

**The ESOP Association's 2012 Annual Conference**  
**"ESOPs: Securing Tomorrow Everyday"**  
**May 10 & 11**

## **Ownership Culture Topics and Descriptions**

### **1. Building your ownership culture toolkit**

ESOP companies that create a culture of ownership perform better, but this performance boost is not automatic. In this session, we provide a brief overview of the framework and tools used to build a culture that captures the full performance potential of shared ownership. Then, we'll share specific tools and company examples, including how to apply these in your own company context. We expect a high degree of interactive discussion, including attendees' successes and lessons learned.

### **2. Nifty fifty**

Representatives from leading ESOP companies will share their 50 best ideas in a fast paced "rapid fire" format. You'll want to jot down these ideas and try them out at your company.

### **3. ESOP committee workshop**

This interactive session will show you how to create an effective ESOP committee that provides informative employee communications. Topics include best practices for writing the committee mission and charter, structuring initial and ongoing membership, setting objectives and priorities, establishing a committee budget, interacting with senior management, creating accountability, and measuring your results.

### **4. AACE – Measuring the strength of your ESOP communications programs**

The ESOP Association's AACE competition honors excellence in employee communications programs. You will meet both AACE judges who will explain the judging process, as well as several AACE winners, who will share "secrets" about their entry preparation. Learn the keys to make a good showing in next year's AACE competition while measuring your communications program against the winners.

## **5. Winning ESOP ideas! Meet and learn from “Employee Owner of the Year” and “ESOP Company of the Year” winners**

What does it take to be recognized as the best? Learn how employee-owner and ESOP company award winners think and act to create outstanding ownership cultures. Join this moderator-led Q&A session with winning employee-owners and ESOP companies as they share their ideas and passion.

## **6. ESOP culture & communication: integrating ownership culture into strategic planning**

This dynamic session will give you the opportunity to hear from ESOP companies who have integrated ESOP culture into their strategic planning process. Learn about the steps they took to engage employee owners in the process and the benefits realized as a result. Come ready with experiences or questions as this is an interactive session with dialog between the panelists and audience.

## **7. ESOP games to educate employee owners about ownership culture and make learning about your company and your ESOP fun**

There are many technical items to learn about how an ESOP works and many items to understand about how a company operates when it is employee owned. In this session we will share several ideas for how to educate your employee owners in an interactive way that they will enjoy and remember. Learning can be fun!

## **8. The importance of performing an ownership culture assessment**

An ownership culture assessment evaluates and measures the engagement and buy-in of employees to the ESOP and becoming entrepreneurs. This session will discuss how to (i) perform an effective assessment, and (ii) develop a comprehensive action plan to implement desired outcomes.

## **9. The ABCs of ESOP communication**

Communicating the ESOP is the first step in creating a compelling ownership culture. This session will give you tools and ideas to help explain your ESOP to your employees in order to take advantage of its potential to create a high performing ownership culture. We will provide various interactive and written examples of effective communication of key ESOP concepts, account rules and other complexities.

## **10. Ownership behaviors and company performance: how do they connect?**

How can you expect your employees to think and act like owners without first understanding how the business works and how they can make a difference? This session will highlight how to translate ownership behaviors into empowerment, responsibility, and accountability to drive success.

## **11. Strategies for making employees feel like owners: it's more than having an ESOP account**

Saying you are employee owned is easy. Getting everyone to act like owners, that is the challenge. This session will discuss how to create an environment for ownership through the concepts of adult learning, adult to adult relationships, organizational behavior, leadership, and many others. The participants will walk away with multiple strategies to help create their own environment where individuals choose to become an owner vs. an employee.

## **12. Engineering a communication strategy and putting a new spin on old communications**

This session will provide ideas for developing an effective communication strategy for your company. Companies also discuss how they changed their communication strategy and if the change worked for them or not.

## **13. Oops! We need a rollout re-do.**

Ideas for how to re-communicate the ESOP and/or a communications program after the initial rollout wasn't as successful as you hoped.

## **14. Social Media**

This session will discuss how to use social media to communicate employee ownership. Twitter, face book, intranet communications, and e-mail blast are all tools that can be used to drive your ESOP message. Come see how others are using these tools to engage their employee owners.

## **15. Hiring in an ESOP Company**

Hiring the right people to fit a company's culture is essential to any business. Is this process different in an ESOP company? What role does leadership play in helping to make sure the right people are brought on board? What role do the other owners play in the process?

## **16. Restarting and/or refreshing your ESOP committee**

This session will provide technical guidance on how to refresh or restart an ESOP committee. If your committee has stalled or no engaged attend this session to hear how others have turned their program around.

### **17. Live state of the company meeting**

Two companies will share with the audience real-time live examples of how their meetings are conducted. Topics covered in the presentations will include open book financials, business development, company updates, and much more.

### **18. Leadership Development as a means of Building a High Performance Ownership Culture**

Leadership development is essential for deepening the leadership capacity in an ESOP company and providing a succession pipeline. More than training and professional development, leadership development programs at all levels of a company can be essential components for building and sustaining a high performance ownership culture. Participants in this session will hear how ESOP companies have strengthened their ownership cultures as a result of building the leadership skills and knowledge of employee owners at different levels of their company.

