

AGENDA

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May's Moves: Boards Under Pressure to Change

By Katie Wagner

Pressure to make changes to boards has increased since the financial crisis began, especially for TARP participants, say board recruiters. During May, 11 of the 39 director departures occurred at boards whose companies participate in the Troubled Asset Relief Program, according to research using Audit Analytics' database. (The research is based on companies with \$3 billion or more in revenues.) TARP participants that announced losses of directors last month include American International Group, which reported that three of its directors were not standing for reelection; PNC Financial Services Group, which announced that one of its directors was retiring; and GMAC, which reported that five of its directors were resigning. Government pressure on TARP companies likely played at least some role in these departures, say director search consultants.

Overall last month, 72 director departures and appointments occurred at all companies included in the report using Audit Analytics' database.

The economy is forcing board composition to be taken more seriously and for boards to look more carefully at the skill sets they need to succeed in the long term, says Dora Vell, CEO of Vell Executive Search. And the stresses on TARP participants are likely even greater, she adds.

Under increased control and pressure from a combination of Congress, the Treasury Department and the White House, boards taking TARP money are re-engineering themselves because their boards are viewed as having failed, says Steve Mader, a board recruiter with Korn/Ferry International.

There's also public pressure on TARP boards to account for the taxpayer money the government has invested in their companies, adds Vell.

Recruiter's Tip

To attract good directors in today's economy, boards need to be transparent about the risks their companies are taking and focus on building relationships with potential board candidates, says Dora Vell of Vell Executive Search. "You may want to start planning out your board for 2011 now," because right now it's harder to attract CEOs and other desirable board candidates than it used to be, for a variety of reasons, says Vell.

Dora Vell is the CEO of Vell Executive Search, a premier retained technology executive search firm in Boston. Ms. Vell is an internationally recognized expert in recruiting technology executives including: CEOs, COOs, CTOs, CMOs, CROs, board members and others. She works with VC-backed, PE-backed private companies and public companies. She can be reached at dora@vell.com.

Director Moves From May

Company	Director	Title	Action	Filing Date	Company	Director	Title	Action	Filing Date
Bank of America	O. Temple Sloan	Director	Resigned	29-May	American International Group	Martin Feldstein	Director	Declined Re-election	21-May
M&T Bank	Gary Geisel	Director	Appointed	28-May	American International Group	James Orr	Director	Declined Re-election	21-May
Host Hotels & Resorts	Judith McHale	Director	Resigned	28-May	Ross Stores	Gregory Quesnel	Director	Appointed	21-May
Partnerre	Robert Baylis	Director	Retired	28-May	Advance Auto Parts	Nicholas LaHowchic	Director	Retired	20-May
Thermo Fisher Scientific	Thomas Lynch	Director	Appointed	27-May	Advance Auto Parts	Lawrence Castellani	Director	Retired	20-May
Thermo Fisher Scientific	Tyler Jacks	Director	Appointed	27-May	Advance Auto Parts	Lawrence Castellani	Director	Retired	20-May
Polo Ralph Lauren	Judith McHale	Director	Resigned	27-May	United Stationers	Ilene Gordon	Director	Declined Re-election	19-May
Virgin Media	Gordon McCallum	Director	Appointed	27-May	Henry Schein	Margaret Hamburg	Director	Resigned	19-May
Oneok	Mollie Williford	Director	Retired	27-May	Cameron International	Nathan Avery	Director	Retired	19-May
Boston Scientific	Kristina Johnson	Director	Resigned	27-May	Comerica	William Vititoe	Director	Retired	19-May
Boston Scientific	Ursula Burns	Director	Resigned	27-May	Flowserve	Diane Harris	Director	Retired	14-May
First American	Patrick Stone	Director	Resigned	27-May	Flowserve	Roger Fix	Director	Appointed	14-May
Transatlantic Holdings	Ian H Chippendale	Director	Appointed	26-May	Flowserve	Lewis Kling	Director	Appointed	14-May
Transatlantic Holdings	John Foos	Director	Appointed	26-May	Flowserve	James Rollans	Director	Appointed	14-May
Transatlantic Holdings	John McCarthy	Director	Appointed	26-May	Flowserve	Kevin Sheehan	Director;		
Transatlantic Holdings	Robert Orlich	Director	Appointed	26-May			Non-Exec. Chairman	Employment Ceased	14-May
Transatlantic Holdings	William Poutsiaika	Director	Appointed	26-May	International Paper	Martha Finn Brooks	Director	Resigned	12-May
Transatlantic Holdings	Richard Press	Director	Appointed	26-May	Electronic Arts	Jeff Huber	Director	Appointed	11-May
Transatlantic Holdings	Thomas Tizzio	Director	Appointed	26-May	Mylan	Milan Puskar	Director; Chairman of Board	Retired	7-May
Motorola	Ron Summer	Director	Resigned	22-May	Coventry Healthcare	Dale Wolf	Director	Resigned	7-May
GMAC	T K Duggan	Member, Board of Managers	Resigned	22-May	Atmos Energy	Robert Crable	Director	Appointed	7-May
GMAC	Douglas Hirsch	Member, Board of Managers	Resigned	22-May	Supervalu	Craig Herkert	Director	Appointed	6-May
GMAC	Robert Hull	Member, Board of Managers	Resigned	22-May	Brunswick	Michael Callahan	Director	Retired	6-May
GMAC	Samuel Ramsey	Member, Board of Managers	Resigned	22-May	Arrow Electronics	William Mitchell	Executive Chairman	Employment Ceased	5-May
GMAC	Robert Scully	Member, Board of Managers	Resigned	22-May	PNC Financial Services Group	George Davidson	Director	Retired	4-May
GMAC	Robert Blakely	Member, Board of Managers	Appointed	22-May	Biogen Idec	Hans Peter Hasler	Chairman of Board (Subsidiary)	Appointed	4-May
GMAC	Kim Fennebresque	Member, Board of Managers	Appointed	22-May	Brinks	James Barker	Director	Retired	4-May
Kindred Healthcare	Gary Garrison	Director	Resigned	22-May	Rite Aid	Michael Friedman	Director	Resigned	4-May
Kindred Healthcare	John Klein	Director	Resigned	22-May	RRI Energy	Joel Staff	Chairman of Board	Retired	4-May
Plains All American Pipeline	Christopher Temple	Director			RRI Energy	Steven Miller	Chairman of Board	Appointed	4-May
		(Plains All American GP LLC)	Appointed	22-May	RRI Energy	Donald Breeding	Director	Retired	4-May
Plains All American Pipeline	W Lance Conn	Director			RRI Energy	William Transier	Director	Declined Re-election	4-May
		(Plains All American GP LLC)	Appointed	22-May	Fresh Del Monte Produce	Maher Abu-Ghazaleh	Director	Resigned	1-May
American International Group	Stephen Bollenbach	Director	Declined Re-election	21-May	Fresh Del Monte Produce	Madeleine Champion	Director	Appointed	1-May

Note: companies with revenues of at least \$3 billion; list doesn't include filings in which companies specified the move was a re-election; Source: Audit Analytics database