



The 2013

# Executive Compensation Conference

## Achieving and Demonstrating Pay for Performance Alignment

May 15-16, 2013 | InterContinental Chicago Magnificent Mile | Chicago, IL

June 19-20 | Helmsley Park Lane | New York City



### WHY ATTEND

**ENGAGE** in discussions on assessing pay/performance relationships and balancing external expectations of good governance, investor expectations and concerns and sound business strategy

**LEARN** the latest in developments, techniques and enduring principles for providing effective compensation to senior executives

**CONNECT** with leading directors, senior executives and investors on practical guidance and actionable ideas for best practices in achieving and demonstrating pay for performance alignment

### DESIGNED FOR

COMMITTEE MEMBERS AND SENIOR EXECUTIVES WHO ARE ACCOUNTABLE TO SHAREHOLDERS OF MAJOR CORPORATIONS

### Sponsored by

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### CONFIRMED SPEAKERS

**Anil Agarwal** Vice President, Executive Compensation, American Express Company

**Michael J. Berthelot** Managing Principal Corporate Governance Advisors

**Laura Booth** Senior Vice President, Compensation, Benefits & HRIS, Coach, Inc.

**Mark Borges** Principal, Compensia, Inc.

**Stephen L. Brown** Senior Director of Corporate Governance and Associate General Counsel, TIAA-CREF

**William H. Camp** Compensation and Organization Development Committee Chair, Chiquita Brands International

**Emily Del Toro** Director, Equity Compensation, RedHat, Inc.

**Stephen M. Eliseo** Director, Executive Compensation, Johnson & Johnson

List continued on opposite side

To Register | [www.conferenceboard.org/compensation](http://www.conferenceboard.org/compensation) | +1 212 339 0345



## CONFIRMED SPEAKERS CONTINUED

**Professor Charles M. Elson** Edgar S. Woolard, Jr. Chair, John L. Weinberg Center for Corporate Governance, Lerner College of Business and Economics, University of Delaware

