



The 2003

# Executive Compensation Seminar

The Metamorphosis of Executive  
Compensation

June 24-25, 2003  
Westin Chicago River North  
Chicago, IL

- The Metamorphosis of Executive Compensation:  
What's Happening Now
- Regulatory Drivers for Change
- What's On All of Our Minds
- Update on FASB's Project on Option Expensing
- Corporate Governance:  
Corporate Responsibility and Compensation
- Changing Strategy/Changing Amounts of  
Executive Compensation
- The Economic Outlook
- Changing Landscape for Long-Term Incentives
- Board of Directors' Pay
- Wrap-up: Looking Into the Crystal Ball

Presented with assistance from:

*Compensation  
Strategies*

FREDERIC W. COOK & CO., INC.

## About The Conference Board

The Conference Board is the world's leading business membership organization. Its membership includes over 2,500 enterprises worldwide in 60 countries. The Conference Board creates and disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society.

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The Conference Board provides executives from around the world with opportunities to share practical business experience. This focus on actual business experience, rather than theory, primarily from senior executives from major organizations, along with a superior level of networking with peers are the distinguishing features of Conference Board meetings.

The Conference Board's meetings are rated as one of America's leading speaking platforms for top management. More than 150 CEOs address the Board's 12,000 meeting participants each year.

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845 Third Avenue  
New York, NY 10022-6679  
Tel: 212 759 0900  
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Dear Colleague,

For many years now, The Conference Board's Executive Compensation Seminars have brought corporate compensation and human resource executives together in a forum to share ideas, best practices, and learn the most effective compensation strategies. This June's event is no different except that we are bringing the event to Chicago.

We cover timely issues, such as:

- The Metamorphosis of Executive Compensation: What's Happening Now
- Regulatory Drivers for Change
- What's On All of Our Minds
- Update on FASB's Project on Option Expensing
- Corporate Governance: Corporate Responsibility and Compensation
- Changing Strategy/Changing Amounts of Executive Compensation
- The Economic Outlook
- Changing Landscape for Long-Term Incentives
- Board of Directors' Pay
- Looking Into the Crystal Ball

Please review the agenda that follows and don't hesitate to contact me if you have any questions, comments, or suggestions.

I look forward to seeing you in Chicago.

Respectfully,

A handwritten signature in black ink that reads "Gregg Mauro". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

**Gregg Mauro**

Conference Program Director

[gregg.mauro@conference-board.org](mailto:gregg.mauro@conference-board.org)

# Executive Compensation Seminar

Tuesday, June 24, 2003

Continental Breakfast: 8:15 – 9 am

Opening Remarks/Welcome: 9 – 9:15 am

**John F. Hillins**

Senior Director of Compensation and Benefits  
Amgen Inc. (Retired)

## The Metamorphosis of Executive Compensation: What's Happening Now

General Session A: 9:15 – 10:30 am

Corporate scandal and bankruptcies...public and political criticism...the beleaguered marketplace...a dismal economy...answers to these issues are being demanded by everyone from everywhere. Executive pay is going through (voluntarily or forced) a metamorphosis unlike anything we have ever seen. This session will identify the context and issues affecting compensation and provide a model framework for considering program changes.

**E. Webb Bassick IV**

Chief Executive Officer  
Compensation Strategies, Inc.

Refreshment Break: 10:30 – 10:45 am

## Regulatory Drivers for Change

General Session B: 10:45 am – 12 noon

Executive compensation is in the process of the most dramatic change in recent history. The Sarbanes-Oxley Act of 2002, new stock exchange rules on shareholder approval of equity plans, and senate proposals to severely restrict deferred compensation are just some of the events and actions that are having a major impact. In this environment, companies need up-to-date regulatory information in order to decide on an appropriate course of

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action. This session will provide the audience with an update on the current regulatory landscape, as well as changes that may be on the horizon, including:

- Compensation committee governance
- Proxy disclosure mandates
- Trading restrictions
- Deferred compensation restraints

Speaker

**Herbert Krueger, Esq.**

Partner

Mayer, Brown, Rowe & Maw

## What's On All of Our Minds

Luncheon Session: 12 noon – 1:15 pm

Current issues and facilitated table discussions.

**John F. Hillins**

Senior Director of Compensation and Benefits

Amgen Inc. (Retired)

## Update on FASB's Project on Option Expensing

General Session C: 1:15 – 2:30 pm

Who would have imagined one year ago today that an accounting mandate requiring companies to expense stock options could be effective as early as next year? The almost unthinkable is now a virtual certainty as the FASB and IASB cooperate to issue new option expensing rules within the next year. This session will recap key events and decisions that have occurred thus far and provide insight on possible future option expensing outcomes, including:

- FASB option expense transition and disclosure rules
- IASB proposal on global option expensing
- FASB tentative decisions to date and possible future outcomes

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[www.conference-board.org/compseminar.htm](http://www.conference-board.org/compseminar.htm)

