

## Corporate Governance

Corporate governance and shareholder activism represent increasingly complex and critical areas of focus for public companies including corporations and financial services firms. Boards of directors have been under pressure from shareholders and proxy advisory firms to take good governance actions, but they must also ensure that their governance structure allows them to deal with takeover attempts or other activist campaigns in a manner that protects long-term shareholder value.

This is especially true in the case of financial services companies, for which governance issues are frequently associated with the regulatory, enforcement and litigation challenges the sector has been facing since the financial crisis. Sullivan & Cromwell has a particularly strong understanding of corporate governance requirements, practices and trends in the financial services sector. The Firm counsels boards and companies on all facets of corporate governance, both within and outside the context of a particular activist campaign, taking into account the company's specific circumstances and goals.

In recognition of the importance of good corporate governance in the banking system, the Clearing House, an association comprised of some of the world's largest commercial banks, developed, working in conjunction with S&C, its Guiding Principles for Enhancing Banking Organization Corporate Governance. These principles focus on the role of the board of directors as a cornerstone of the governance structure.

### Shareholder Engagement and Disclosure

The ability and willingness of shareholders to influence corporate management and structure have steadily increased for more than a decade. S&C offers broad experience and insight to assist clients in effectively engaging with shareholders and addressing their concerns.

### Compliance

S&C helps clients achieve compliance with governance and disclosure requirements. Clients rely on the Firm's expertise in analyzing:

- director independence issues;
- board committee practices, including audit, compensation, corporate governance, nominating and risk committees;
- related-party transactions;
- director fiduciary duties;
- proxy disclosure; and
- crafting charter and bylaw provisions.

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#### PRACTICES & CAPABILITIES

#### Corporate Governance

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