**Melanie Filas** Vice President, Compensation  
Cardinal Health

**Doug Friske** Global Executive Compensation Practice Leader, Towers Watson

**Paul Gaeto** Director of Compensation and Benefits  
Caterpillar, Inc.

**Jeffrey P. Geller** Vice President, Global Compensation and Benefits, Merck & Co., Inc.

**Jennifer B. George** Director, Global Human Resources Services, PricewaterhouseCoopers LLP

**Richard J. Hille** Senior Vice President, Global Head of Compensation and Benefits, Bank of America

**Steven H. Hinden** Compensation Director, Executive Compensation, Towers Watson

**Jill Kanin-Lovers** Compensation Committee Chair  
Dot Foods and Heidrick & Struggles

**Stephen Kline** Consulting Director, Towers Watson

**Arthur H. Kohn** Partner, Cleary Gottlieb Steen & Hamilton LLP

**David H. Langstaff** President and Chief Executive Officer, TASC, Inc.

**Andrew Letts** Head of Corporate Governance Team  
State Street Global Advisers

**Todd Lippincott** Managing Director, Towers Watson

**Stacy Litka** Director, Equity & Ownership Programs  
Owens Corning

**Ronald M. Mandler** Vice President, Deputy General Counsel and Assistant Secretary, L-3 Communications Corporation

**Aeisha Mastagni** Investment Officer, California State Teachers' Retirement System

**James Matthews** Director, Towers Watson

**Robert McCormick** Chief Policy Officer, Glass Lewis & Co., LLC

**Neil S. Novich** Compensation Committee Chair  
W.W. Grainger, Inc. and Analog Devices, Inc.

**Thomas Paleka** Vice President, Global Compensation  
Arthur J. Gallagher & Co

**Sanjay Patel** Senior Director, Compensation and HR Solutions & Services, Kraft Foods Group

**Steve Pennachio** Senior Vice President, Executive Compensation Strategy & Programs, Pfizer, Inc.

**Lisa Phuelb** Director of Executive Compensation, Verizon

**Sharon Podstupka** Director, Towers Watson

**Matt Roberts** Vice President, Product Management, Fidelity Investments

**Nancy Reardon** Compensation Committee Member  
Warnaco Group, Inc.

**Matt Roberts** Vice President, Fidelity Investments

**Timothy T. Samalis** Director Product Management  
Fidelity Stock Plan Services

**David Seitz** Director, Towers Watson

**Manan Shah** Partner, Jones Day

**Anne Sheehan** Director of Corporate Governance, California State Teachers' Retirement System

**Pilar C. Vitoria** Senior Vice President, Executive Compensation, Bank of America

**Pamela K. Wagoner** Chief Human Resources Officer  
W. R. Grace & Co.

**Martin Van Walsum** Vice President, Compensation  
Thermo Fisher Scientific

**Brit Wittman** Director, Executive Compensation and Corporate Design, Intel Corporation

**Lopa Patel Zielinski** Director and Senior Counsel, Corporate Governance, TIAA-CREF



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## CONFERENCE REGISTRATION

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### Conference

(999013-2) Chicago

(914013-2) New York

Associates \$2,545

Non-Associates \$2,845

## HOTEL REGISTRATION

[www.icchicagohotel.com](http://www.icchicagohotel.com) – Chicago, IL

Tel +1 312 321 8869

[www.helmsleyparklane.com](http://www.helmsleyparklane.com) – New York, NY

Tel +1 212 371 4000



Dear Colleagues,

At this Conference, investors, directors, and senior management will all be focused on one thing: achieving and demonstrating pay for performance alignment. Although there are enduring principles, there are no cookbook formulae. Each company needs to develop a clear and detailed understanding of the right approach for its situation. And, there should be no gaps in shareholder, director, management or rank and file employee understanding and acceptance of what senior executives really earn and how and why they earn it.

This Conference offers you an exceptional opportunity to connect with your peers - international experts, senior corporate officers and leading practitioners. A reporter from Bloomberg News noted that what makes The Conference Board meetings really stand out is the quality of the audience.

Compensation Committee members and senior officers and HR executives from major corporations will take away from this Conference practical guidance and actionable ideas on, how to:

- Assess pay/performance relationships
- Balance the sometimes competing considerations of:
  - External standards of good governance
  - Investor expectations and concerns
  - Sound business strategy for the organization
- “Brand” executive compensation through effective communications with all constituents

I look forward to seeing you there.

Best Regards,

**Yale D. Tauber**

Program Director

The Conference Board Executive Compensation Conference



## Wednesday, June 19, 2013

REGISTRATION AND CONTINENTAL BREAKFAST 8-9 AM

WELCOME AND INTRODUCTORY REMARKS 9-9:20 AM

**Gregory Lau** Conference Program Director  
The Conference Board

A 9:20-10:15 AM

### Defining and Assessing the “Performance” in “Pay for Performance”

- Linkage to the business strategy: strategic vs. financial performance
- Reward for achieving or incentive and motivation to drive business results
- Choice of metrics
- Absolute vs. relative
- Balancing opposing objectives (such as growth and ROIC)
- Role of risk analytics – capital at risk, volatility, etc.
- Thresholds, goals and slopes: aspirational but achievable

Panel Moderator

**Arthur H. Kohn** Partner, Cleary Gottlieb Steen & Hamilton LLP

Panelists

**Andrew Letts** Head of Corporate Governance Team  
State Street Global Advisers

**Robert McCormick** Chief Policy Officer, Glass Lewis & Co., LLC

**Brit Wittman** Director, Executive Compensation and Corporate Design, Intel Corporation

B 10:15-11 AM

### Defining and Evaluating the “Pay” in “Pay for Performance”

- The good, the bad and the ugly of realized and realizable pay
- Matching the compensation time horizon to the business time horizon
- Role of risk analytics – balancing risk and reward over the short- and long-term
- Quantifying and classifying retention risks and high potential employees

