



WORKING GROUP ON

Executive Compensation Consulting



Under the volcano Best Practices Are Needed *Now*



Conference Board Working Groups

are unique networks of 15–20 senior executives from leading organizations. These executives come together to develop the intellectual capital that provides companies with the practical information they need to strengthen their performance in today's global business environment. Participants take part in a series of consultative meetings – both in-person and online – to formulate and carry out research initiatives needed to achieve the working group's objectives.

Executive compensation has long been subject to critical scrutiny for real or imagined excesses. This scrutiny has become more intense – and more critical – in the wake of the last few years of corporate scandals, with allegations that financial results were manipulated to improve stock price. Calls for specific reforms in the way

corporations set executive compensation today have come from a variety of sources including the National Association of Corporate Directors (NACD) Blue Ribbon Commission and The Conference Board's Commission on Public Trust and Private Enterprise.

The activities of executive compensation consultants have been mentioned in these recommendations, with some sources advocating that the board compensation committee retain its own consultants, who are independent of management.

But there is no set of specific best practices on the overall role of executive compensation consultants. In fact, the 65 pages of the NACD report devotes only half a page to the consultant's role.

The Conference Board's new Working Group on Executive Compensation Consulting will bring together a group of executive compensation consultants and corporate executives for a series of discussions and presentations culminating in a statement of best practices.

Issues On the Table

A vital part of this working group will be the opportunity to participate in candid and confidential discussions about the major issues confronting executive compensation consulting. Topics under consideration include:

What are the respective responsibilities of the full board, management, and executive compensation consultants?

How should management and consultants deal with the current compensation committee in its more active oversight of the corporate pay program?

Should the compensation committee retain its own consultant? Should the committee and/or management have the right to hire and fire the consultant?

Should management be allowed to retain its own consultant? Will this result in “dueling” consultants?

Should the consultant’s charter include all components of executive compensation when making recommendations to the compensation committee or management (i.e., base salary, annual incentives, long-term stock and cash incentives, benefits and perks, severance pay)?

Should consultants develop and recommend compensation philosophy and principles to the committee and management?

Which level of executives should have their pay approved by the board, the compensation committee, or management?

Why should you join?

Working group participants should be senior executive compensation consultants to boards of directors and company management; and corporate executive compensation, human resources, and general or assistant counsels.

Benefits of participation

By sponsoring and participating in a working group, you will take an active role in creating critical business practices. You will be able to:

Work personally with senior Conference Board researchers to design and develop studies and guidelines that will be vital to your needs.

Gain timely access to unique research findings you can use in internal and external business applications.

Take part in confidential sessions to discover common challenges and goals and identify best practices.

Exchange experiences, ideas, and insights with other leading corporations and consulting firms.

In addition, your participation in this working group will help your firm gain the reputation of being a leading organization in the development of best practices for executive compensation consulting.

In the course of these meetings, working group members develop content for The Conference Board’s renowned research reports, surveys, conferences, and the Executive Action series of online briefs.

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For the latest information
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[www.conference-board.org/
workinggroups.htm](http://www.conference-board.org/workinggroups.htm)

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Working group schedule

The Working Group on Executive Compensation Consulting will meet two times in-person and twice via Web conferences over the course of six months. In between these meetings, the Conference Board staff will execute research requested by the working group and prepare summaries of the outcomes of each meeting. This schedule will limit your time and travel commitments, and enable us to share information rapidly to achieve your research goals.

Participation fee \$8,000 for Conference Board Associates

Inaugural meeting

When
September 20–22, 2004

Where
The Conference Board
845 Third Avenue
New York, NY

Agenda
September 20 Dinner in the evening
September 21 Meeting 9 am – 5pm
September 22 Meeting 9 am – 12 noon

Format

- Introductions
- Identifying key issues
- Research questions
- Future agenda topics

Additional Executive Compensation Resources

The Conference Board Council Program

Councils are peer membership groups that provide intimate forums for executives with common responsibilities and interests to share solutions to business challenges with colleagues in other companies, industries, and countries. They are designed to keep executives abreast of the latest developments in their fields and fully informed about new management strategies and tactics. Each council has its own specific membership requirements.

The Council on
Executive Compensation

Executive Compensation
Management Council

Council on Compensation

Council on Compensation II

For more information on councils, please visit
[www.conference-board.org/memberservices/
councils.cfm](http://www.conference-board.org/memberservices/councils.cfm)

Conference Board Conferences

As a sponsor of a Conference Board Working Group, you receive a 50% discount on all conferences, including:

West Coast
Compensation Conference

East Coast
Compensation Conference

Executive Compensation
Seminars

Executive Compensation
and Benefits Seminars

For a full listing of our conference
program and to register online, please visit
www.conference-board.org/conferences

Research Reports and Publications

The Conference Board produces the following publications on an annual basis:

Top Executive Compensation

Director's Compensation and
Board Practices