# Executive Compensation Seminar

**Thomas M. Haines**  
Principal  
Frederic W. Cook & Co., Inc.

## Corporate Governance: Corporate Responsibility and Compensation

General Session D: 2:30 – 3:30 pm

The past eighteen months have turned corporate governance on its ear. This session will provide an overview of the changes that have happened and the impacts these changes have had on corporate boards and management alike with regard to executive compensation practices and decisions. Issues to be discussed include:

- Evolving best practices for compensation committee governance
- The staff's fiduciary responsibility to the compensation committee
- Working with outside consultants to support the committee

**Kenneth West**  
Senior Consultant for Corporate Governance  
TIAA-CREF

Refreshment Break: 3:30 – 3:45 pm

## Changing Strategy/Changing Amounts of Executive Compensation

General Session E: 3:45 – 5 pm

The converging forces of change and external pressure have caused an upheaval in executive pay. Companies are revisiting compensation strategies and pay alternatives. What are these processes and changes looking like in the marketplace? What questions should we be asking ourselves? How much “change” is really needed? What is the future of stock options?

**Ira T. Kay, Ph.D.**  
Practice Director, Compensation Consulting  
Watson Wyatt Worldwide

Reception: 5 – 6 pm

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Wednesday, June 25, 2003

Continental Breakfast: 7:45 – 8:30 am

## The Economic Outlook

General Session F: 8:30 – 9:15 am

The roller coaster ride called the United States economy continues. Where are we now? Where are we headed? What does this mean to Corporate America? And to executive pay?

**Delos Smith**

Business Analyst

The Conference Board

## Changing Landscape for Long-Term Incentives

General Session G: 9:15 – 10:30 am

Market uncertainties have served as a reality check prompting a re-examination of the real costs and benefits of placing such a large piece of the executive compensation pie at the mercy of market forces. Much of corporate America is rightly recognizing the need for new, more balanced approaches to long-term incentive compensation that align executives with long-term results and shareholder value, rather than short-term stock gains. Issues to be discussed will include:

- Actions companies are taking in advance of options expensing
- Design alternatives for equity incentives in the future
- Governance concerns with equity incentives and possible actions to be considered

**Frederic W. Cook**

Chairman

Frederic W. Cook & Co., Inc.

## Board of Directors' Pay

General Session H: 10:30 – 11:30 am

Recent events are having an enormous impact on board of director compensation and recruitment. From the new corporate governance standards to the increased risks perceived to be associated with service on corporate boards, many companies are re-visiting the levels and design of their compensation packages for outside directors. Possible new pay strategies will be discussed, and recent data on how companies are reacting to the changes will be reviewed. We will also cover:

- Director pay: past, present, and what lies ahead
- Changing pay strategies and programs
- Do stock options have a role?
- The growing prevalence of stock ownership requirements for directors

**Anna-Maria B. Tapling**

Executive Vice President  
Compensation Strategies, Inc.

**Darrell A. Karolyi**

Senior Vice President  
Compensation Strategies, Inc.

## Wrap-Up: Looking Into the Crystal Ball

General Session I: 11:30 am – 12:30 pm

This session is a panel discussion including several of the presenters from this seminar. Seminar attendees will be able to dialogue with panel members on specific questions, major themes, and conclusions reached. Based on the overwhelmingly positive feedback last year, this session is a “must” for all attendees. Please plan on staying for the group dialogue.

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# Registration Information

## The 2003 Executive Compensation Seminar

**Online** [www.conference-board.org/compseminar.htm](http://www.conference-board.org/compseminar.htm)

**By Phone** Call Customer Service at 212 339 0345  
8 am to 6 pm ET Monday through Friday

**By Fax** Complete the registration form and fax to:  
212 836 9740

**By Mail** Complete the registration form and mail to:  
The Conference Board, Inc.  
P.O. Box 4026, Church Street Station  
New York, NY 10261-4026

### **Cancellation Policy**

Full refund until three weeks before the meeting. \$250 administration fee up to two weeks before the meeting. No refund later than two weeks before the meeting. Confirmed registrants who fail to attend and do not cancel prior to the meeting will be charged the entire registration fee.

### **Team Discounts per person**

For a team of three or more registering *from the same company at the same time*, take another \$100 off each person's registration.

### **Hotel Accommodations**

Fees do not include hotel accommodations. For reservation, contact the hotel directly and mention The Conference Board's Executive Compensation Seminar.

Westin Chicago River North  
320 North Dearborn  
Chicago, IL 60610  
Tel: 312 744 1900  
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## Unconditional Guarantee

For more than 80 years, The Conference Board has been providing senior executives worldwide with opportunities to share practical business experience. If for any reason you are not satisfied with this conference, please let us know. We will immediately credit your attendance to another conference of your choice, or, if you prefer, promptly refund 100% of your registration fee.

# Registration Form

## The 2003 Executive Compensation Seminar

June 24-25, 2003

Westin Chicago River North

Chicago, IL

Project #03845-2

Please type or attach a business card; for additional registrants, duplicate this form.

Name \_\_\_\_\_

Title \_\_\_\_\_

Functional Area \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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**Registration Fees** payable in advance in U.S. dollars.

Conference-Board Associates ..... \$1,695  
Non-Associates ..... \$1,895

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Check payable to The Conference Board for \$\_\_\_\_\_  
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