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Mid-Market CFO Forum

NOVEMBER 29-30, 2011 | NYSE EURONEXT | NEW YORK

Ensuring Success Amidst a Changing Landscape

What will be the major business drivers, strategic responses, and financial and cost priorities over the next year for US mid-sized firms? Will financing the corporation regain its spot as CFOs' #1 main focus? What macroeconomic, governmental, and geopolitical issues will be tantamount? More importantly, what does this mean for companies? How is the globalization tidal wave impacting mid-market companies?

Amidst it all, change can be good. Institutional Investor's inaugural Mid-Market CFO Forum will examine the issues that are critical to determining corporate America's success in 2011-2012. Our program will explore the exogenous factors that will impact US firms' ability to compete in the domestic and global markets, as well as the new menu of risks and opportunities available to them.

We will also explore the ways that senior financial executives' roles have changed within their corporations. What are the expectations today of CFOs: More strategic and less operational/compliance-oriented? What are CEOs and Boards expecting of their chief financial officers?

Knowledge remains the foremost key to success, no matter the factors reshaping the world around us. Therefore, spend one day sharing experiences and expertise with your peers – CFOs and treasurers from mid-market firms – and learn how senior financial executives can profit from the changes reshaping their companies, the markets in which they operate, and their job functions.

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Institutional Investor Forums' Mid-Market CFO Forum
Ensuring Success Amidst a Changing Landscape
November 29-30, 2011 ~ NYSE Euronext, New York

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Tuesday, November 29

4:30 pm Registration and Coffee Service
6th Floor

Forum Chairman:
Lewis Chew, *Former Senior Vice President and Chief Financial Officer, National Semiconductor Corporation* and *Director, Pacific Gas & Electric Corporation*

5:00 pm Roundtable Discussion
Grappling with the Dodd-Frank Act: Ramifications for Non-Finance CFOs
6th Floor – Room 621

Institutional Investor Forums' Mid-Market CFO Forum
Ensuring Success Amidst a Changing Landscape
November 29-30, 2011 ~ NYSE Euronext, New York

Moderator:

Anita Pramoda, *Chief Financial Officer, Epic Systems Corporation*

Discussants:

Susan C. Ervin, *Partner, Davis Polk*

Sara DeSmith, *Partner, PwC*

Harry J. Cynkus, *Senior Vice President, Finance and Chief Financial Officer, Rollins, Inc.*

The Dodd-Frank Act presents enormous challenges to US firms on many fronts – several of which haven't even manifested themselves yet. The increased regulatory burden of this legislation is compounded in many ways by the uncertainty that still surrounds the Act and how it will affect companies. This roundtable discussion session will explore the consequences of Dodd-Frank for US firms, including its impact on:

- Corporate governance issues – leadership structure, executive compensation
- Derivatives regulation
- Conflict minerals

6:00 pm Reception, Dinner & Welcome Address
Trading Floor and Board Room

Welcome Remarks

What Lies Before Us?

Robert Herz, *Former Chairman, Financial Accounting Standards Board (FASB)*

Dinner hosted by **PwC**

Wednesday, November 30

8:00 am Breakfast and Roundtable Discussions
Attracting and Retaining the Best Talent at Mid-Sized Firms
7th Floor – The Card Room

Forum Chairman:

Lewis Chew, *Former Senior Vice President and Chief Financial Officer, National Semiconductor Corporation and Director, Pacific Gas & Electric Corporation*

8:45 am Welcome Remarks
7th Floor – Main Dining Room

Presented by:
Michael Geltzeiler, *Executive Vice President and Chief Financial Officer, NYSE Euronext*
Diane E. Alfano, *Chairman, Institutional Investor, Inc.*

9:00 am Presentation
Broader Economic Implications in the Market
7th Floor – Main Dining Room

Presented by:
Harry Broadman, *Chief Economist, PwC*

Downside risks to growth in the advanced countries are rising. At the same time, increased attention is being paid by companies in all size classes to investing in emerging markets. These countries have been the engines of world economic growth over the past decade and a half, with annual average GDP rising at twice the rate as in the advanced countries, and this trend is expected to continue for at least the next decade. Both the risks posed by and the opportunities for investing in many emerging markets are poorly understood. Broadman will provide a strategic assessment of the nature of these risks and opportunities and of how mid-sized companies can best navigate them.

