

## Governance

### Straight Talk about Corporate Governance

As one of the nation's leading and top-ranked securities law firms, Andrews Kurth regularly counsels public companies, their officers and directors on governance, compliance and public disclosure.

We help clients to comply with the Sarbanes-Oxley Act, U.S. Securities and Exchange Commission rule making and interpretations, and the listing requirements of securities exchanges. We also assist clients to respond to and manage shareholder activism. Our corporate governance counsel includes:

- Governance Best Practices
- Managing Compliance and Related Risks
- Public Disclosure Advice
- Corporate Compliance, Investigations and Defense (CCID)

Our approach is practical and our solutions are individualized for each client's business and risks. Andrews Kurth supports clients with:

- Design of practical policies that comply with evolving governance standards
- Decades of experience as compliance and disclosure counsel to Fortune 500 and other public companies, boards of directors and special and audit committees
- In-depth experience with prevailing interpretations of the Sarbanes-Oxley Act
- Counsel regarding shareholder proposals, proxy contests and communications with activist shareholders
- Proactive compliance advice to issuers and underwriters of IPOs and other securities offerings
- Tested insight to minimize fiduciary liability
- Seasoned guidance in the SEC comment and review process, and in dealing with listing requirements and inquiries from securities exchanges

### Governance Best Practices

We assess a client's current corporate governance practices and work with management, the board of directors and its committees to develop best practices and practical alternatives.

Our attorneys have in-depth experience with regulatory requirements, reporting obligations, fiduciary duties, stockholder relations, executive compensation, employee policies and risk management. In our recommendations, we identify effective practices best suited for our client's business and risks, such as the following:

#### **Corporate Governance**

- Implementing governance procedures that comply with the Sarbanes-Oxley Act and SEC rules in structuring boards of directors and their independent committees, developing workable charters, and handling stockholder nominations and communications
- Adopting procedures that enable attorneys practicing before the SEC to report credible evidence of securities violations and breach of fiduciary duty "up the ladder"

#### **Fiduciary Responsibility**

- Advice to individual officers and directors, as well as boards of directors and special committees, on their fiduciary responsibilities in matters such as takeover responses and potential conflicts of interest
- Indemnification of corporate officers and directors, as well as coverage and claims matters involving D&O insurance
- Due diligence for underwritten offerings and mergers and acquisitions

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### Special Committee Representations

- Serving as independent counsel to special committees in connection with related party transactions, potential conflicts of interest, securities litigation, and mergers and acquisitions
- Advising audit committees, compensation committees and nominating committees in fulfilling the requirements under their charters and dealing with confidential matters delegated by the board of directors

### Managing Compliance and Related Risks

We work with clients throughout the annual reporting cycle to manage compliance requirements of the SEC and stock exchanges, and to monitor practices favored by shareholder activists. We also advise management and boards of directors on compliance risks. Our guidance focuses on:

- Sarbanes-Oxley Act
- Stock exchange listing standards and requirements
- Federal securities law requirements
- Foreign Corrupt Practices Act
- Corporate compliance programs, consistent with federal sentencing guidelines
- Codes of ethics
- Conflicts of interest
- Corporate responsibility
- Fiduciary duties
- Executive compensation and equity grant policies

### Public Disclosure Advice

We advise clients on their public disclosure obligations under the federal securities laws and key statutes, such as the Sarbanes-Oxley Act, in areas including:

#### Disclosure

- Public reporting of financial results and executive compensation in compliance with rules and interpretations of the SEC and stock exchanges, standards for “fair presentation” of financial information and CEO and CFO certifications of public filings
- Regulation FD, as applied to communication with financial analysts and other corporate statements, taking into account SEC guidelines and enforcement positions related to selective disclosure
- Specialized disclosure issues, such as insider trading, proxy statements and communications distributed on corporate websites and through electronic communications

#### Financial Reporting

- Disclosure of deficiencies, weaknesses and changes in internal financial reporting controls
- Disclosure of effectiveness of disclosure controls and procedures, and any exceptions

### Corporate Compliance, Investigations and Defense

Andrews Kurth's clients enjoy access to firm-wide resources, including our Corporate Compliance, Investigations and Defense practice group. The lawyers in this practice are available to advise clients in the event of a corporate crisis or unexpected adverse event, such as a government investigation.