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A CEO's Circle of Friends

Skills and Professional Development



Who are the most influential people in your life? It's likely your parents and your friends.

Parents, obviously, lay the foundation for our character and values. But we didn't choose our parents. That part of our being, like our genes, was left to chance and fate.

Friends are different. These are people we choose to be with. But like our parents, they have a profound impact on our daily life and decisions. Even when we are alone, our inner circle of friends affects our perspective and choices.

If you are a parent, you know the powerful impact friends have on your children. The peers with whom your son or daughter spend time can meaningfully change the course of their lives. Advice from a friend can supplant any parental guidance and may lead to disaster.

Now think of your CEO. Like all of us, CEOs choose their friends, the people with whom they spend their time. CEOs pick their executive teams and often recommend directors to serve on their boards. They decide who they want close to them — who exists in their inner circle.

And just like everyone else, a CEO's perspective and choices are affected by this inner circle of "friends."

A CEO who surrounds herself with an honest, ethical, and effective group of colleagues is more likely to act in an honest, ethical, and effective way. A CEO who hangs around the wrong crowd — no matter how strong her character — is more likely to make bad choices.

Which brings me to the general counsel. Should the GC be part of the CEO's inner circle?

A great GC is honest, ethical, and effective. That's part of the job description. And a great GC, who sits with the CEO, can have a profound impact on the perspective and choices of that executive. So it follows that a great GC should be part of the CEO's closest team if that CEO wants to benefit from this positive effect.

But I am not the only one who thinks so. The National Association of Corporate Directors (NACD), the premier organization supporting boards of directors around the world, recently published its report on corporate culture. The report includes the current best practices for exceptional corporate governance. And, importantly, the report also includes key language that, for the first time, squarely addresses the role of the GC.

According to the NACD experts, for companies to have a productive and ethical corporate culture, the GC's role is key and directors should look carefully at the reporting lines, access, and rank of the company's top lawyer.

In other words, a great GC should be part of the management inner circle to have the most positive effect on a company's culture.

ACC took a leading role in the NACD's recommendations. The association's most recent white paper, "The General Counsel as a Corporate Culture Influencer," is a key citation in the NACD's publication and formed the basis of this recommendation. Directors around the world hold the NACD in high regard and follow its advice, so in-house counsel everywhere should take pride knowing that our positive influence is recognized and appreciated.

But for the best CEOs and directors, the NACD report and the ACC white paper only support what they already know: If the GC is the right person, he can have the right influence and have a dramatic

positive impact on the CEO and the company.

And just like our kids, our CEOs need the right friends to help them make the right decisions. A great GC can also be that great friend.

Bill Mordan



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