

# AGENDA

A Financial Times Service

## Lead Directors Should Help Set Meeting Agendas: Survey

Majority believe input from both CEO and board leader needed

By Katie Wagner

A majority of independent directors and corporate executives agree that a non-management board leader - a non-executive chair, lead director or presiding director - should be involved in setting board meeting agendas.

Nearly 70% of respondents to Agenda's Directors' and Officers' Outlook: Q3 2010 survey say that nonmanagement board leaders should help with, but not be solely responsible for, setting the board agenda. However, directors, executives and other board experts seem to have a wide variety of ideas about how to define "helping."

Some independent directors responding to the survey said nonmanagement board leaders should work with management or the CEO specifically to create board meeting agendas.

"The presiding director should discuss the agenda with the CEO. The chairman or non-executive chairman should be the primary person setting the agenda in concert with the CEO when the two positions are separate," one director wrote.

"Both the non-executive chair and the CEO need to work together to make sure the board agenda covers topics that need to be addressed and that will aid the company," wrote another director.

The agenda belongs to the board, but "in the vast majority of cases I think you would find that the CEO suggests the agenda... and if there are some issues about the agenda, the non-management board leader will work with the CEO to make adjustments accordingly," says Jim Unruh, who serves on four boards, including Qwest Communications International and Prudential Financial.

Nearly 24% of corporate executives and 13% of independent directors said non-management board leaders "should approve but not set the agenda." "It makes sense for the CEO to initiate the agenda-setting process because the CEO is most aware of what the important issues and strategies of a company are and where he or she would want the board fully engaged in discussions that could lead to major decisions," Unruh says.

"In the boards I'm on, we always have executive sessions, and one of the things we do is make sure we are comfortable with next meeting's agenda and the annual agenda," Unruh says. "If there are concerns or changes desired, the non-management board leader will communicate those to management."

On the other hand, 15.5% of independent directors and 9.1% of corporate executives said they thought the independent board leader should be the main person setting the agenda.

"The agenda belongs to the board. It should be set in conjunction with the CEO to achieve the board's principal objectives and responsibilities around strategy and oversight," wrote one survey respondent who said board leaders should lead the process.

**"It has to be somebody on the outside setting the agenda," says Dora Vell, CEO of Vell Executive Search. "When the CEO owns the agenda, the boards run the risk of leaving out or postponing important issues that management may not want to highlight at this stage."**

Randolph Ferlic, a director at Apache, has an opposing point of view. Apache's CEO "leads the agenda" aside from the routine mandatory reports, Ferlic says.

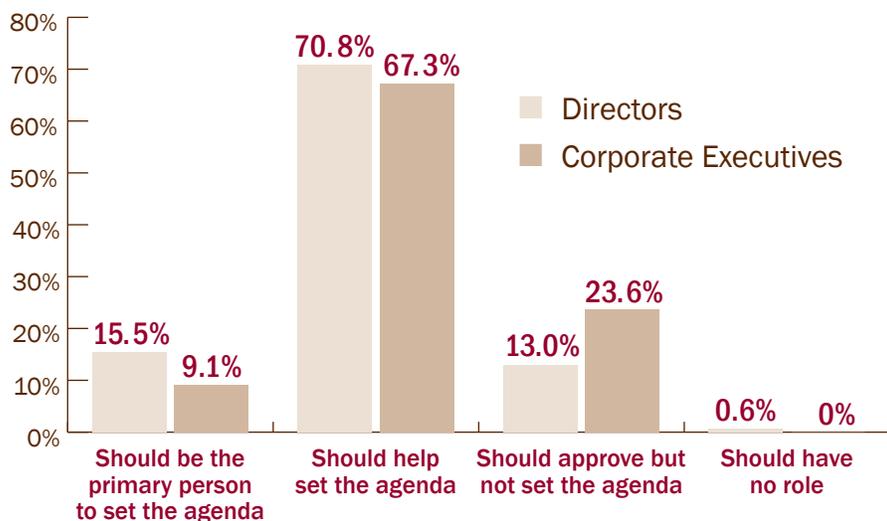
Apache has a rotating presiding director who has no more involvement in setting the agenda than the other outside directors, according to say to assure transparency, honesty and quality of our various pursuits."

However, Ferlic says, all board members are free to contact the CEO with concerns or any additional agenda items.

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### Setting the Meeting Agenda

What should the non-management board leader's role be in setting the board meeting agenda?



Note: Responses based on 161 independent directors and 55 corporate executives