



## CEO/CHAIRMAN ROUNDTABLE

9:45 AM

Steven Barth, Foley & Lardner LLP

Corey Chambas, First Business Financial Services, Inc.

Howard Engle, Deloitte Tax LLP

James Glerum, UBS Securities LLC

Randall Hogan, Pentair, Inc.

Glen Tellock, The Manitowoc Company, Inc.



**STEVEN R. BARTH**  
PARTNER  
Foley & Lardner LLP

Steven R. Barth is a partner with Foley. As a member of the Transactional & Securities Practice, Mr. Barth practices in the areas of mergers, acquisitions, leveraged recapitalizations and buyouts; venture capital and private equity fund formation and portfolio company investment; public and private offerings of equity and debt securities; public corporation securities laws and reporting compliance; corporate governance; and assists in the organization, development and financing of startup and development stage corporations. Mr. Barth also has extensive experience in counseling mid-market and closely held firms, including many family businesses. He has helped many mid-sized companies adopt and implement their strategic plans and transition ownership and management to the next family generation, to employees and to strategic or financial buyers. Mr. Barth is also a member of the Food Industry Team and the Health Care Industry Team.

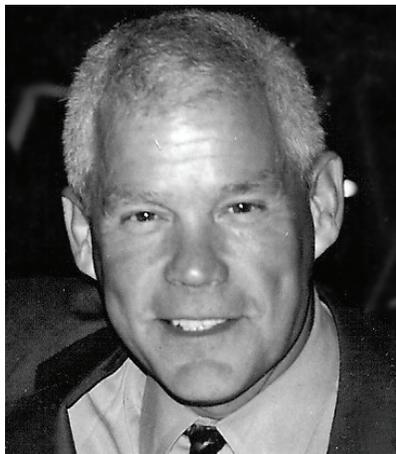
Mr. Barth has represented buyers, sellers, investors, and intermediaries in over 300 business combination transactions aggregating over \$10.0 billion in total consideration. He has worked on deals both domestically and internationally, involving both publicly held and private corporations, over a broad range of industries. Mr. Barth also has represented issuers or underwriters in securities offerings raising over \$6 billion and he currently represents a number of publicly traded companies. Mr. Barth also is one of Robert W. Baird & Co. Inc.'s (regional investment banking firm) primary outside counsels.

Mr. Barth received his J.D., *cum laude*, from the University of Michigan in 1984. He earned his B.S., with highest distinction, in finance from Indiana University in 1981. While at Indiana University, he received the Elvis J. Stahr award as one of the University's top five graduating seniors.



**COREY CHAMBAS**  
PRESIDENT AND CHIEF  
EXECUTIVE OFFICER  
First Business  
Financial Services,  
Inc.

Corey Chambas has worked in the commercial banking industry for 23 years, specializing in cash management and commercial lending. A graduate of the University of Wisconsin, he has also completed several advanced commercial lending programs including those of Darden (University of Virginia) and Kellogg (Northwestern University). In addition to his role as President and CEO at First Business Financial Services, Corey serves as a director of First Business Financial Services, Inc., a director of First Business Capital Corp., a director of First Business Equipment Finance, LLC, a board member of Mortenson, Matzelle and Meldrum, Inc., Business Advisory Board member of Bellbrook Labs, LLC, Advisory Board member of the Aldine Capital Fund, L.P., Co-chair of United Way of Dane County's Delegation on Disconnected and Violent Youth, Board member of the Foundation for Dane County Transition Schools, member of the Strategic Issues Campaign Committee for the United Way of Dane County, and a board member of Madison Breakfast Rotary.



**HOWARD ENGLE**  
PARTNER  
Deloitte Tax LLP

Howard S. Engle, a partner with the Chicago office of Deloitte, specializes in advising U.S. multinationals on all aspects of conducting business outside the United States. Mr. Engle previously was an international tax partner with Andersen and coordinated Andersen's international tax practices in the Midwest.

He is the Chair of the Graduate Tax Program at the University of Illinois and lectures on the tax aspects of doing business in multiple jurisdictions.

He has been editor of the "International Developments" column for *The Journal of Corporate Taxation* and a member of the Editorial Advisory Board of *The Tax Advisor*. Also, he is a co-author of the Bureau of National Affairs (BNA) Tax Management Portfolios, *Foreign Corporation Earnings and Profits* and *Allocation and Apportionment of Expenses -- Regs. §1.861-8*.

He received his undergraduate degree in accountancy from the University of Illinois and a master's degree in taxation from DePaul University. He is a certified public accountant and a member of the American and Illinois Societies of Certified Public Accountants.

He previously served as Chair of the Andersen Foundation, President of the University of Illinois College of Commerce Alumni Board and as Chair of the College of Commerce Business Advisory Council. He currently serves as a Trustee of the Deloitte Foundation. He is a member of the University of Illinois Department of Accountancy Advisory Board, the Dean's Board of Overseers and previously served on the University of Illinois Alumni Association Board.



