

Say on Pay: Where We Are and How Do We Make it Work?



Date: Wednesday, October 21, 2009

Location: TIAA-CREF, 730 Third Avenue, New York, NY

Say on Pay: Where We Are and How Do We Make it Work?

PROGRAM DESCRIPTION

Our concept is to provide a forum for the various groups in the Say on Pay debate to conduct a rational, coherent, above-the-fray dialogue on the purpose, value, merits, challenges and mechanics of Say on Pay advisory votes. By fostering a constructive dialog among investors, board directors and company management, we hope to assist each group to understand the viewpoints of the other constituencies in the debate, and to consider how an advisory vote can be a constructive tool for both the investment and business communities. One goal is to soften the rhetoric that has erupted over executive compensation, in search of common ground. This is especially timely as we examine and reflect on the results of the 2009 proxy season, while at the same time consider important emerging developments in the area, including pending federal legislation.

We do not expect all the questions to be answered, and may likely leave with more questions than we started with. However, we strongly believe that open and frank dialogue is the best way to ensure we extract the most value from the significant resources that are being committed around the "Say on Pay" vote by the governance community.

Hosted By:

AGENDA

- 9:15 am Registration & Networking
- 9:40 am Welcome Address - **Stephen Brown**, *Director & Associate General Counsel, Corporate Governance, TIAA-CREF*
- Topic Overview - **Kenneth Kopelman**, *Partner and Co-Chair, Corporate Governance Practice, Kramer Levin Naftalis & Frankel LLP; President, NACD - New York Chapter*
- 10:00 am **Panel One: Say on Pay - An Examination of Where We Are and How We Got Here**
- 11:45 am Luncheon Begins
- 12:00 pm Remarks - **Roger F. Ferguson**, *TIAA-CREF President & CEO*
- 12:30 pm **Panel Two: Say on Pay - How Can We Make it Work?**
- 2:00 pm Adjourn

SPECIAL GUEST SPEAKER

ROGER W. FERGUSON, JR.

President & Chief Executive Officer

Roger W. Ferguson, Jr., is President and Chief Executive Officer of TIAA-CREF. Mr. Ferguson joined TIAA-CREF from Swiss Re in April 2008. At Swiss Re, Mr. Ferguson was head of financial services, a member of the executive committee and Chairman of Swiss Re America Holding Corporation.



Previously, Mr. Ferguson served as Vice Chairman of the Board of Governors of the U.S. Federal Reserve System. He was a voting member of the Federal Open Market Committee, served as Chairman of the Financial Stability Forum, and chaired Federal Reserve Board committees on banking supervision and regulation, payment system policy and reserve bank oversight. In 2001, Mr. Ferguson led the Federal Reserve's immediate response to the terrorist attack on September 11.

Prior to joining the Federal Reserve Board, Mr. Ferguson was an Associate and Partner at McKinsey & Company from 1984 to 1997. From 1981 to 1984, he was an attorney at the New York City office of Davis Polk & Wardwell, where he worked on syndicated loans, public offerings, mergers and acquisitions, and new product development.

Mr. Ferguson holds a B.A., J.D. and a Ph.D. in economics, all from Harvard University.

He is a member of the Boards of Trustees for the Institute for Advanced Study, Carnegie Endowment for International Peace, the New America Foundation, and Memorial Sloan-Kettering Cancer Center. He is on the Board of Directors of the Partnership for New York City, and a member of the Council on Foreign Relations, the Economic Club of New York, and the Group of Thirty. During 2008-2009 he served as president of the Harvard Board of Overseers. Mr. Ferguson is also a member of President Obama's Economic Recovery Advisory Board.



**FINANCIAL SERVICES
FOR THE GREATER GOOD®**

TODAY'S PANELS

Panel One: Say on Pay - An Examination of Where We Are and How We Got Here

MODERATOR FOR BOTH PANEL DISCUSSIONS:

Pimm Fox, *Host, "Taking Stock with Pimm Fox," Bloomberg Television*

PANEL:

Arthur C. Martinez, *Chairman of the Board, HSN, Incorporated; Director, American International Group, Incorporated; Lead Director, International Flavors & Fragrances Inc.; and Director: IAC/InterActiveCorp, PepsiCo, Incorporated, and Liz Claiborne, Incorporated*

Kenneth P. Kopelman, *Partner and Co-Chair, Corporate Governance Practice, Kramer Levin Naftalis & Frankel LLP; President, NACD - New York Chapter*

Kenneth A. Bertsch, *Executive Director, Corporate Governance, Morgan Stanley Investment Management, Global Equity Group*

Hye-Won Choi, *Senior Vice President, Head of Corporate Governance, TIAA-CREF*

Panel Two: Say on Pay - How Can We Make it Work?

