

Directors & Boards®

2012 Top Corporate Governance Law Firms

DIRECTORS & BOARDS presents its fifth annual ranking of top law firms specializing in corporate governance issues. These rankings represent the unaided (“fill in the blank”) responses from 300 respondents to our legal services survey, which was conducted in June 2012.

We asked directors to name up to three law firms which they felt were best in each of the following categories: general

corporate governance issues, director liability, and board-level M&A. The lists below represent law firms that are top-of-mind among our survey respondents.

Because of the broad base of governance professionals represented in our survey database, we used only the responses of public, private, and nonprofit company directors to create these lists.

Best in dealing with general corporate governance issues

2012 Rank	2011 Rank	
1	1	Wachtell Lipton Rosen & Katz
2	2	Skadden Arps Slate Meagher & Flom
3	6	Gibson, Dunn & Crutcher
4	4	Weil Gotschal & Manges
5	NR	Holland & Knight
6	NR	Davis Polk & Wardwell
7	NR	Pepper Hamilton
8	8	Blank Rome
9	5	Drinker Biddle & Reath
10	NR	Sullivan & Cromwell

Best in dealing with director liability issues

2012 Rank	2011 Rank	
1	4	Holland & Knight
2	1	Wachtell Lipton Rosen & Katz
3	3	Skadden Arps Slate Meagher & Flom
4	5	Drinker Biddle & Reath
5	NR	Davis Polk & Wardwell
6	NR	Pepper Hamilton
7	NR	Sullivan & Cromwell
8	7	Morrison Foerster
9	8	Weil Gotschal & Manges
10	NR	Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer

Best in dealing with board-level M&A issues

2012 Rank	2011 Rank	
1	2	Wachtell Lipton Rosen & Katz
2	1	Skadden Arps Slate Meagher & Flom
3	4	Sullivan & Cromwell
4	NR	Holland & Knight
5	5	Cravath Swain & Moore
6	NR	Simpson Thacher & Bartlett
7	6	Davis, Polk & Wardwell
8	10	Drinker Biddle & Reath
9	9	Shearman & Sterling
10	8	Debevoise & Plimpton

Survey Conducted June 2012 • 300 Respondents • Unaided recall; director responses only.

David Shaw is publishing director of *Directors & Boards*.

He can be contacted at dshaw@directorsandboards for more information about the survey results.

The DIRECTORS & BOARDS Survey Legal Services 2012

Methodology

This *Directors & Boards* survey was conducted in June 2012 via the web, with an email invitation to participate. The invitation was emailed to the recipients of the *Directors & Boards* monthly *e-Briefing*. A total of 300 usable surveys were completed.

About the respondents

(Multiple responses allowed)

A director of a publicly held company	29%
A senior level executive (CEO, CFO, CxO) of a publicly held company	12%
A director of a privately held company	32%
A senior level executive (CEO, CFO, CxO) of a privately held company	20%
A director of a nonprofit entity	35%
Attorney	26%
Auditor, consultant, board advisor	14%
Other shareholder	14%
Academic	4%
An investor relations professional/officer	3%
Institutional shareholder	1%
Other	6%

Revenues

(For the primary company
of the respondent)

Average revenues: \$2 billion

Less than \$250 million	47%
\$251 million-\$500 million	9%
\$501 million to \$999 million	11%
\$1 billion to \$10 billion	23%
More than \$10 billion	10%

Board service

(Average number of boards
respondents serve)

Public	1
Private	2
Charitable	2

Respondents' age

Average age: 57

30-39 years old	9%
40-49 years old	11%
50-59 years old	34%
60-69 years old	36%
70 years or older	10%

THESE WERE two areas that were top of mind among directors when it comes to thinking through the legal services they retain. Not surprisingly, the most important continues to be fees. Many directors noted that if they could change one thing about their legal arrangements, it would be to lower these costs, or gain more control over the total costs. "No hourly fees" was a common refrain. Another director noted the desire to see "services that include being readily available as a 'sounding board' to the board on any regulatory and legal issues the board encounters."

Another area important to directors was expertise. "I'd like to see more multiple-discipline, multiple-jurisdiction and multiple-country expertise under one roof," commented one director. While this was a common desire, one director pointed out that "One should choose experts from different firms because each

firm is not *the* expert in every field."

Finally, directors continue to ask for a business orientation from their law firm. "I'd like to see more understanding of our business environment and strategic challenges from law firms," said one director. "Law firms need to present to us using business language, not legal language," said another.

— Analysis by David Shaw

Legal Counsel and Boards

Does your primary board's company employ a full time general counsel and/or legal team?

26%	Yes, a general counsel
38%	Yes, a general counsel and full legal team
35%	No
1%	Other

Does your primary board's company retain outside counsel?

37%	Yes, one outside law firm is on retainer
47%	Yes, more than one outside law firm is on retainer
16%	No

Rate this primary law firm(s) on its ability to meet your corporation's legal needs.

48%	Excellent
31%	Good
7%	Fair
2%	Poor
12%	N/A or No Opinion

Survey continues on next page...

Legal counsel and boards

Continued

Does your board retain outside counsel fully independent of your primary company and its management?

24% Yes, one outside law firm is on retainer to the board

13% Yes, more than one outside law firm is on retainer to the board

63% No

Rate this independent retained outside law firm on its ability to meet your board's legal needs.

24% Excellent

20% Good

4% Fair

1% Poor

51% N/A or No Opinion

Is your board able to select your outside counsel completely independently of your primary company and its management?

73% Yes

23% No

4% Other

Are any cost or other limitations placed by your primary company on the use of ad hoc or dedicated outside counsel by the board?

18% Yes

81% No

1% Other

Legal Counsel and Directors

Do you personally, as a director, retain counsel to represent you in matters relating to your board service?

12% Yes

69% No

19% Not applicable

Are the fees for this personal counsel:

10% Reimbursed fully by the corporation

5% Reimbursed partially by the corporation

7% Paid for by you personally

78% Do not retain personal counsel for board matters

Do you feel that the requirement for personal independent outside counsel for directors over the past three years has increased, decreased, stayed about the same?

41% The need has increased

2% The need has decreased

57% The need has remained the same

In the past year, has the frequency of shareholder lawsuits:

30% Increased

20% Decreased

50% Stayed the same

Choosing Legal Counsel

For the following types of counsel, how long in years has your primary law firm provided services to your company, board or to you?

10 years Corporation's outside counsel

2 years Board's outside counsel (if applicable)

2 years Your personal counsel for board service-related issues (if applicable)

Have you or your board changed counsel or retained new counsel in the past year?

8% Yes, changed counsel

9% Yes, retained new counsel in addition to current counsel

83% No change

How often does your board consider retaining new law firms?

15% Never

6% When we need specialized expertise

5% On a regular basis

4% Other

In considering law firms for service to your board or you, what do you look for in those firms? (Multiple responses allowed.)

77% Reputation of firm

62% Experience with board work

61% Recommendations of/experiences of people I trust

53% History of results

48% Experience with public companies

44% Potential cost of using the firm

40% Experience of senior partner

29% Active presence of senior partner

14% Published articles and thought leadership content

8% Other

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