9:30 am Panel Discussion
A Review of the Top Challenges Facing US Firms and the Available Solutions
7th Floor – Main Dining Room

This wide-ranging opening panel of sometimes divergent viewpoints will explore the major challenges facing US firms, including:

Economic forecast – David Levy, *Chairman, Jerome Levy Forecasting Center*

What do the next 12 months look like in terms of interest rates, the euro, etc?

Process improvement – Howard M. Sipzner, *Executive Vice President & Chief Financial Officer, Brandywine Realty Trust*

Maintaining margins and making better use of technology and employee resources.

Regulatory burden – Thomas Gaidimas, *IFRS Leader, PwC*

Looking through the prism of change, how is the regulatory environment going to affect mid cap companies' plans to ensure success?

10:15 am Coffee Break
7th Floor – Foyer

10:45 am Presentation
Rethinking Retirement Risk – A Focus on Nonqualified Plans
7th Floor – Main Dining Room

Presented by:
David Hauptman, *Senior Vice President, MullinTBG, a Prudential Company*

Retirement risk is a challenge for individuals and corporations: 43% of American workers have less than \$10,000 saved for retirement (CNNMoney.com March 9, 2010); 65% of pre-retirees believe they do not have enough saved and will have to delay retirement (Prudential's Sixth Annual Workplace Report on Retirement Planning, 2009). Corporate benefits are also moving from defined benefit to defined contribution, shifting the responsibility of saving for retirement to the employee. Retirement for higher paid executives is a challenge due to IRS qualified plan limits. As a result, almost 90% of companies offer highly paid executives nonqualified deferred compensation plans for wealth building and to attract and retain top talent. This session highlights the DB to DC shift, de-risking strategies for pension plans such as LDI, buy-out and buy-in, and explores nonqualified plan best practices in plan design, funding alternatives and benefit security.

11:15 am Presentation
DB Plan Liabilities - Is It Time to Break From Tradition?
7th Floor – Main Dining Room

Presented by:
Paul A.E. Cummings, *Managing Director and Head of Institutional Investments Group, Bank of America Merrill Lynch*

Today's defined benefit plan sponsors face many challenges, including market-related and liability risks, impaired funded status, and regulatory changes—all of which can contribute significantly to business risk over the long-term. A Liability-Driven Investing (LDI) plan aims at reducing the risk to funded status through investment strategy and asset allocation. Given the low rate environment, is this the right time for LDI? This session will discuss liability-driven and traditional approaches, exploring the various regulatory factors and risks involved.

11:45 am Coffee Break
7th Floor – Foyer

12:00 pm Workshop Series I
6th Floor

Workshop A
Amidst a Rapidly Changing Fiduciary Landscape, What Are Your Obligations?
Room 621

Workshop Leader:
Dr. Susan Mangiero, CFA, FRM, **Prudential**

Fiduciary liability risk is on the rise. Questions about fees, investment selection, hedging policies and service provider due diligence are some of the many challenges confronted by ERISA plan decision makers, especially chief financial officers. Good process is everything. This workshop will cover the following topics for mid-market CFOs:

- Explanation of fiduciary pain points
- Discussion of an emerging notion of a fiduciary duty to hedge
- Determination of the elements of an effective Risk Management Policy Statement
- Deciding how to benchmark the effectiveness of a particular risk mitigation strategy
- Knowing questions to ask when considering pension de-risking strategies
- Understanding the unique pension risk considerations for mid-market private companies (private equity ownership, executive compensation, lack of liquidity, etc).

Workshop B:

To Delegate or Not? That Is the Question

Room 629

Workshop Leaders:

Chris Carabell, *Managing Director, Product Development & Innovation Investment Solutions, Bank of America Merrill Lynch*

Paul A.E. Cummings, *Managing Director and Head of Institutional Investments Group, Bank of America Merrill Lynch*

Thomas J. McAuliffe, *Managing Director and Head of Global Institutional Consulting, Bank of America Merrill Lynch*

It is a challenging time to be an investment fiduciary. How does your organization plan to satisfy its plan liabilities, and what resources are in place to do it effectively? Is an outsourced CIO or a traditional consulting model appropriate for your organization? Whichever approach you choose, the process should always begin with a focus on your organization's goals and investment policy and liquidity needs to drive underlying asset allocation in your portfolio. This interactive workshop will explore both approaches.