PANEL:

Donna F. Anderson, *CFA, Vice President and Head of Global Corporate Governance, T. Rowe Price Associates, Inc.*

Edward J. Durkin, *Director, Corporate Affairs Department, United Brotherhood of Carpenters*

Mary R. (Nina) Henderson, *Lead Director, Del Monte Foods Company; Director, Pactiv Corporation, AXA Financial; Founder, Henderson Advisory*

Jeffrey N. Gordon, *Alfred W. Bressler Professor of Law, Columbia Law School*

Mary Louise Weber, *Assistant General Counsel, Verizon, Inc.*

PANELISTS

DONNA F. ANDERSON

CFA, Vice President and Head of Global Corporate Governance, T. Rowe Price Associates, Inc.

Donna Anderson is a vice president of T. Rowe Price Associates, Inc., and a global corporate governance analyst in the U.S. Equity Division of T. Rowe Price. In her current role, Donna leads the policy-formation process for proxy voting, shepherds the firm's engagement efforts with portfolio companies, and is co-chair of the Proxy Committee. She joined the firm in 2007 and has 12 years of investment experience. Prior to joining the firm, Donna was director of equity research services for AIM Investments and was employed by Dyer, Robertson & Lamme Inc. as an equities analyst. She earned a B.A. in Spanish, French, and German from Trinity University, San Antonio, Texas, and an M.B.A. from the University of Texas at Austin. Donna also has earned the Chartered Financial Analyst designation.

KENNETH A. BERTSCH

Executive Director, Corporate Governance; Morgan Stanley Investment Management, Global Equity Group

Mr. Bertsch is responsible for corporate governance policy and proxy voting practices, providing support for two mutual fund families and portfolio managers at more than 20 investment groups within Morgan Stanley Investment Management (MSIM), located mainly in New York, Houston, London, Tokyo and Singapore. Key areas of responsibility are global proxy voting, covering 5,000 companies in more than 50 countries, and corporate governance analysis and engagement. Mr. Bertsch joined MSIM in 2006.

From 2002 to 2006, Mr. Bertsch headed the corporate governance analytical team for fundamental ratings groups at Moody's Investors Service. At Moody's, Mr. Bertsch built a team of specialists to develop an approach to governance analysis; trained Moody's fundamental credit analysts on corporate governance; published commentary on corporate governance issues, including Corporate Governance Assessments of leading issuers of debt in North America; and participated in rating committees.

From 1999 to 2002, Mr. Bertsch was Director, Corporate Governance, for Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), a leading financial services organization serving the education and research communities. Before that, he worked in a variety of capacities for the Investor Responsibility Research Center for more than 14 years, including as Director of Corporate Governance and Director of Social Issues.

Mr. Bertsch received a J.D. from Fordham University School of Law in 2004 and a B.A. from Williams College in 1978.

PANELISTS

HYE-WON CHOI

Senior Vice President, Head of Corporate Governance, TIAA-CREF

Hye-Won Choi is Senior Vice President and Head of Corporate Governance at TIAA-CREF. TIAA-CREF, a financial services group of companies located in New York, had assets under management of about \$363 billion as of December 31, 2008.

On behalf of the boards of the TIAA-CREF group of companies, Ms. Choi and her colleagues work to enhance the governance/social responsibility practices of companies held within TIAA-CREF's investment portfolios with the objective of increasing shareholder value and improving long-term performance.

Ms. Choi has presented at numerous corporate governance conferences in the United States and internationally and has been quoted in major publications. She also represents TIAA-CREF on various international corporate governance networks and coalitions. In 2009, Ms. Choi was appointed co-chair of the SEC investor advisory committee formed to give investors a greater voice in the work of the Commission.

Ms. Choi received an A.B. cum laude from Harvard in 1985 and a J.D. from the University of California, Berkeley, in 1989. Prior to joining TIAA-CREF in 1994, Ms. Choi was in private practice in securities and corporate law.

ED DURKIN

Director, Corporate Affairs Department, United Brotherhood of Carpenters

Edward J. Durkin - Director of the Corporate Affairs Department of the United Brotherhood of Carpenters and Joiners of America since 1983. As Department Director, he coordinates the governance and investment activities of the Carpenters' U.S. and Canadian pension funds with assets of \$40 billion. He is former co-chair and board member of the Council of Institutional Investors (CII), a shareholder activism organization comprised of union, public employee and corporate pension funds. He received his law degree from the University of Maryland School of Law.

