

Small-Cap Forum

April 10, 2014
La Cantera Hill Country Resort
San Antonio, TX



Course Overview

Median market capitalization of all public companies is at \$450 million. For small-cap companies, even though the principles of good governance remain the same, the practice of exercising sound governance is very different than at large-cap companies. Razor thin margins, smaller staffs, and limited resources mean small company directors enter a world of crisis management and adventure which entails walking a blurred line between management and board roles. As a company evolves through different stages of growth, industry, product life cycles, and more, the board's outlook, composition, and priorities change as well. This forum, featuring subject-matter experts and seasoned directors from both micro- and larger small-cap companies, will discuss board priorities and best practices tailored specifically to small-cap companies.

Course Outline and Agenda

Thursday, April 10, 2014

7:00 a.m. – 8:00 a.m. **Breakfast**

8:00 a.m. – 8:15 a.m. **Program Welcome**

8:15 a.m. – 9:15 a.m. **Strategy and Risk**

Dean DeBiase, Chairman, Reboot Partners; Senior KIN Fellow, Kellogg School of Management, Northwestern University; NACD Board Leadership Fellow
David Nour, CEO, The Nour Group Inc; Director, introNetworks

Overseeing strategy and monitoring risk are the key components of a board's responsibility, but *what* does that mean as a practical matter and *how* can your board function as a strategic asset to a small-cap company? We will discuss the unique challenges of overseeing strategy at both the survival and growth stages, including the role of growth through acquisition and the keys to effective strategic analysis and enterprise risk management.

9:15 a.m. – 9:30 a.m. **Networking Break**

9:30 a.m. – 10:30 a.m. **Key Committee Issues**

Gerald M. Czarniecki, Chairman and CEO, The Deltennium Group; Audit Committee Chair and Risk Committee member, State Farm; Chairman, MAM Software Group Inc.; Director, State Farm Bank

D'Anne Hurd, Lead Independent Director, Audit Committee, Compensation Committee, Hiperos LLC; Board Chairman, Monzite Corp.; Director, Tripzon Inc.; Advisory Board Member, Myomo Inc.; NACD Governance Fellow

What type of board committee structure can help a small-cap company provide effective oversight and strategic input? This session will discuss the three key committees—audit, compensation, and nominating/governance—and how they serve greater boardroom operations. We will include a robust discussion of the unique challenges and pressures that a smaller board of directors can put on individual committee roles and responsibilities.

10:30 a.m. – 10:45 a.m. **Networking Break**

10:45 a.m. – 11:45 a.m. **Financing and Capital Markets**

Small-cap company directors rated corporate performance and valuation as their No.2 priority in the *2013–2014 NACD Public Company Governance Survey*. Discover how to sharpen your analysis of company financials and explore the different measures used to monitor performance and assess projected results.

11:45 a.m. – 1:00 p.m.

Networking Lunch and Keynote

Adam J. Epstein, Founding Principal, Third Creek Advisors; Lead Director, OCZ Technology Group Inc.

1:00 p.m. – 2:00 p.m.

Board Building

Richard Pascoe, CEO, Apricus Biosciences Inc.

Nearly 22 percent of small-cap company boards ranked board effectiveness as a top priority versus just 7 percent of large-cap companies. Although boards today have a tremendous collection of talents and abilities around the board table, are they actually fully utilizing the talents and competencies of their directors? How can small-cap company boards do a better job of making sure that the talent represented in the boardroom is engaged to add maximum value? Seasoned directors share their experiences and critical lessons learned for creating a truly engaged and effective small-cap board.

2:00 p.m. – 2:15 p.m.

Networking Break

2:15 p.m. – 3:15 p.m.

Board-Shareholder Communications

John W. Heilshorn, Partner, Lippert Heilshorn & Associates

Effective shareholder communication is critical to ensuring the long-term success of an enterprise, especially when that enterprise relies on growth capital for financing. Directors must understand both what to and what not to say when communicating the company's strategy. Discover how other leading small- and mid-cap boards are articulating their contributions to long-term shareholder value, and learn the best practice rules of the road for shareholder engagement.

3:15 p.m. – 3:30 p.m.

Networking Break

3:30 p.m. – 4:30 p.m.

Shareholder Activism

D'Anne Hurd, Lead Independent Director, Audit Committee, Compensation Committee, Hiperos LLC; Board Chairman, Monzite Corp.; Director, Tripzon Inc.; Advisory Board Member, Myomo Inc.; NACD Governance Fellow

Keith E. Gottfried, Partner, Alston & Bird LLP

Lauren Taylor Wolfe, Managing Director, Blue Harbour Group LP

While shareholder activism is on the rise, it brings with it a host of unique risks for smaller public companies. In this candid conversation, activist shareholders will discuss common frustrations with small-cap issues, and small-cap directors will reveal how they manage activist shareholders without the million-dollar budget normally afforded to large-cap companies.

4:30 p.m. – 4:45 p.m.

Program Wrap-Up