Panel Moderator

**Arthur H. Kohn** Partner, Cleary Gottlieb Steen & Hamilton LLP

Panelists

**Nancy A. Reardon** Compensation Committee Member,  
Warnaco Group, Inc.

**Brit Wittman** Director, Executive Compensation and Corporate Design, Intel Corporation

NETWORKING REFRESHMENT BREAK 11-11:15 AM

C 11:15 AM-NOON

### Scorecards and Toolkits for Assessing Pay for Performance Alignment

- Defining pay for performance alignment
- Pay reasonableness
- Pay sensitivity
- Practical ways to monitor and assess pay for performance alignment
- “Pressure testing” performance goals
- Forecasting Alignment
- The role of discretion
- Another dimension: appropriate sharing percentages between management and investors at various levels of value creation

Panel Moderator

**Stephen Kline** Consulting Director, Towers Watson

Panelists

**Stephen M. Eliseo** Director, Executive Compensation  
Johnson & Johnson

**Manan Shah** Partner, Jones Day

D NOON-12:45 PM

### Keynote Address: Why Fair Pay Is Good Business

Both investors and directors realize that good businesses appropriately share both the risks and rewards of their common enterprise between shareholders and management. An investor/director discusses how compensation committees should utilize detailed and reliable analyses and metrics to connect the dots.

**David H. Langstaff** President and Chief Executive Officer  
TASC, Inc.

NETWORKING LUNCHEON 12:45-2 PM

E 2-2:45 PM

### Designing for Impact: The Next Generation of Equity and Long-Term Incentives

- Why yesterday’s solutions don’t solve today’s problems
- Shift from time-vested stock options to performance-based awards
- Caps and other limitations on payouts
- Impact of Denominating and/or Settling Awards using Equity vs. Cash
- Maximizing Tax Deductibility
- Tailoring incentives to fit individual company strategy, goals, operating dynamics and capital structure
- TSRUs - A possible approach for high dividend, stable stock price issuers
- When the stock options still work
- Considerations for Shareholder Approval of New Plans or Additional Shares
- Plan design considerations
- Shareholder litigation concerns



## Panel Moderator

**Matt Roberts** Vice President, Product Management  
Fidelity Investments

## Panelists

**Ronald M. Mandler** Vice President, Deputy General Counsel and Assistant Secretary, L-3 Communications Holdings, Inc.  
**Steve Pennachio** Senior Vice President, Total Rewards  
Pfizer, Inc.

F 2:45–3:30 PM

## Investor Expectations of Compensation Committees

- Award sizes, budgets and participation rates in and outside the U.S.
- Best practices in Asia and other growth regions
- How mobility complicates compliance and tax issues
- Is compliance always the best choice?

## Panel Moderator

**Michael J. Berthelot** Managing Principal, Corporate Governance Advisors

## Panelists

**Andrew Letts** Head of Corporate Governance, State Street Global Advisors

**Robert McCormick** Chief Policy Officer, Glass Lewis & Co., LLC

**Anne Sheehan** Director of Corporate Governance, CalSTRS

**Stephen L. Brown** Senior Director of Corporate Governance and Associate General Counsel, TIAA-CREF

NETWORKING REFRESHMENT BREAK 3:30–3:45 PM

G 3:45–4:30 PM

## A Global Perspective – Developments and “Watch-Outs” Around the World

- Viewpoints and perspectives from real investors, not proxy advisers
- The drivers of affirmative recommendations and Say on Pay votes
- Importance of negative consequences for poor performance
- “No-Fly Zone”: 280G gross-ups, perks, employment contracts, clawbacks, anti-hedging and other unacceptable practices

## Moderator

**Timothy T. Samalis** Director, Global Product Management, Fidelity Investments

## Panelists

**Emily Del Toro** Director, Equity Compensation, Red Hat, Inc.

**Jennifer B. George** Director, PricewaterhouseCoopers LLP

**James Matthews** Director, Towers Watson

H 4:30–5:15 PM

## The New Normal: A Perpetual Proxy Season

- Engaging shareholders on Say-on-Pay and other issues
- Finding the balance between driving the Say-on-Pay vote and driving business results
- Changes and new developments
- Making sure your CD&A explains your core compensation principles

