

BEST PRACTICES FOR CORPORATE DIRECTORS

The Board's Compensation Challenge: Problem or Perception?

In recent years, many shareholders and employees have been outraged at executive compensation packages often characterized as exorbitant and unrelated to overall corporate performance. With scrutiny at an all time high due to a number of well-publicized cases of corporate malfeasance, the executive compensation issue – and the processes that support it – are among the most difficult and important that a board undertakes. So how do compensation committees strike the right balance between rewarding talented executives and having the packages based on sound logic? What *should* boards and compensation committees be doing with respect to compensation in today's environment?

In this program, our panel of experts will provide their insights as to what successful boards are doing with respect to compensation (and what doesn't work).

Questions that the panel will address include...

- What are the top compensation issues that boards need to address now in light of Sarbanes-Oxley, new listing requirements by the Exchanges, and recent SEC pronouncements ?
- What changes in compensation and compensation related governance processes are required in today's environment?
- What are the highlights of the recent NACD Blue Ribbon Commission on *Executive Compensation and the Role of the Compensation Committee* and what do they mean for directors?

Please join us for this important and timely session. You'll learn from the direct experience of expert panelists on the topic as well as through the discussion among fellow directors in attendance.

Moderator

The chair for the program is **Hal Shear**, who founded Research Investment Advisors, Ltd. in 1982 to assist individuals of significant net worth. He has headed its corporate governance practice, now known as Board Assets, since 1991. He has served on more than 12 boards and currently serves as an independent director of two privately-held companies. Mr. Shear regularly advises governmental authorities, CEOs, and corporate boards on governance matters. He is a senior advisor to the National Association of Corporate Directors (NACD) and a member of its international faculty. He has held executive positions at three of its chapters, and has been heavily involved with helping establish various local chapters, including this one in North Texas. He speaks at many conferences and presents NACD seminars, including *The Board & Strategy*, *The Effective Entrepreneurial Company Board*, and *Conflict in the Boardroom*. He was a commissioner on NACD Blue Ribbon Commissions.

Panelists

Jerry W. Box was elected to the Board of Directors at Oryx Energy in 1994 and was named President and Chief Operating Officer for Oryx in 1998. He had joined Oryx in 1968 (then Sun Oil, Inc.) and held several executive and operating roles over the course of his career prior to his ascension to the President role. Mr. Box currently serves on the board of Magnum Hunter (NYSE) where he is chair of the compensation committee and the boards of Newpark Resources (NYSE), and privately held Ascent Energy. He received his BS and MS degrees in geology from Louisiana Tech University in 1961 and 1968 respectively. In 1978, he completed the Management Development Program at the Graduate School of Business Administration, Harvard University.

Mike Halloran is a Worldwide Partner, specializing in executive compensation for Mercer Human Resource Consulting. He has consulted on executive compensation and benefit issues for over 25 years, with a focus on linking executive compensation to business strategy and enhanced performance for shareholders. His clients have included executive management and board compensation committees for some of the largest companies across the U.S. and Europe. He is a frequent speaker on executive compensation, and is often quoted in publications such as *The Wall Street Journal*, *The New York Times*, and *Fortune* magazine. Mr. Halloran has a bachelor's degree in mathematics from Northwestern University and an MBA from Northwestern's Kellogg School, specializing in finance and accounting.

Next Program

If you are unable to join us for our April program, our next program on **Best Practices in Corporate Governance** is planned for June 8, 2004.

Date: Tuesday, April 6, 2004
Time: 7:00am - 7:30am Registration
7:30am - 9:00am Program
Location: Park City Club
5956 Sherry Lane, 17th Floor
Dallas, TX
Costs (with advanced reservations):
Members, \$30
Non-members, \$60
Costs (day of meeting):
Members, \$40
Non-members, \$70

The Board's Compensation Challenge: Problem or Perception?

Tuesday, April 6, 2004 7:00am (Registration) 7:30am (Program) Park City Club, 5956 Sherry Lane, 17th Floor, Dallas, TX

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With Advanced Reservations: \$30 members, \$60 non-members
Day of Meeting: \$40 members, \$70 non-members

Email: pigeolat@geolat.com

Online: www.nacdntx.org

Fax: 972-239-9313 (Secure fax)

Phone: 972-239-9314

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WHY NACD?

If you sit on a board, advise a board, work with a board, or are a candidate to join a board, here is a unique opportunity to add value to your board contributions. The North Texas Chapter of NACD promises challenging topics and interactive sessions with knowledgeable leaders to help make you an active, valuable contributor to your board, be it profit or not-for-profit.

Good Directors Do Make A Difference!

BEST PRACTICES FOR CORPORATE DIRECTORS

Registration 7:00 am
Program 7:30 am - 9:00 am

Park City Club
5956 Sherry Lane, 17th Floor
Dallas, TX

Networking before and after the meeting

NACD North Texas Chapter

14110 Dallas Parkway
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NATIONAL ASSOCIATION OF CORPORATE DIRECTORS NORTH TEXAS CHAPTER

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Dallas, TX

The National Association of Corporate Directors is a not-for-profit organization dedicated to enhancing the governance and performance of business entities. NACD offers educational publications, seminars and resources for directors.

