

### ***Overview of the National Association of Corporate Directors (NACD)***

NACD mission is to advance exemplary board leadership – for directors, by directors. NACD delivers the knowledge and insight that board members need to confidently navigate complex business challenges and enhance shareholder values. NACD amplifies the collective voice of the directors in setting a substantive policy agenda.

NACD was founded in 1977 as the only national membership organization created for and by directors. Today, more than 11,340 directors and key executives from public, private and non-profit companies rely on NACD for board development, board education, resources and connections.

NACD closed 2011 with 3,455 new members – NACD’s biggest growth year ever. There were 209 new full boards that joined, 43 of which were Fortune 1000 companies. Ninety-two percent of Fortune 50 boards now have an NACD director members serving on their boards, and 35 percent are full board members of NACD. The major growth was seen in the acquisition of 164 new, full small- to mid-cap company boards.

NACD is comprised of a national headquarters organization with 22 chapter organizations operating within the geographical territories of the U.S. The Atlanta Chapter is one of those 22 chapters. The mission of the Atlanta Chapter is consistent with the mission and objectives of the National organization.

### ***Atlanta Membership***

The Atlanta Chapter targets sitting directors, full corporate boards and C-Suite executives in our membership recruitment efforts.

The number of members who are directors in the Atlanta Chapter has grown during 2011 both in absolute numbers and as a percentage of the total chapter membership. The number of directors in October 2010 was 214, or 73% of the chapter membership. At the end of 2011 the number of directors was 234, or 84.8% of the chapter membership.

The total membership of the Atlanta Chapter did not grow in absolute numbers during 2011. Our chapter has 276 members, down from 284 in 2010, but again the percentage of directors amongst the membership is higher than in 2010.

### ***The Atlanta Chapter Board***

The Atlanta Chapter has Chapter Officers and Directors, an Advisory Board, and Chapter Sponsors. There is one standing committee for Governance.

The Chapter Governance Committee was active in 2011. The Committee members are Rona Wells, Robert Barker, and Paul Lapides. The Committee recruited and nominated two new directors. The Board approved the director nominations. In 2012 the Governance Committee will initiate a board evaluation process in addition to continuing with their present duties.

The two new directors are Linda Welty and Wayne Shortridge. Their biographies follow.

*Linda Welty*

Linda's global industrial career spans more than thirty four years in corporate governance, executive leadership, operations, sales, marketing, and manufacturing in the chemicals, specialty chemicals and energy industry. Having served on both public and private boards, she's earned a reputation as a quick, strategic thinker, a collaborative, tactful and courageous director. As a successful C-Suite executive of global chemical businesses, Linda established a dynamic record of redirecting, rejuvenating, and turning around various business enterprises.

Linda was appointed to the Massey Energy board following the tragic mine explosion. As a director and committee member, she played an influential role navigating a tumultuous period of corporate governance that included a CEO transition, separation of CEO and Chairman Roles, an unsolicited takeover offer, a strategic review and successful competitive bid process that ultimately resulted in the Board's decision to sell the company.

*Wayne Shortridge*

Wayne has been engaged in the private practice of law for more than forty years. During his professional career he has represented companies from the start-up stage through their status as Fortune 500 companies. He has served as general counsel to a number of companies, and has extensive experience in the electronic and telecommunications industry as well as experience in the legal areas of the corporate governance, including Sarbanes-Oxley matters and advice to corporate Board special committees, mergers and acquisitions, corporate finance and credit facilities to companies.

He serves as Lead Director of Sanmina-SCI Corporation, a Fortune 400 company which is a leading multi-national, diversified electronics manufacturer. In addition he is Chair of the Nominating and Governance Committee, a member of the Audit Committee, and former Chair of the Compensation Committee. He is also a member of the NACD National Council on Nominating and Governance.