**JAMES T. GLERUM, JR.**  
MANAGING DIRECTOR  
UBS Securities LLC

James T. Glerum, Jr. is a Managing Director in the Investment Banking Department of UBS based in Chicago and is a member of the Firm's Investment Banking Department Executive Committee. As Co-Head of the Chicago Office and Midwest Region, Mr. Glerum is responsible for managing one of UBS' largest regional offices and the investment banking coverage of several of the Firm's most important corporate relationships in the Midwest. In addition, as Head of the Diversified Industrial Sector of UBS' Global Industrial Group, Mr. Glerum is responsible for the Firm's investment banking coverage of a wide array of industrial manufacturing and service clients in industry sectors including construction and agricultural equipment, aerospace, factory automation equipment, flow control equipment, machinery, equipment rental services and engineering and construction services.

Prior to joining UBS in 2004, Mr. Glerum spent 15 years in the Investment Banking Department of Credit Suisse First Boston in Chicago, New York and Dallas and four years in the Investment Banking Department of PaineWebber in Dallas and Boston. Mr. Glerum holds an M.B.A. from the Harvard Business School and a B.A. in Economics and Mathematics from Denison University.

Mr. Glerum is involved in several civic and charitable organizations including: the Civic Committee of the Commercial Club of Chicago, the Executive Committee of The Ravinia Festival, the Board of Trustees of Denison University, and the Economic Club of Chicago.



**RANDALL HOGAN**  
CHAIRMAN AND CHIEF  
EXECUTIVE OFFICER  
Pentair, Inc.

Randall Hogan, 52, is chairman and chief executive officer of Pentair, Inc. (NYSE: PNR), a diversified operating company headquartered in Minneapolis, Minnesota with 2005 revenues of \$2.95 billion. Its Water Group is a global leader, providing products and systems used worldwide in the flow, filtration, treatment, storage and use of water. Pentair's Technical Products Group is a leader in the global enclosures market, designing and manufacturing technologically advanced systems to house and protect sophisticated electrical and electronic components.

Hogan first joined Pentair in 1998 as executive vice president and president of the company's then-named Enclosures Group. He was named CEO in 2001, and appointed chairman in 2002.

Prior to Pentair, Hogan served as president of United Technologies' Carrier Transicold Division. His career includes service with the Pratt & Whitney division of United Technologies; General Electric's Electrical Distribution and Controls, Power Generation, and Industrial and Power Systems divisions; and McKinsey & Company.

Hogan holds a Bachelor's degree in Civil Engineering from the Massachusetts Institute of Technology and a Master's degree in Business Administration from the University of Texas. He currently serves on the boards of Covidien, and of the Guthrie Theatre and Minnesota Public Radio.



**GLEN E. TELLOCK**  
PRESIDENT AND CHIEF  
EXECUTIVE OFFICER  
The Manitowoc  
Company, Inc.

Glen E. Tellock is president and chief executive officer of The Manitowoc Company, Inc., a leading, multi-industry manufacturer of lattice-boom cranes, tower cranes, mobile telescopic cranes, commercial ice machines, ice/beverage dispensers, and refrigeration equipment. The firm is also a leading provider of shipbuilding and ship-repair services for the U.S. maritime industry.

Mr. Tellock joined the company in 1991 as director of accounting; was promoted to corporate controller in August 1992; served as vice president of finance and treasurer from October 1998; and was promoted to senior vice president and chief financial officer in September 1999. Prior to his latest promotion, Mr. Tellock served as president and general manager of Manitowoc Crane Group since June 2002.

Prior to joining Manitowoc, Tellock was financial planning manager of The Denver Post Corporation, a privately held newspaper located in Denver, CO. During that time, Tellock was responsible for all financial reporting, budgeting, and forecasting functions at the newspaper. Prior to The Denver Post, Tellock served as an audit manager with the public accounting firm of Ernst & Whitney in Denver, CO.

A certified public accountant, Tellock is a 1983 graduate of the University of Wisconsin, where he earned a bachelor of business administration degree in accounting. He currently serves as a board member of Astec Industries, as chairman of the Association of Equipment Manufacturers, as a board member of WMC - Wisconsin Manufacturers & Commerce, and is an emeritus member of the Dean's advisory board for the School of Business at the University of Wisconsin.



## CEO AND BOARD INTERACTION/RELATIONSHIPS

1. How Do You Use Your Board?
  - Rubber Stamp
  - Value – Added Advice
    - At Board Meetings Only
    - In Between Meetings Too
  - Unique Issues
  - Do's/Don'ts
  
2. How – And How Often – Do You Communicate With Your Board?
  - In Person
  - Phone
  - Email
  - Mail
  - How Frequent
  - What Information Do You Provide To Your Board?
    - How frequent?
    - How far in advance of meetings?
  - Do's/Don'ts
  
3. How Does Your Board Most Help You – And How?
  - Key Issues
  - Strategic Planning
  - Succession Planning
  - Crisis Management
  - Growth Opportunities/Acquisitions
  - Personnel Issues
  - Financing
  - Compensation
  - Other
  - Do's/Don'ts



