

Audit Committee Leadership Network

ACLN

FACTSHEET

Vision

- The Audit Committee Leadership Network (ACLN) is a group of audit committee chairs drawn from North America's leading companies committed to improving the performance of audit committees and enhancing trust in financial markets. The ACLN works closely with the European Audit Committee Leadership Network (EACLN).
- Since 2003, the network has been organized and led by Tapestry Networks with the support of EY as part of its continuing commitment to board effectiveness and good governance.

Program

- The network consists of up to 35 audit chairs and 2–3 EY partners.
- The network meets twice a year for face-to-face meetings in New York or Washington, DC. Once a year, the network meets jointly with the European Audit Committee Leadership Network in either the US or Europe.
- Meetings will focus on pragmatic steps to improve audit committee and overall board performance, with an agenda identified by members.
- There is no fee to join the ACLN and members may choose to have their expenses reimbursed by Tapestry Networks.

Membership criteria

The following criteria will be used to determine membership of the network:

- Audit committee chairs of complex, global enterprises with over \$10bn revenue
- Companies listed in FORTUNE World's Most Admired Companies at the time of member joining
- Members serve on the boards of companies that collectively are clients of all Big Four accounting firms
- Exceptions to these criteria may be made on a case by case basis.

Members

- Ron Allen, Coca-Cola
- Alan Bennett, Halliburton
- Mark Blinn, Texas Instruments
- Mary Anne Citrino, HP Inc.
- Pam Craig, Merck
- Pam Daley, BlackRock
- Sam Di Piazza, AT&T
- Dave Dillon, 3M and Union Pacific
- Bill Easter, Delta Air Lines
- John Edwardson, FedEx
- Tim Flynn, Wal-Mart Stores
- Sheila Fraser, Manulife
- Alan Graf, Nike
- David Herzog, MetLife and DXC Technology
- Charles Holley, Amgen
- Suzanne Nora Johnson, Pfizer
- Marie Knowles, McKesson
- Ellen Kullman, Dell Technologies
- Mike Losh, Aon
- John Mulligan, McDonald's
- Wick Moorman, Chevron
- George Muñoz, Altria
- Chuck Noski, Microsoft and Booking Holdings
- Bill Osborn, Caterpillar
- Tom Schoewe, General Motors
- Leslie Seidman, GE
- Gerald Smith, Eaton
- Dick Swift, CVS
- Jim Turley, Citigroup and Emerson Electric
- John Veihmeyer, Ford
- David Vitale, United Continental
- Robin Washington, Salesforce.com
- Maggie Wilderotter, Hewlett Packard Enterprise

Member value

Private peer-to-peer dialogue developing insights on immediate, practical issues confronting members and their audit committees

- Sharing of emerging best practices from Europe and North America
- Access to content developed by Tapestry Networks and EY
- Improved audit committee performance
- Contribution to enhancing trust in national and global financial markets

Network content

- **PreView**
Private preparation document distributed to network members in advance to stimulate dialogue at network meetings.
- **Summary of Themes**
Synthesis of each network meeting in two pages, delivered within 10 days of the meeting for distribution to members and their personal networks.
- **ViewPoints**
White paper containing deeper insights on a specific meeting topic delivered within 4–5 weeks of the meeting for distribution to members, their board and management colleagues, their advisors, and EY partners.

Confidentiality

- The network uses a modified version of the Chatham House Rule whereby names of members and their company affiliations are a matter of public record, but comments made during meetings and pre-meeting conversations are not attributable to individuals, companies, or industries.
- Insights developed by the network, and emerging best practices shared by network members, are sanitized and published by Tapestry Networks. They may then be distributed by members to colleagues on audit committees and boards, and their advisors, and may be distributed by EY to its clients and others.

Expected time commitment

- Members expect each other to attend at least two of the three meetings annually and to participate in person rather than by telephone
- Members can expect to spend about 4 days per calendar year on network business
- Time commitment comprises:
 - 3 days for face-to-face meetings, including dinner the night before
 - 3 x 45 minutes to prepare for meetings and contribute to network research

Network alumni

Members are encouraged to connect with the network after they have ceased to be active members. Network alumni:

- Can attend a final network meeting after they have left the network
- Will continue to receive network-related content from Tapestry Networks
- Are encouraged to remain in contact with network members and other alumni
- May be invited to special events and dinners on an ad hoc basis

Tapestry and EY

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- Since its inception, the ACLN has been organized by Tapestry Networks pursuant to a services agreement with EY, under which EY pays Tapestry Networks a services fee and reimburses Tapestry Networks' out-of-pocket expenses (including the expenses of some network members incurred in connection with attending network meetings).
- Tapestry Networks is a separately owned, managed, and controlled legal entity distinct from EY. No member firm of the global EY organization controls, is controlled by, or is under common control with Tapestry Networks. Due to the significance of the EY relationship to Tapestry Networks' overall revenues, EY has implemented appropriate compliance and monitoring activities with respect to Tapestry Networks for purposes of applicable auditor independence rules.
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