

The Changing Landscape of Corporate Board Recruitment...And How You Can Get on “Their Radar”

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Agenda

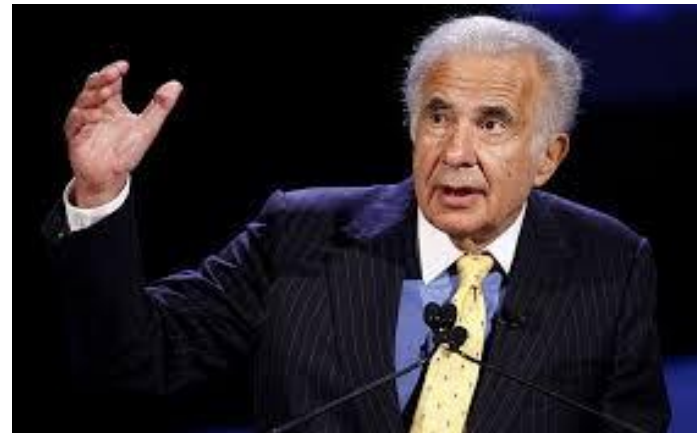
- I. Changing Landscape of Corporate Board Recruitment**
- II. Why Serve on a Corporate Board?**
- III. Director Compensation**
- IV. How to get on a Corporate Board**
- V. Manage Expectations**
- VI. BoardProspects.com**
- VII. Questions**



I. Changing Landscape of Corporate Board Recruitment

“ I really believe that [in] this country, one of the great problems we're going to have looking ahead ... is because corporate governance, with exceptions, is completely dysfunctional. ”

– **Carl Icahn 3/5/2014**



“ Once board recruitment goes beyond the field of current directors, you will find this rich body of people who are quite anxious to serve on boards. ”

– **Ralph Whitworth**, Activist Investor;
Chairman, Hewlett-Packard

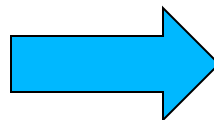


Boards Seek Industry Experience in New Directors

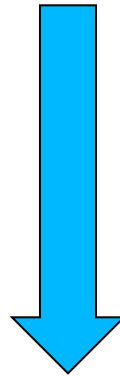


**Deloitte/Society of Corporate Secretaries and Governance
Professionals Survey (January 9, 2013)**

Translation...



Lack of Board Turnover



S&P 500 only elected 339 new
independent directors
in 2013

But...

Good News...



 **BOARD**PROSPECTS

...Represents a 16% increase over 2012

- Increase in term limits
- Age Restrictions
- Annual Elections
- Active initiatives for Boardroom
Diversity



II. Why Serve on a Corporate Board?

Why Serve?



1. Intellectual Challenge
2. Career Development
3. Networking
4. Business Development
5. “Give Back”
6. Supplement your income
7. Status

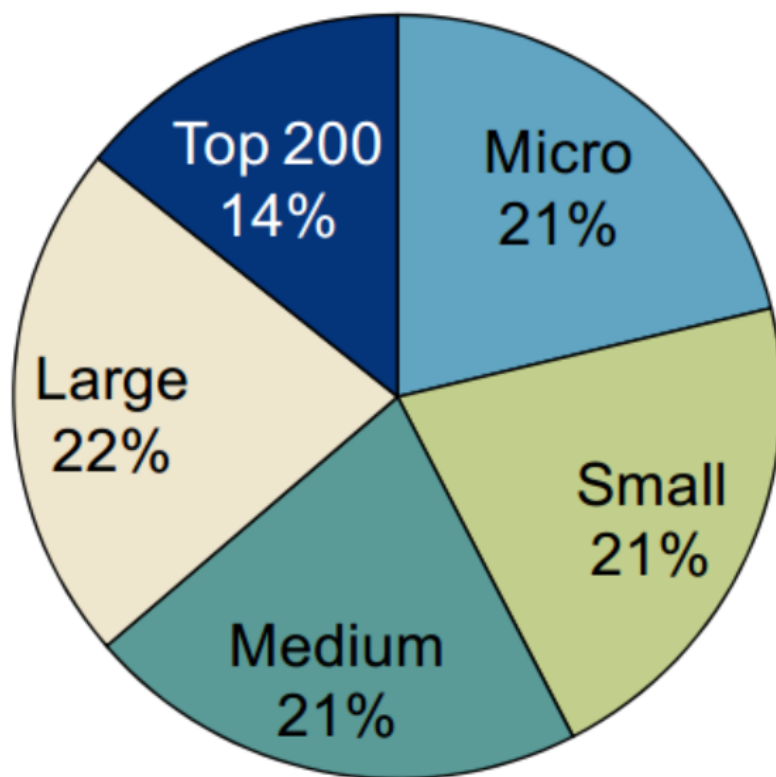


III. Director Compensation

COMPENSATION

NACD/PM&P Study covers Director compensation for 1,400 companies.

5 size categories – by revenues



- Micro: \$50M-\$500M
- Small: \$500M-\$1B
- Medium: \$1B-\$2.5B
- Large: \$2.5B-\$10B
- Top 200: Largest 200 Companies in the S&P 500

- Across 24 Industries based on GICS at the Group Level

Compensation

Median Total Direct Compensation

	2013	2012
Micro	\$101,484	\$97,308
Small	\$142,188	\$128,331
Medium	\$172,259	\$165,887
Large	\$204,079	\$192,730
Top 200	\$253,474	\$244,637

2013 NACD/PM&P Study

IV. How to Get on a Corporate Board

CONSIDERATIONS

- “C-level” Experience– CEO, CFO, CAO, COO
- Profit and loss experience
- Industry domain expertise
- International or Technology (CIO/CTO) Experience
- Prior board experience
- Time to commit to board work
- Expertise to contribute to committee work and/or willingness to Chair a Committee
- Individual style and fit with the existing board team
- Clean background check

1. Network
2. Showcase your Industry Expertise
3. Helpful Organizations:

BoardProspects.com



V. Manage Expectations

Managing Expectations

1. View board service as part of your career path



2. Conduct appropriate due diligence



Be open to other opportunities:

- Non-Profit Boards
- Private Company Boards

Commitments and Expectations

- I. Imposed by the Organization

- II. Fiduciary Duties:
 - A. Duty of Care

 - B. Duty of Loyalty

- I. **Duty of Care** – act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances



- II. **Duty of Loyalty** – act in good faith in a manner the director reasonably believes to be in the best interests of the corporation

“There is little doubt in my mind, indeed no doubt, that a strong, independent, and knowledgeable board can make a significant difference in the performance of any company....The responsibility of our board...is to ensure legal and ethical conduct by the company and everyone in the company.”






VI. BoardProspects.com

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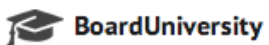


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⁵  BoardRooms ⁵




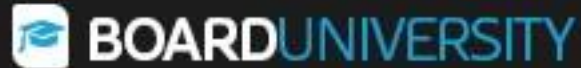
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VII. Questions?