4. How Does Your Board Review You/CEO?
  - Well Defined Goals And Objectives Upfront
  - Who Reviews CEO?
  - How?
  - How Often?
  - Other
  - Do's/Don'ts
  
5. Independent Chairman/Lead Director
  - What Role?
  - Principal Responsibilities
  - How Active?
  - Communication – How And How Frequent?
    - With CEO
    - Other directors
  - Do's/Don'ts
  
6. How Do You Run Your Board Meetings?
  - How Frequent?
  - How Long?
  - Divisions Between Board/Committees
  - In person vs. teleconference vs. consent actions
  - Principal Focus:
    - Process/Procedure/Legalities
    - Substance/Strategy, etc.
  - Do's/Don'ts
  
7. How Do You Choose Your Directors?



## CEO/MANAGEMENT SUCCESSION PLANNING

- A. Is a plan in place?
  - a. How developed?
- B. Who are Stakeholders and what are their roles?
  - a. Board
    - i. Plan exists and is working
  - b. CEO
    - i. Plan effectiveness and execution
  - c. Senior Management
    - i. Talent development
  - d. HR
    - i. Coordination and advisory
- C. Promotions & Recruiting
  - a. Is talent being developed and is talent being brought into the company?
- D. Demographic (age) tracking
  - a. Holes upcoming/aging out issues
- E. Identifying critical positions
- F. Identifying internal and external candidates
- G. Crisis Plan
  - a. Identifying interim candidates
  - b. "Hit by the bus" scenario
- H. Identifying high potential employees
- I. Monitor individual development plans for internal candidates for critical positions and for high potential employee through performance management process
- J. Board exposure to internal candidates
- K. Diversity issues
- L. Key Man Insurance



## DIFFICULT SHAREHOLDERS

- Dealing with shareholders who want disproportionate voice in Company management or activity
- Issues with shareholders who violate confidentiality or non-disclosure requests on information received in their capacity as a shareholder
- Problems with shareholders who want access to Company records or related financial information
- Shareholders looking to deal with Company in a non arm's-length manner on transactions involving property, goods, services etc.
- Shareholders making contact or providing direction to employees at their own initiative
- Dealing with contentious shareholders including litigation, arbitration and other forms of controversy
- Shareholders creating unnecessary projects or work for Company staff and advisors
- Shareholders recommending or endorsing vendors, advisors, consultants and other providers to the Company
- Issues involving shareholder reaction to acquisition and disposition transactions
- Providing information and education as to basic shareholder rights...

# National Directors' Institute— CEO Roundtable: Facing a Financial Crisis

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Most financial crises are visible before they occur and can be addressed with adequate preparation and execution:

Potential Financial Crisis	"Typical" Timeline
◆ Restatement/accounting issue	Audit Committee meets regularly with auditors and finance team and is briefed early on of potential change in accounting standards
◆ Negative financial results	Finance/control functions see financial impact of negative business trends early through internal review/budget update processes
◆ Hostile raid	A genuine surprise raid is quite unusual, as some level of contact (CEO or Board member(s)) typically occurs beforehand—bear hug letter, etc.

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In each of these situations, planning is critical. Planning can often include the use of a broad array of advisors

- Consulting firms, law firms, investment banks, public relations specialists
- Having some of these firms on retainer will typically ensure that contingency plans are “in place” or have been discussed
- Question as to whether the Board should be involved directly in contingency/scenario planning; possibly certain committees or a lead-Board member suffice
- At a minimum, an executive “close to the CEO” should serve as the initial crisis point-person, and thus be ready to organize contingency plans and hand them over to appropriate team members

*Note: There is no substitute for experience. Many companies have experienced financial crises. It always makes sense to use executive/Board networks to determine “best practices”*

Investors have seen all shapes and sizes of financial crises. While they are not necessarily “numb” to crisis specifics, investors appear to put an increasing level of emphasis on how management and the Board manage the crisis

As a result, communication is often as critical as planning to the successful management of a financial crisis

- Does internal investor relations and/or the public relations firm really understand the crisis?
- Can they articulate the Board’s position?
- While at times cumbersome, lawyers and bankers can often “craft” a position quicker/better than PR firms, but PR firms can more effectively “place” the message for optimal impact
- Press release or conference call?
- Frequency of external messaging?
- Contact with particular large holders (stocks and bonds)

*Note: Companies need to be well-prepared before they initiate dialogue with stakeholders*

Communication often runs hand-in-hand with appropriate management of expectations: full Board, executives and often employees as necessary

A True Surprise—an agitator just announced a large position in your stock. What do you do?

- Do you have an advisor team ready with conflicts cleared?
- Who is the agitator and what is his style: long-term investor or true agent for charge?
- Will he push for a sale, restructuring or a recap?
- Do any of these alternatives make sense? Have these alternatives been vetted with the Board?
- How large is his stake *versus* his other positions?
- Who does he use as advisors?
- Are you going to meet with him?