PANELISTS

PIMM FOX

Host, "Taking Stock with Pimm Fox," Bloomberg Television

Currently the host of Taking Stock - Bloomberg TV's nightly investing show - 5PM to 6PM. Former Financial Services Editor of Dow Jones, based in London, responsible for coverage of Europe, Middle East and Africa. Former West Coast Bureau Chief and columnist for ComputerWorld Magazine, IDG. Former Business Editor, San Francisco Chronicle, reporter/editor: New York Times, Wall Street Journal and Newsweek. Contributor to Barron's, BBC News World Service, ITN News, CNBC Arabiya and CNBC Europe.

JEFFREY N. GORDON

Alfred W. Bressler Professor of Law, Columbia Law School

Jeffrey N. Gordon is the Alfred W. Bressler Professor of Law and Co-Director of the Center for Law and Economic Studies at Columbia Law School and a Fellow of the European Corporate Governance Institute.

He writes extensively on corporate governance, mergers and acquisitions, and comparative corporate governance. He teaches various courses and seminars in the corporate and regulatory areas, including mergers and acquisitions.

Recent publications on corporate governance include: Proxy Contests in an Era of Increasing Shareholder Power: Forget Issuer Proxy Access and Focus on E-Proxy, 61 Vand. L. Rev. 475 (2008), and The Rise of Independent Directors in the US 1950-2005: Of Shareholder Value and Stock Market Prices, 59 Stan. L. Rev. 1465 (2007). Recent publications on executive compensation are: Executive Compensation: If There is a Problem, What's the Remedy? The Case for "Compensation Discussion and Analysis," 30 J. Corp. L. 675 (2005), and "Say on Pay": Cautionary Notes on the UK Experience and the Case for Shareholder Opt-in, 46 Harv. J. on Legis. 323 (2009). His current project is a paper on the regulation of systemic risk, Avoiding Eight-Alarm Fires in the Political Economy of Systemic Risk Management.

Prof. Gordon graduated from Yale and Harvard Law School, clerked for a federal appeals court judge, practiced at a New York law firm, and worked in the General Counsel's office of the U.S. Treasury. He began his academic career at NYU in 1982 and moved to Columbia in 1988. While at Treasury, he worked on the Chrysler Corporation loan guarantee program and financial regulation.

PANELISTS

MARY R. (NINA) HENDERSON

Lead Director, Del Monte Foods Company; Director, Pactiv Corporation, AXA Financial; Founder, Henderson Advisory

Nina Henderson is a Director of AXA Financial, Inc. serving on the Audit, Investment and Sales/Marketing Committees; a Director of Del Monte Foods Company serving as Lead Director and Chair of the Nominating/Corporate Governance Committee; a Director of Pactiv Corporation serving on the Audit Committee and a Director of Royal Dutch Shell, plc serving on the Audit and Social Responsibility Committees (and previously the Remuneration Committee); Henderson Advisory is a consulting practice founded by Nina Henderson. The practice provides marketing perspective and business evaluation to investment management firms on the consumer products and food industries. She is a frequent speaker on consumer marketing and corporate governance topics.

Nina Henderson is also a Trustee of Drexel University serving on the Executive Committee and as Chair of Academic Affairs, a Director of the Visiting Nurse Service of New York serving on Executive Committee and as Chair of the Development Committee, a Director of the Foreign Policy Association and a Director of the Kent Land Trust.

KENNETH P. KOPELMAN

*Partner and Co-Chair, Corporate Governance Practice, Kramer Levin Naftalis & Frankel LLP;
President, NACD - New York Chapter*

Ken Kopelman, Co-Chair of the Corporate Governance practice within the firm's Corporate Department, has practiced corporate and securities law for more than 30 years.

Ken advises businesses, Boards, Board committees (compensation, audit and governance) and directors on a full range of governance, compliance and disclosure matters, providing counsel both on a regular ongoing basis and in the context of special situations, including contests for corporate control and internal inquiries and investigations. Areas of focus include representation of compensation committees (including advice regarding executive compensation plans and individual packages), evolving director responsibilities, "corporate democracy" issues, and formulation and implementation of the full range of Board policies, including "best practices". Ken's approach to working with Boards is informed by his own 20+ years' service as a director of public companies, including an S&P 500 consumer products company (NYSE) and a computer software firm (NASDAQ). Most recently Ken spoke at the Conference Board's 2008 Executive Compensation Conference "**Pay at the Top—Executive and Board Compensation**", and chaired a March 2009 program entitled "**Directors, Executive Pay, and the Meltdown - A Whole New Ballgame?**" for the National Association of Corporate Directors - NY Chapter. He has written extensively on governance-related topics, including "**Some Questions Potential Directors Should Consider Asking Before Agreeing to Join a Board**" and "**Advising Today's Board of Directors: Lessons Learned**".

