

## UPDATE ON THE SEC'S NEW PROXY DISCLOSURE ENHANCEMENTS

### HOLME ROBERTS & OWEN LLP

February 18, 2010

#### Examples – Board's Role In Risk Oversight

##### Analog Devices, Inc. – Preliminary Proxy Statement (Feb. 3, 2010)

###### *The Board's Role in Risk Oversight*

The Board's role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, and strategic and reputational risks. The full Board (or the appropriate Committee in the case of risks that are under the purview of a particular Committee) receives these reports from the appropriate "risk owner" within the organization to enable it to understand our risk identification, risk management and risk mitigation strategies. When a Committee receives the report, the Chairman of the relevant Committee reports on the discussion to the full Board during the Committee reports portion of the next Board meeting. This enables the Board and its Committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. As part of its charter, the Audit Committee discusses our policies with respect to risk assessment and risk management.

##### Eli Lilly & Co. – Preliminary Proxy Statement (Feb. 8, 2010)

###### **Risk Oversight**

The company has an enterprise risk management program overseen by its chief compliance officer and senior vice president, enterprise risk management, who reports directly to the CEO and is a member of the company's top leadership committee. Enterprise risks are identified and prioritized by management, and each prioritized risk is assigned to a board committee or the full board for oversight. For example, strategic risks are overseen by the full board; financial risks are overseen by the audit or finance committees; compliance and reputational risks are typically overseen by the public policy and compliance committee; and scientific risks are overseen by the science and technology committee. Management regularly reports on each such risk to the relevant committee or the board. The enterprise risk management program as a whole is reviewed at a joint meeting of the audit and public policy and compliance committees annually, as well as at an annual board strategy session. Additional review or reporting on enterprise risks is conducted as needed or as requested by the board or committee. Also, the compensation committee periodically reviews the most important enterprise risks to ensure that compensation programs do not encourage excessive risktaking.

##### Fortune Brands – Preliminary Proxy Statement (Feb. 5, 2010)

###### **Risk Management**

The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each. The Company's Compensation and Stock Option Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and arrangements. The Audit Committee oversees management

of financial risks. The Nominating and Corporate Governance Committee manages risks associated with the independence of the Board of Directors and potential conflicts of interest. The Corporate Responsibility Committee oversees management of risks associated with environmental, health and safety. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

## **Schlumberger Limited (Schlumberger N.V.) – Preliminary Proxy Statement (Feb. 10, 2010)**

### **The Board’s Role in Risk Oversight**

The role the Company’s Board of Directors fulfills in risk oversight is set out in the Company’s Corporate Governance Guidelines, which are available on our website at [http://www.slb.com/content/about/corpgov\\_guidelines.asp?](http://www.slb.com/content/about/corpgov_guidelines.asp?). The Board of Directors oversees the Company’s stockholders’ and other stakeholders’ interest in the long-term health and the overall success of the Company and its financial strength.

The full Board of Directors is actively involved in overseeing risk management for the Company. It does so in part through its oversight of the Company’s Executive Risk Committee (the “ERC”) comprised of more than half a dozen top executives of the Company from various functions, each of whom supervises day-to-day risk management throughout the Company. The ERC is not a committee of the Board of Directors. The ERC ensures that the Company identifies all potential material risks and implements appropriate mitigation measures. The Company’s risk identification is performed at two levels: the ERC performs a corporate-level risk mapping exercise, which involves the CEO and several other members of senior management, and while maintaining oversight, delegates operational (field-level) risk assessment and management to the Company’s various Areas, Technologies, Functions and the Research, Engineering, Manufacturing and Sustaining organization. To the extent that the ERC identifies recurring themes from the operational risk mapping exercises, they are acted on at the corporate level. Members of the ERC meet formally at least once a year, and more frequently on an ad hoc basis, to define and improve the risk mapping process, and to review and monitor the results of those exercises and those that have been delegated. The ERC reports directly to the CEO and to the full Board, and periodically presents to the full Board a comprehensive report as to its risk mapping efforts for that year.

In addition, each of our Board committees considers the risks within its areas of responsibilities. For example, the Finance Committee considers financial risk on a quarterly basis and recommends guidelines to control cash and currency exposures. The Compensation Committee reviews the Company’s overall compensation program and its effectiveness at both linking executive pay to performance and aligning the interests of our executives and our stockholders. The Nominating and Governance Committee reviews the Company’s Compliance and Ethics program’s quarterly statistical report and considers the various allegations, disciplinary actions and training statistics brought to its attention. The Audit Committee reviews risks related to financial reporting. The Audit Committee discusses material violations of Company policies brought to its attention on an ad hoc basis, and once per year reviews a summary of the finance related violations. Additionally, the outcome of the Company’s Audit Risk assessment is presented to the Audit Committee annually; this assessment identifies internal controls risks and drives the internal audit plan for the coming year. Material violations of the Company’s Code of Ethics and related corporate policies are reported to the Audit Committee and/or the Nominating and Governance Committee, depending on the subject matter and, as required, are reported to the full Board. Once a year, the Director of Compliance delivers to the full Board a comprehensive Annual Compliance Report. The risks identified within the Compliance and Ethics program are incorporated into the ERC’s enterprise risk management program described above. The Chair of each of the Board’s key committees

also discusses, reviews and makes decisions on serious matters outside of quarterly Board meetings, as needed.

**Weyerhaeuser Company – Preliminary Proxy Statement Feb. 12, 2010**

**[BOARD OF DIRECTORS AND COMMITTEE INFORMATION – Excerpt]**

The Board is actively involved in oversight of risks that could affect the Company. This oversight is conducted primarily through committees of the Board, as disclosed in the descriptions of each of the committees below and in the charters of each of the committees, but the full Board has retained responsibility for general oversight of risks. The Board satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within the Company.