12:45 pm Lunch
7th Floor - Lounge

2:00 pm Workshop Series II
6th Floor

Workshop C:

Information Security

Room 621

Workshop Leader:

Mark Lobel, *Partner, PwC*

The economic storms of 2008 may have passed, but some clouds still linger across industries worldwide – concern over revenue, growth, and margin performance. And visibility into when and how quickly strategic new threats to information will emerge is poor, at best. Nonetheless, the majority of CFOs are confident in the effectiveness of their information security practices, according to the results of the *2012 Global State of Information Security Survey*[®], an annual survey of worldwide information security practices that looks at how executives and industry leaders view current and future challenges facing the information security industry. Yet all is not in order. Security event frequency is up, incidents are exploiting assets and devices, and spending cutbacks and deferrals are increasing. As the global economy stalls and information security threats such as cyber crime and Advanced Persistent Threat cloud the horizon, there is much preparation to complete. In addition, there is an increasing concentration among cyber criminals targeting the mid market. This speaker will take this opportunity to share insights, discuss how to foster effective and distinctive information security management in today's changing world, and explore ways the CFO and finance office can help to prepare their company to weather the storm.

Workshop D:

Aligning Your Capital in an Era of De-Maturing Industries

Room 629

Workshop Leader:

John Sviokla, *US Strategy and Innovation Leader, PwC*

One question often received from senior executives is, how important is innovation to my company? The answer in new industries is clear: innovation wins the game. In mature industries though, companies must ask themselves, is my industry in danger of dematuring? This expert will introduce you to the concept of the "dematuring" industries, although some examples are easy to spot, such as publishing and telecommunications, other factors make stable industries with known competitors and business models dynamic and new again. During this session, our speaker will help you to understand if your company is in a dematuring industry, provide key indicators for the beginning of this process, and explore ways to align your capital for innovation to ensure success and competitiveness for years to come.

2:45 pm

Guest Presentation

Key Trends in the Emerging Markets and the Impact on US Firms

7th Floor – Main Dining Room

Presented by:

Joyce Chang, *Managing Director and Head of Emerging Markets and Global Credit Research Group, JPMorgan*

Ms. Chang oversees 170 research analysts and economists in 12 countries and is responsible for coverage of developed and emerging markets countries and corporations, covering macroeconomic, FX, rates, and sovereign and company forecasts. She will discuss how the most important trends – positive AND negative – in the emerging markets are most likely to affect US business in 2012.

3:15 pm Coffee Break
7th Floor – Foyer

3:30 pm Panel Discussion
Learning from the Leaders: Taking the Next Step Career-Wise
7th Floor – Main Dining Room

Moderator:
Lewis Chew, *Former Senior Vice President and Chief Financial Officer, National Semiconductor Corporation* and *Director, PG&E*

Panelists:
Gordon Coburn, *Chief Financial and Operating Officer, Cognizant Technology Solutions Corporation*
Russell Boyle, *Partner, Financial Officers Practice, Egon Zehnder*
James B. Riley, *Senior Vice President and Chief Financial Officer, Ormet Corporation*
George R. Aylward, *President and Chief Executive Officer, Virtus Investment Partners, Inc.*

What does a CFO's future career path look like? How does a CFO position himself to become a CEO? What skill set is most in demand? Given the increasing demand by boards of directors for experienced executives with financial expertise, how does a CFO gain a seat at those tables? This small group of senior executives who've made it will share their experiences and their advice on how best to take the next step in one's career.

4:15 pm Guest Presentation
Redefining Corporate Governance
7th Floor – Main Dining Room

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

Professor Elson will discuss the recently enacted Dodd-Frank legislation and how it may negatively impact board and senior management behavior and, ultimately, shareholder value.

He will argue that the bill's actions including compensation committee reform, will make for much more passive compensation committees and ultimately much more passive boards.

4:45 pm Forum Concludes