## **OPERATIONAL & TECHNICAL TOPICS AND DESCRIPTIONS**

### **The Administration Cycle - Part I, How Balances Accumulate**

This session will include a discussion of the rules on eligibility, allocations of contributions, forfeitures and earnings and all related compliance testing (e.g., coverage, 415, 409(n) and (p) and the dividend value test). (Note, there is a separate session that includes rebalancing.)

### **The Administration Cycle – Part II, How Benefits are Reported and Distributed -**

This session will include a discussion of participant and government reporting, vesting, and forfeitures as well as an in-depth discussion on distributions from the ESOP to former participants. (Note, there is a separate session on diversification, reshuffling and rebalancing.)

**Acquisitions Pt. 1**

This session will focus on the acquisition process for an ESOP company. Who are the players and what do they do? What is the role of ESOP trustee and the ESOP financial advisor? How do we determine amount and form of an offer? Why have a non-binding Letter of Intent? What should be in a LOI? What is the appropriate scope of due diligence? What is the relationship between due diligence and reps and warranties?

**Acquisitions Pt. 2**

This session will focus on the structure and substantive acquisition issues for ESOP companies. What are the acquisition structure concerns? Is Section 1042 capital gains deferral available for the shareholders of a target? What are the financing opportunities for ESOP companies doing acquisitions? Do target employees participate in the ESOP and on what basis?

**Basic Valuation and Introduction to Repurchase Obligation**

The audience will learn about the basics of conducting a valuation. The process, methods, premiums and discounts will be some of the subjects discussed. In the context of the valuation method discussion, the speakers will also comment on repurchase obligation and how it is addressed in determining fair market value.

**Advanced Valuation**

This session will focus on topical valuation issues facing appraisers. This session will continue the discussion on how repurchase obligation is handled in valuations, synthetic equity valuation, issues that are encountered in fairness opinions (from both the buy and sell side), and seller note valuation, among other topics.

**How ESOP Companies Deal with Cash**

Many successful ESOP Companies build up significant cash reserves over time. How should an ESOP Company manage investments? Should the company distribute funds to the ESOP or hold them at the Company level? What are the fiduciary concerns where either the Company or the ESOP holds significant cash? What are some alternate strategies?

**Funding Repurchase Obligation**

Discuss repurchase obligation strategies in detail, including corporate finance alternatives and impact of redeem, recycle and re-leveraging options. Discuss applicability of insurance and/or sinking funds.

**Legislative, Regulatory And Judicial Update**

This session, lead by two ESOP attorneys, will provide an update of court decisions, IRS and DOL guidance and activities, and federal legislation of significance to ESOP companies, fiduciaries and service providers, since early 2011.

**Someone wants to Buy Us**

This multidisciplinary panel will focus on the issues confronted when an ESOP company gets a sale offer. Corporate legal requirements from a Board of Directors and management perspective will be discussed. The role of the ESOP fiduciary in the sale process will be presented. And, valuation issues arising in the potential sale of an ESOP firm are highlighted.

**Special Administration Issues - Diversification, Rebalancing and Reshuffling.**

This session will explore the issues associated with diversification as well as two increasingly popular plan design features – reshuffling (i.e., former employee account segregation) and rebalancing.

**Trustees' Duties**

This session will provide an overview of the core duties of an ESOP trustee, best practices to follow to manage risk, and ways to handle common issues that arise over the life of an ESOP from the trustee's perspective.

**Fiduciary Review of a Valuation Report**

A panel comprised of an appraiser, a trustee and an attorney will discuss fiduciary duties involved in the selection of an ESOP appraiser and review of an annual valuation report, with the help of actual trustee checklists and procedures. We will demonstrate an annual due diligence meeting to identify the issues that arise in reviewing the valuation report and procedures to address these issues.

**Interplay Between ESOP Trustees and Boards of Directors**

The session will focus on how the ESOP Trustee, as a shareholder and an ERISA fiduciary, interacts with the Board of Directors in an ESOP company. We will review how the ESOP is similar to and different from other kinds of shareholders, and implications for the Board in protecting shareholder interests. We will also discuss the Board's role in monitoring performance of the Trustee, and issue that arise when the same individuals serve in both Trustee and Board roles.

**Sustainability (2 sessions)**

This session will be lead by a panel of experts from each of the advisory committees to discuss issues and concerns relating

to ESOP sustainability, including ESOP longevity, plan design and distribution policies, have and have nots, management succession, repurchase obligation, mergers & acquisitions, and employee and executive incentives and retention.

**DOL/IRS Investigations**

This session will provide guidance on what to expect and how to respond to a (i) DOL request for information and follow-up investigation, (ii) an IRS audit and (iii) unreasonable requests from IRS agents in the determination letter process and will provide an opportunity for the presenters and audience members to share recent experiences with the DOL and IRS.

**Agency Practitioners Forum**

This session will feature a panel of representatives from the Department of Treasury, IRS and the Department of Labor who will provide responses and commentary on prepared questions and answers on topics of interest to the ESOP community.