Event Highlights
February 6, 2018
Nasdaq Entrepreneurial Center
San Francisco
Key Takeaways

► The pace of innovation is accelerating. As proof, the U.S. has issued over 9 million patents. It took 100 years to go from one to 1 million. Then, it took 25 years to go from 1 million to 2 million. It’s been four years to go from 8 million to 9 million.

► Your competitors are not only the companies in direct competition with you today.

► Twenty years ago, “digital” meant innovation. Today it means something very different. Just because your company is shifting to digital doesn’t mean you’re innovating. Boards can check some boxes and say “we’re going digital,” but it takes a very confident board to ask what management is going to do to push the envelope.
Key Takeaways

► CEO turnover has accelerated in recent years. In 2017, there were over 1,000 CEO transitions in the U.S. alone.

► Succession should be a continuous, dynamic process. The board’s responsibility is to implement a process, and an emergency plan has to be there.

► More often than not, an Executive Chairman that used to be the CEO casts a really big shadow, and it’s not fair to the new CEO. When management is queried by the board and everyone looks at the old CEO, that’s not good.

► There are different expectations from various stakeholders in a CEO transition. Investors want to know if there is something they didn’t know. Employees want to know if they still have a job or if their division is going away.
Key Takeaways

► Basic governance is getting increasingly complex every year, and boards are having to put more effort into it. Strategic oversight is a very critical role for boards. It's becoming increasingly difficult to understand five or six strategic industries and stay up to date with the surprise element of technology today. We'll see overboarding keep getting compressed.

► You don’t want to confuse anyone about who owns board composition. In a healthy public company, the CEO should not.

► Diversity is not only a gender focus, it’s a global focus. Younger directors are also necessary because people are losing touch with their younger consumer bases.

“This is a much smaller world than I would have imagined. Three-quarters of directors are still found the old-fashioned way—who knows who.”

Karen Simon
Vice Chairman, Investment Banking
Head Director Advisory Services
J.P. Morgan
Strategies for Effective Shareholder Engagement: Key Issues for the 2018 Proxy Season

Featured Speakers

Karla Bos
Director
Corporate Governance Consulting
Aon

Mary Francis
Corporate Secretary and
Chief Governance Officer
Chevron Corporation

Matthew Isakson
Partner
Meridian Compensation Partners

John Gibbons
Chairman
Deckers Outdoor Corporation

Ronald Schneider
Director, Governance Services
Donnelley Financial Solutions

View Profile

Key Takeaways

► The CEO Pay Ratio is going to be both muted and localized. It will be muted in the fact that it won’t have that much impact on Say on Pay. It could be a “wedge” issue to get into discussions with the Chairman of the Board. On a localized level, it may become more of an issue with the media, unions and your own people. Be ready for it.

► All your investors don’t want the same thing. They want you to understand their polices and priorities. That’s not an easy task, especially if you have a broad shareholder base.

► Before talking about novel or creative approaches to the proxy statement, there are some baseline points. You can have the best proxy, website and outgoing communications, but unless you have a two-way street with investors, you’re going to miss signals.

► The proxy should include something that shows evolution—how the governance program has evolved over time providing more than a snapshot view.
“Digital has the shelf life of milk. You have to test, fail, iterate and work fast. If you’re not focusing on something actionable, you’re not going to be able to use current technology.”

“Culture needs to repel the wrong people as much as it needs to attract the right ones.”
UPCOMING EVENTS:

Compensation Committee Forum
March 20, 2018
New York, NY

Board Leadership Forum
October 17, 2018
New York, NY

Board Leadership Forum
April 17, 2018
Chicago, IL

Compensation Committee Forum
November 13, 2018
San Francisco, CA

Executive Compensation Summit
June 4-6, 2018
San Francisco, CA