

May 1, 1981

Joshua Lederberg, Ph.D.
President
The Rockefeller University

FOREMOST
McKESSON

Dear Josh:

I have been giving your question regarding the advisability of your accepting a corporate directorship a good deal of thought since we talked on the phone. I think that it is an excellent idea for a number of reasons. The assumption, of course, is that you would select a prestigious company with no obvious long-term potential conflicts of interest. What kind of corporation to select is a subject all of its own, and I'd be delighted to be of any help to you on that score. In the meanwhile, here's why I think that it is a good idea for you to take a corporate directorship:

First of all, it has been my personal experience, and that of my business friends who serve on outside boards, that the experience has been of specific and at times quantifiable value to our own corporations. One is exposed to a spectrum of cross-information on subjects like:

- a) What's happening in the money markets.
- b) What other corporations are doing with regard to the nitty-gritty aspects of running an operation, like compensation practices, relocation policies, retirement practices, changes in government auditing requirements, what to do about employee defalcations, environmental regulations, and the like.
- c) Prestigious boards are usually peopled with executives who have individual contact networks throughout the business and government worlds. Membership on such a board to some extent at least provides access to those networks which can often be of infinite value to one's own company. I've seen many examples of this.
- d) Peripheral discussions with fellow board members can often spark ideas of great value to one's own corporation.

/cont'd.

Dr. Lederberg

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An additional factor is that your presence on a corporate board would be a good signal to send to the business community. It tells them, in effect, that you are of a rare breed of scientists who understand what is going on in the business world, and that you have a very direct involvement in that world.

These are just some of the ways in which I believe your membership on a good board could help Rockefeller University. Many of the subject areas are absolutely pertinent to Rockefeller University and the kind of things its President needs to know.

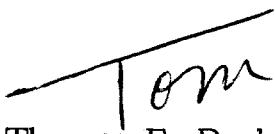
There are, in addition, ways in which such a membership could help you personally:

- a) To the extent that all of the above reasoning is correct, you can't help but benefit personally by the additional knowledge.
- b) While additional income is the last reason you would want to take on an outside board membership, you should know that the average director today is paid in the area of \$17,000 to \$18,000 per year including committee assignments. This, of course, is treated as regular compensation and is subject to the 50% max tax.

On the other side of the question, there are some very obvious contributions you could and would make to any corporate board, Josh, and it appears to me that part of your selection process should be an analysis of what those contributions are. The more obvious the fit, the more you will gain for both Rockefeller University and yourself from serving on an outside board. Some boards (notably banks) are notoriously dull, rubber-stamp affairs. Insurance company boards are highly technical and the information, I think, difficult to learn and even harder to apply. You'll want to take something where you'll be active, and useful, and which you can enjoy.

I've got some other ideas to talk over with you, but will save them until we meet.

Kind regards,

A handwritten signature in cursive script that reads "Tom". A long horizontal line is drawn above the signature, extending from the left margin towards the center of the page.

Thomas E. Drohan
TED:eds