets, and holding companies not headquartered in New England, such as Sovereign Bancorp, that has significant presence in New England but is headquartered in Pennsylvania. The information presented in this report is analyzed by the asset groups listed below. Other versions of this report with data by company and/or a custom competitive analysis of your company compared to a specific peer companies are available at an additional cost.

<u>Asset Group</u>	<u>Number of Banks</u>
\$100 Million to \$249 million	6
\$250 Million to \$449 million	13
\$450 Million to \$599 million	5
\$600 Million to \$999 million	10
\$1 Billion to \$1.9 billion	14
\$2 Billion to \$4.9 billion	5
<u>\$11 Billion to \$21 billion</u>	<u>3</u>
Total	56



Overview of the Data: Scope

The scope of this analysis examines the structure and remuneration of directors for 56 companies reported by asset size. It includes the following components:

Board Governance:

- Number of employee and non-employee board members
- Prevalence of various director titles
- Prevalence of committees and number of committee meetings
- Number of holding company and bank board meetings
- Age of directors

Fees and Cash-Based Retainers:

- Annual retainers
- Meeting fees/retainers
- Payout frequency

Equity Plans:

- Beneficial ownership
- Prevalence, type, frequency and value of equity awards

Other:

- Number and type of deferred cash plans
- Number and type of stock purchase plans
- Prevalence and type of retirement plans

Typical Annual Remuneration:

- Annual value of all compensation components summarized
- For directors, committee chairs and board chairs

Companies Researched: Sorted by Asset Group

\$100 Million to \$249 Million

- Cornerstone Bancorp, Inc (CT)
- Falmouth Bancorp, Inc. (MA)
- Massachusetts Fincorp Inc (MA)
- Patriot National Bancorp, Inc (CT)
- Service Bancorp, Inc (MA)
- Westborough Financial Services, Inc (MA)

\$250 Million to \$449 Million

- Alliance Bancorp of New England, Inc (CT)
- Beverly National Corporation (MA)
- Central Bancorp, Inc (MA)
- Community Bancorp, Inc (MA)
- Community Bancorp, Inc (VT)
- First Litchfield Financial Corporation (CT)
- First National Lincoln Corporation (ME)
- LSB Corporation (MA)
- Merrill Merchants Bancshares, Inc (ME)
- Northeast Bancorp (ME)
- Salisbury Bancorp, Inc (CT)
- Slade's Ferry Bancorp (MA)
- Union Bankshares, Inc (VT)

\$450 Million to \$599 Million

- Bar Harbor Bankshares (MA)
- Bay State Bancorp, Inc (MA)
- New Hampshire Thrift Bancshares, Inc (NH)
- Northway Financial, Inc (NH)
- Warren Bancorp, Inc (MA)

Companies Researched: Sorted by Asset Group (continued)

\$600 Million to \$999 Million

- Abington Bancorp, Inc (MA)
- Bancorp Connecticut, Inc (CT)
- Bancorp Rhode Island, Inc (RI)
- Enterprise Bancorp, Inc (MA)
- MASSBANK Corp (MA)
- Merchants Bancshares, Inc (VT)
- NewMil Bancorp, Inc (CT)
- Westbank Corporation (MA)
- Westfield Financial, Inc (MA)
- Woronoco Bancorp, Inc (MA)

\$1 Billion to \$1.9 Billion

- Berkshire Hills Bancorp, Inc (MA)
- Boston Private Financial Holdings, Inc (MA)
- BostonFed Bancorp, Inc MA)
- Brookline Bancorp, Inc (MA)
- Camden National Corporation (ME)
- Capital Crossing Preferred Corp (MA)
- CCBT Financial Companies, Inc (MA)
- Century Bancorp, Inc (MA)
- First Essex Bancorp, Inc (MA)
- Firstfed America Bancorp, Inc (MA)
- Granite State Bankshares, Inc (NH)
- Medford Bancorp, Inc (MA)
- Port Financial Corp (MA)
- Washington Trust Bancorp, Inc (RI)

\$2 Billion to \$4.9 Billion

- American Financial Holdings, Inc (CT)
- Chittenden Corporation (VT)
- Connecticut Bancshares, Inc (CT)
- Independent Bank Corp (MA)
- Seacoast Financial Services Corporation (MA)

\$11 Billion to \$21 Billion

- Banknorth Group, Inc (ME)
- People's Bank (CT)
- Webster Financial Corporation (CT)