



## JamesDruryPartners

*Board Consultation  
and CEO Succession*

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James J. Drury III  
Chairman and Chief Executive Officer

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We are pleased to share our 5<sup>th</sup> annual report: ***The Weight of America's Boards – Ranking America's Largest Corporations by the Governance Capacity of Their Boards.*** As in the past, we have assessed America's 500 largest, and 500 most valuable, corporations – a total of 652 boards and 6,304 directors.

We would like to recognize those boards that continue to be perennial examples of high governance capacity: **PPG** and **Parker Hannifin** are among the top 10 for the fifth straight year. Others of note include **Walt Disney**, **U.S. Bancorp**, **3M**, **IBM**, and **Baker Hughes** (acquired by GE). We also want to recognize the boards that have most impressively “upped their game”. Since initiating this study, the following corporations improved their governance capacity rankings by more than 250 positions: **Ford**, **Costco**, **GE**, **MetLife**, **McKesson**, and **Microsoft**.

We have enjoyed sharing our governance reports with you these past several years, and thought it might be timely to share a little bit about JamesDruryPartners, and our “mission in life” – to help strengthen and sustain the quality of governance in America's boardrooms. Our interest in corporate governance dates back to the early 1990s when institutional pension funds found their voice, and we co-founded annual corporate governance conferences with Northwestern's Kellogg School in 1990, and Chicago's Booth School in 1996. We then made the decision to transition from an executive search and board recruiting firm, into a board advisory services firm. Today, 100% of our firm's business is board related.

The foundation of our transition was the introduction of our new service, **BoardSelect**<sup>®</sup>, in 2006. This innovative service enables corporate boards to proactively participate in the process of selecting the most meaningful and appropriate boards for their top executives – CEOs, CEO successors, and others. The governance report enclosed with this letter was created to help our clients identify the strongest boards for consideration.

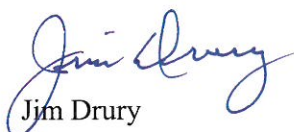
Further, in order to assure that our client executives possess the attributes considered essential for board effectiveness, we partnered with Hogan Assessment Systems to develop **BoardExam**<sup>®</sup>, our proprietary assessment diagnostic designed to help assess a director candidate's board readiness and culture fit. Thirty of America's most respected directors contributed to its development.

Today, as we look ahead, our firm is focused on developing greater insight regarding future board needs – the demand side. A growing number of boards are reaching out to us, when seeking a director, to inquire whether there might be a strong fit with one of our client executives – and occasionally there is. Additionally, entities doing IPOs or spinouts often approach us, and in many of these situations elect one or two of our clients to the new board.

As we continue to optimize the matching of America's best executives with the boards that will most benefit from their contributions as directors, we hope to earn the privilege of being considered a trusted extension of the board's network, when seeking recommendations for a new director.

Enjoy this report, and thanks for listening.

Best regards,

  
Jim Drury