PANELISTS

ARTHUR C. MARTINEZ

Chairman of the Board, HSN, Incorporated; Director, American International Group, Incorporated; Lead Director, International Flavors & Fragrances Inc.; and Director: IAC/InterActiveCorp, PepsiCo, Incorporated, and Liz Claiborne, Incorporated

Arthur C. Martinez became Chairman and Chief Executive Officer of Sears, Roebuck and Co. in 1995 and retired at the end of 2000. Previously, he was Vice Chairman and a Director of Saks Fifth Avenue.

Mr. Martinez currently sits on the Board of Directors of PepsiCo, Inc.; American International Group, Incorporated; HSN, Inc.; IAC/Interactive Corporation; Liz Claiborne, Inc.; and International Flavors & Fragrances, Inc. His current Board service includes chairing multiple Compensation Committees and serving as a Chairman of the Board and as a Lead Director. He is also Chairman of the Supervisory Board of ABN AMRO Holding, N.V. Mr. Martinez previously served as a Director of Ameritech, Amoco, Martha Stewart Living Omni Media, Inc., and the Federal Reserve Bank of Chicago (where he served as Chairman from 2000-2002).

Mr. Martinez received a B.S. degree from Polytechnic University, and an M.B.A. from Harvard. He has received numerous industry and community honors and awards, including election as 1996 CEO of the year by Financial World magazine, the National Retail Federation's Gold Medal for Excellence in Retailing, and honorary degrees from Notre Dame and Polytechnic. He is a Trustee of Greenwich Hospital, Northwestern University and the Chicago Symphony, and author of *"The Hard Road to the Softer Side"*, published by Crown, a division of Random House.

MARY LOUISE WEBER

Assistant General Counsel, Verizon, Inc.

Mary Louise Weber is Assistant General Counsel in the legal department of Verizon Communications Inc. where she is responsible for a variety of corporate legal matters, including securities law compliance and corporate governance. Prior to joining Verizon in 1998, Ms. Weber was a partner and associate in the Business & Finance group of Reid & Priest LLP in New York.

Ms. Weber received her J.D. from the University of Virginia School of Law and her A. B. from Smith College. She is a member of the Society of Corporate Secretaries and Governance Professionals and participates in the New York Stockholder Relations Society.

ABOUT NACD-NY

The mission of the New York Chapter of the National Association of Corporate Directors (NACD) is to take a leadership role in enhancing director effectiveness by providing a forum for educational content and peer interaction. Meetings focus on the practical aspects of board service with the latest developments and best practices in corporate governance.

The Chapter seeks to reflect diverse perspectives, including new and experienced directors, CEOs, and subject matter experts. The Chapter also seeks to enhance the role of the NACD as the premier organization for boards and directors of U.S. business corporations, providing an authoritative voice and vital forum on matters of policy and practice.

If you would like to become more involved with the New York Chapter of NACD, please visit www.nacdny.org or call 866.648.3369.

ABOUT NACD

Founded in 1977, NACD is the only national non-profit membership organization dedicated exclusively to serving the governance needs of corporate boards and individual directors. By offering education, information, conducting independent research, and disseminating leading practices on more than 100 governance issues and practices, NACD provides many resources for increasing director and board effectiveness to its more than 9000 members nationwide.

NACD accepts both individual and full board membership. Associate membership is also available to professional services organizations such as legal practices, audit firms and compensation consultants – those who provide essential board guidance and advisory services.

Membership benefits include: continuing director education, benchmarking research in numerous board and committee practices, thought leadership publications, practical handbooks for committees and boards, 24/7 ExpressSource information hotline, director search services, and other key resources for directors and boards. For complete information on NACD, please visit our national website at www.nacdonline.org

NACD-NY SPONSORS

NACD-NY would like to thank each of its sponsors for their efforts in making all of our events a success.

CTPartners



Morgan Stanley



WEIL, GOTSHAL & MANGES^{LLP}



New York Chapter

www.nacdny.org

Administrative Offices:
1895 Post Road, Fairfield, CT 06824

Email: oleary@nacdn.org

Tel: 866-648-3369

Fax: 800-894-3207