## Moderator

**Mark Borges** Principal, Compensia, Inc.

## Panelists

**Laura F. Booth** Senior Vice President, Compensation, Benefits, HRIS & HR Coach Connect, Coach, Inc.

**Richard J. Hille** Senior Vice President, Global Head of Compensation and Benefits, Bank of America

**Martin Van Walsum** Vice President, Compensation  
Thermo Fisher Scientific

**Pilar C. Vitoria** Senior Vice President, Executive Compensation  
Bank of America

5:15–5:30 PM

## First Day Wrap Up

- A “newscast” summarizing what we heard during the first day of the conference
- Identifying any issues participants would like to discuss further

**Gregory Lau** Conference Program Director  
The Conference Board

NETWORKING RECEPTION 5:30–6:30 PM

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## Thursday, June 20, 2013

REGISTRATION AND CONTINENTAL BREAKFAST 8–9 AM

1 8–9 AM

## Roundtable Breakfast Session

During this session, you will have the opportunity to sit at professionally facilitated discussion tables to brainstorm over breakfast on the topic of your choice, selected based upon the results of an attendee poll, taken on the first day of the conference.

WELCOME BACK 9–9:15 AM

**Gregory Lau** Conference Program Director  
The Conference Board

J 9:15–10 AM

## Enduring Executive Compensation Principles

- The need for GAAP-like generally accepted executive compensation principles that balance functionality in practice with governance standards, investor concerns and sound business strategy
- How to establish a pay positioning strategy...median or other?
- Attitude toward risk: The portion of total awards and the types of awards to which various types of performance conditions should be added
- The effect that changing company finances or market conditions should have
- Thoughtful about the need to deviate from these principles under the right circumstances(e.g., cultural and ethical requirements, fairness, tenure and general capability)?
- Where to articulate these principles
- Importance of a well-crafted and considered compensation philosophy/strategy to explain compensation committee decisions and actions



## Panel Moderator

**Steven H. Hinden** Compensation Director  
Executive Compensation, Towers Watson

## Panelists

**Michael J. Berthelot** Managing Principal  
Corporate Governance Advisors

**Jeffrey P. Geller** Vice President, Global Compensation  
and Benefits, Merck & Co., Inc.

**Todd Lippincott** Managing Director, Towers Watson

K 10–11:15 AM

## Factoring in Competitive and Economic Context - The Real Relevance of Market Trends and Best Practices

- How much does company-to-company comparisons and percentile targeting really matter?
- How much should it? What are the alternatives?
- The salutary effect of an objective and efficient pay negotiation process
- Individual-centric metrics to evaluate the intrinsic worth of executives' contributions based on their experience and historic performance
- Strong top management succession planning to provide more even balance of power
- Sound inter-tier pay equity

**Professor Charles M. Elson** Edgar S. Woolard, Jr. Chair  
John L. Weinberg Center for Corporate Governance, Lerner  
College of Business and Economics, University of Delaware

NETWORKING REFRESHMENT BREAK 11:15–11:30 AM

L 11:30 AM–12:30 PM

## Creating a Template for “Branding” Executive Compensation

- Communicating and building trust among investors, the Board, management and employees
- Making sure executives (and other employees), shareholders and directors understand the drivers of the Say on Pay vote
- Importance of negative consequences for poor performance
- Making sure your CD&A explains your core compensation principles
- Engaging shareholders on Say-on-Pay and other issues
- Changes and new developments

## Panel Moderator

**Sharon Podstupka** Director, Communication and Change  
Management, Towers Watson

## Panelists

**Lisa Phuelb** Director of Executive Compensation, Verizon  
**Anil Agarwal**, Vice President, Executive Compensation,  
American Express Company

CONFERENCE ADJOURNS 12:30 PM



## ABOUT THE PROGRAM

When it comes to effective executive compensation programs, achieving and demonstrating pay for performance alignment is critical. Each company needs to develop a clear and detailed understanding and acceptance of what senior executives really earn and how and why they earn it. Directors and senior executives from major corporations will connect and take away practical guidance and actionable ideas on how to:

- Assess pay/performance relationships
- Balance external standards of good governance, investor expectations and concerns and sound business strategy for the organization
- “Brand” executive compensation through effective communications with all constituents



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**Cancellation Policy:** Full refund until three weeks before the meeting. \$500 administration fee up to two weeks before the meeting. No refund after 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 \$300 off each person's registration.

One discount per registration. Multiple discounts may not be combined.

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