

Lead Director Network



In the years since the passage of Sarbanes-Oxley and the adoption of revised listing standards by the stock exchanges, most U.S. public companies have appointed one of their directors to serve as a “presiding” or “lead” director, while some boards have appointed an independent director to serve as non-executive chairman of the board. The responsibilities of these positions vary significantly from company to company, ranging from seemingly routine administrative functions to roles that can profoundly affect corporate strategy and operations. Looking beyond the formal duties of the new board leaders, experience shows that some lead directors have assumed wide-ranging and important roles within their companies.

Against this background, King & Spalding and Tapestry Networks have created the Lead Director Network (LDN). The LDN brings together a select group of approximately 20 lead directors, presiding directors, and non-executive chairmen of Fortune 500 companies for private discussions about how to improve the performance of their corporations and earn the trust of their shareholders through more effective board leadership.

Corporate Board Member and FTI Consulting ranked King & Spalding 16th in a survey of 217 general counsel of publicly traded companies based on firms they would want to represent their companies on national matters.

Members

Members of the LDN serve as leaders of the boards of directors of:

- Acuity Brands
- Akamai Technologies
- Bank of New York Mellon
- Cabot
- Capital One
- Cardinal Health
- Caterpillar
- Coca-Cola Enterprises
- ConocoPhillips
- CVS Health
- Delta Air Lines
- Duke Energy
- Edwards LifeSciences
- Eli Lilly
- Equifax
- Ford Motor Company
- GameStop
- General Mills
- Haverty Furniture Companies
- The Home Depot
- Intercontinental Exchange Group
- KBR
- McGraw Hill
- Motorola Solutions
- Northrop Grumman
- Reynolds American
- Symantec
- Tenet Healthcare
- TJX Companies
- United Technologies

Tapestry Networks

Tapestry Networks is a professional services firm that convenes executive and board-level networks. In addition to the Lead Director Network, Tapestry convenes groups of compensation committee chairs and audit committee chairs in both the United States, Canada, and Europe. Over 200 corporate directors from the world’s largest and most respected companies are active or alumni members of these networks.



On October 1, 2013, King & Spalding launched an online Directors Governance Center that provides public company directors with curated and original content on corporate governance issues, as well as practical resources, commentary from governance thought leaders and insight from the Center's editors.

For additional information, visit directorscenter.com.

Summary of LDN Meetings

Through August 2014, the Lead Director Network has held 19 meetings, as follows:

- **July 2014.** LDN members met with Keith Higgins, director of the Division of Corporation Finance (Corp Fin) at the Securities and Exchange Commission (SEC) to discuss the role of Corp Fin, its priorities, and the implications of those priorities for public companies.
- **July 2014.** LDN members met to discuss proxy advisory firm policy and trends from the 2014 proxy season. They were joined for part of the meeting by Martha Carter, global head of research, Institutional Shareholder Services, and Robert McCormick, chief policy officer, Glass Lewis & Co.
- **April 2014.** Joined by Ralph Whitworth, founder of Relational Investors and non-executive chairman at Hewlett-Packard, LDN members discussed the “new era” of shareholder activism, including preparing for activist interest and negotiating with activist investors.
- **November 2013.** LDN members met with GCs from many of the public companies in the LDN to discuss how GCs can effectively work with lead directors and boards, and the dynamics of and situations that test the GC and lead director relationship.
- **July 2013.** Part 1: LDN members discussed board oversight of risk. Among other matters, directors discussed oversight of long-term strategic risk and the reporting of risk to shareholders, regulators and the wider public. Part 2: LDN members met with members of the Audit Committee Leadership Network to jointly consider effective leadership of boards and committees
- **May 2013.** Joined by Dayton Ogden, global leader of Spencer Stuart's CEO succession advisory services practice, LDN members discussed key aspects of CEO succession planning and factors that boards should consider in emergency succession situations.
- **August 2012.** Joined by Richard Breeden, former chairman of the SEC, LDN members discussed the upswing in board-shareholder engagement, topics for board-shareholder discussion, the benefits/risks of direct engagement, and effective engagement practices.
- **May 2012.** LDN members examined the role of the board and the lead director in overseeing strategic risks, including changes in risk oversight since the financial crisis, common strategic risks and emerging best practices, and imaginative risk oversight.
- **December 2011.** LDN members reflected on challenges in board leadership and the lead director's role in guiding the board through critical situations, such as director performance issues, underperforming CEOs, bringing new directors on board, and succession planning.
- **August 2011.** Joined by Ambassador Susan Schwab, LDN members discussed strategy after the financial crisis, including the board's role in corporate strategy, international opportunities, risks, and strategic oversight, and the lead director's role in strategy.
- **March 2011.** LDN members discussed the relationship between the lead director and CEO, focusing their discussion on the factors that affect the CEO-lead director relationship and the impact of the lead director's responsibilities on the relationship.



Summary of LDN Meetings (cont'd)

- **December 2010.** Joined by Dr. Ram Charan, a leading business adviser and New York Times best-selling author, LDN members discussed how to define and enhance board performance. Members also participated in a session regarding issues faced by the Hewlett-Packard board.
- **August 2010.** LDN members discussed board leadership during special investigations, including trigger events and steps a company can take to prevent events that require investigation. Members also participated in a session on reforms set forth in the Dodd-Frank Act.
- **March 2010.** LDN members considered the lead director's role in major transactions, focusing on seven key responsibilities, and in board succession planning including how a board can benefit from diversity.
- **December 2009.** LDN members discussed how public company boards can perform better in succession planning, successes and failures of succession planning, and how boards can address the corporate governance reforms pending before Congress and the SEC.
- **July 2009.** LDN members met and discussed the board's role and changing approaches to risk management, including broader areas of risk and involving the full board, and the impact of recent legislative proposals on boards.
- **March 2009.** Former U.S. Senator Sam Nunn joined LDN members for a discussion of how corporate directors might interpret and respond to today's changing legislative and regulatory environments. Members also discussed their top public policy concerns.
- **November 2008.** LDN members discussed the role of the board in the development and oversight of corporate strategy, including a model shift from annual reviews to ongoing reports and inputs, and how to ensure boards are working collaboratively and effectively.
- **July 2008.** At the inaugural meeting of the LDN, members discussed the origins and value of the lead director role, including how the role has evolved over recent years and a broad number of key issues confronting lead directors.

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Publications

Thought leadership created in LDN meetings is captured and published to a wider audience in *ViewPoints*, a report that is published following each LDN meeting. In addition to *ViewPoints*, King & Spalding attorneys have published numerous articles following each LDN meeting, which articles have been published in the following publications:

- Harvard Law School Corporate Governance Blog
- New York Law Journal
- Directors and Boards
- Directorship Magazine
- The Corporate Governance Advisor
- Securities Regulation & Law

Additional Information

For additional information about the Lead Director Network and copies of *ViewPoints*, please visit the Corporate Governance page of our www.kslaw.com website.