***The Officers and Directors***

The Board elected a slate of Officers and Directors to serve in 2012. They are:

Daniel Giannini, Chair  
Mary Madden, President, Executive Director and Director  
Wesley E. Wittich, Treasurer and Director  
Rona Wells, Secretary and Director  
Patrick Dailey PhD, Programs and Director  
Janice Kuntz, Membership and Director  
Paul Lapides, Director  
Robert Barker, Director  
Mylle Mangum, Director  
Linda Welty, Director

### ***Advisory Board Members***

Andrew Stull, Houlihan Lokey  
Carolyn H. Byrd, GlobalTech Financial  
Dana Hermanson, Kennesaw University  
David Stockton, Kilpatrick, Townsend and Stockton  
Gregory Stoeckel, Pearl Meyer & Partners  
Lee Esler, Spencer Stuart  
Mark Carlson, Baker Donelson  
Phillip D Ostwalt, KPMG

### ***Chapter Sponsors***

Every NACD Chapter attracts sponsors. Sponsors pay fees to the local chapter to represent their firms to the Chapter membership. The sponsors' support enables the Chapter to provide quality educational programs, administrative support for the Chapter operations, and importantly helps connect Chapters to their local communities.

Atlanta had nine sponsors in 2011. They were KPMG, Pearl Meyer & Partners, Baker Donelson, Habif, Arogeti & Wynne, Kilpatrick Townsend and Stockton, and the Southern Company. Two new sponsors joined in 2011: Houlihan Lokey, and Spencer Stuart.

### ***Fellowship Program and Education***

NACD offers governance education programs several times each year in a variety of locations across the U.S. There are two tiers of directors' education culminating in the "Fellow" designation. One must first attend one of these two foundation courses and then supplement that course with additional continuing education credits from Chapter meetings, the Annual NACD conference, NACD webinars, and/or other NACD meetings. In addition each year a director must earn a minimum number of continuing education credits in order to maintain their Fellow certification. Our Chapter meetings are a convenient place to earn education credits.

The two Foundation courses are:

***NACD Board Leadership Program*** – The experienced director can become an NACD Board Leadership Fellow and make a powerful statement to investors, management and the public. This comprehensive program of study is open only to directors with years of significant board service, and is specifically designed to extend technical expertise and informed board leadership through access to cutting edge information and an experienced director network.

***NACD Governance Program*** – The new or aspiring director can become an NACD Governance Fellow and develop corporate governance competencies, build knowledge on a solid foundation and demonstrate a commitment to the fundamentals of effective board performance.

Several members of the Atlanta Chapter have taken these Foundation Courses offered by NACD and received their certifications.



ATLANTA CHAPTER

## Atlanta Chapter of the NACD 2011 Annual Report

### **2011 NACD Governance Fellows**

Christine T. St. Clare  
Edwin Holman  
Errol B. Davis Jr.  
Mary A Madden

### **2011 NACD Board Leadership Fellows**

Edwin Holman  
H. Terry Watts Jr.

Patrick Dailey from our Chapter has taken the Leadership Fellow Foundation Course and is working on his full certification by accumulating the necessary educational credits through chapter meetings, national meetings and webinars.

### ***Atlanta Education Programs in 2011***

The Chapter held nine luncheon meetings in 2011. The program topics included: The Realities of Doing Business Internationally; Governance Metrics; Acquisitions, Mergers and Disposals; When the Boss is the Brand; Good Governance for Private Boards; IT Risks; Compensation; 2010 Proxy Season Review; and Washington's Reach into your Board Room. The Chapter also co-sponsored the 10<sup>th</sup> Annual Directors' College with The Terry College of the University of Georgia. The Chapter attracts nationally recognized speakers often with expertise drawn from our Sponsors' employees or partners.

Attendance at our luncheon programs averaged 56 per luncheon in 2011. In 2010, attendance averaged 61. The Chapter is addressing the attendance issue with strong outreach and marketing efforts in an attempt to increase the quality of our attendees as well as the number of attendees.

Program evaluation reports solicited from program attendees averaged 4.4 out of 5 for 2011.

### ***Chapter Finances***

The Chapter remains in good financial standing. Wesley E. Wittich, our Treasurer, does a superb job managing and tracking our financial records.

### ***State of the Chapter***

The Chapter is well positioned with strong leadership and adequate finances. The National office instituted a balanced score card to evaluate the Chapters and the Atlanta Chapter reached 100% of our 2011 goals.

Our challenges are to continue to provide quality education, to improve meeting attendance and to grow director membership and participation.

We, the Chapter Leadership, thank all who have joined or renewed their NACD membership and participated in our programs and help us to build a vibrant chapter.