

Corporate Governance: Effectiveness & Accountability in the Boardroom

November 2-13, 2020 (M, W, F)

Info Session

October 8, 2020

Northwestern | Kellogg

EXECUTIVE EDUCATION

Hello from your Kellogg team!



Jim Woodrum
Academic Director



Jane Wuellner
Associate Director
of Advising



Jenny Daellenbach
Program Manager
(Primary)



Kate Wegener
Program Manager
(Session Support)

Blackrock 2020 Letter to Investors

“Given the groundwork we have already laid engaging on disclosure, and the growing investment risks surrounding sustainability, we will be increasingly disposed to vote against management and board directors when companies are not making sufficient progress on sustainability-related disclosures and the business practices and plans underlying them”

September 30 L.A. Times Article

“Under Assembly Bill 979, publicly held corporations headquartered in California are required to have at least one director from an underrepresented community by the close of 2021.

Directors from an underrepresented community include those who self-identify as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian or Alaska Native, or who self-identify as gay, lesbian, bisexual or transgender.”

Elizabeth Warren, Writing to the Business Roundtable

“Rebuilding our economy so that workers, customers, and communities are able to share in prosperity requires real change in the way decisions are made in corporate headquarters and on Wall Street, not just the vague, empty-worded press releases that you have issued”

Activist Investor Filing

“We are one of the largest shareholders of XYZ, Inc. (“XYZ” or the “Company”) with beneficial ownership of 9.7% of the Company's outstanding common stock. We are seeking your consent to remove four members of XYZ’s board of directors (the “Board”) who have overseen substantial value destruction during their tenures and replace them with our four highly qualified nominees”

Delaware Court Filing

“As CEO, Easterbrook violated McDonald’s policies, disrespected its values, and abused the trust of his coworkers, the board of directors and McDonald’s stockholders,” the company said in its filing.

“Easterbrook breached his fiduciary duties of candor and loyalty and fraudulently obtained a termination ‘without cause.’ To right those wrongs, McDonald’s filed this action”

CEO—United Airlines

“We have confidence in the long-term future of being able to bring everyone back. But getting through a crisis where revenue is down 85% is just not sustainable for an industry like aviation or almost any business for that matter”

Quick Poll

- Which of these statements best describes you?
 - I am an experienced Board member that is looking for a refresher
 - I am a new Board member and trying to learn as much as I can
 - I am looking to join a board in the next year or two
 - I was interested in being on a Board until I saw the quotes Jim just put up on the screen

About Me

- Clinical Professor—been at Kellogg since September 2013
 - Previously 7 years at University of Wisconsin—Madison
 - Before that, 22 years at Hewitt Associates
- Experienced corporate governance from four different perspectives:
 - As an advisor to boards
 - As a member of a management team presenting to my company's board
 - As a member of a corporate board
 - As a faculty member examining corporate governance research

Kellogg Perspective on Board Education

- A program like this should include three things:
 - Time spent discussing “timeless truths”
 - Focus on key committees
 - Appropriate topical sessions
- The best approach includes a mix of Kellogg professors and practitioners
- No selling from the podium
- Cases and exercises are better than lecture
- Panel discussions are boring
- Our purpose is to equip you for the job, not just to scare you

Kellogg Faculty



Tim Feddersen

- Wendell Hobbs Professor of Managerial Politics



Harry Kraemer

- Clinical Professor of Strategy
- Former Chairman/CEO of Baxter International



Ed Zajac

- James F. Bere Professor of Management and Organizations

“Industry” Experts

- Tom Desmond—Legal Issues
- Stephen Parker and Tracey Lee Brown—Audit Committee Issues and Concerns
- Scott Dillman—Cyber Security
- Jeff Zilka—ESG and Activist Investors
- Jim Woodrum —Executive Compensation

CORPORATE GOVERNANCE: Effectiveness & Accountability in the Boardroom

Academic Director: Jim Woodrum

WEEK-1: November 2, 4, 6, 2020
WEEK-2: November 9, 11, 13, 2020
Program Manager: Jenny Daellenbach

| WEEK-1 | Monday November 2 | Wednesday November 4 | Friday November 6 |
|---------------|--|---|---|
| 7:30 – 8:00 | | <i>COFFEE CHAT (optional)</i> | |
| 8:00-9:30 | Defining Good Directors, Boards, and Strategies Zajac | Board and Committee Responsibilities Kraemer | The Board's Role in a Crisis Feddersen |
| 9:30 – 9:45 | 15-minute Break | 15-minute Break | 15-minute Break |
| 9:45 – 11:15 | Defining Good Directors, Boards, and Strategies (cont.) Zajac | Board and Committee Responsibilities (cont.) Kraemer | The Board's Role in a Crisis Feddersen |
| 11:15 – 11:30 | 15-minute Break | 15-minute Break | Faculty Office Hours 11:30 – 1:00 pm (15 minute individual sessions) Woodrum |
| 11:30 – 1:00 | Legal Issues Desmond | The Board Recruiting Process Kush | |
| WEEK-2 | Monday November 9 | Wednesday November 11 | Friday November 13 |
| 7:30 – 8:00 | | <i>COFFEE CHAT (optional)</i> | |
| 8:00-9:30 | Executive Compensation Woodrum | Audit Issues Parker Brown | Activist Investor Case Study Zilka and Woodrum |
| 9:30 – 9:45 | 15-minute Break | 15-minute Break | 15-minute Break |
| 9:45 – 11:15 | Executive Compensation Woodrum | Audit Issues Parker Brown | Activist Investor Case Study Zilka and Woodrum |
| 11:15 – 11:30 | 15-minute Break | 15-minute Break | <i>THANK YOU FOR JOINING US!</i> |
| 11:30 – 1:00 | Cybersecurity for Directors Dillman | Activist Investors Zilka | |

Learning Experience

Resources & Opportunities to Connect



Network with your peers during **small** group virtual events



Dig deeper during faculty/team office hours



Explore resources on a robust course site

Corporate Governance: Effectiveness and Accountability in the Boardroom

Questions?

For more information:

- Go to kell.gg/kxcorp.gov
- Contact your program Advisor – Jane Wuellner
– j-wuellner@kellogg.northwestern.edu