

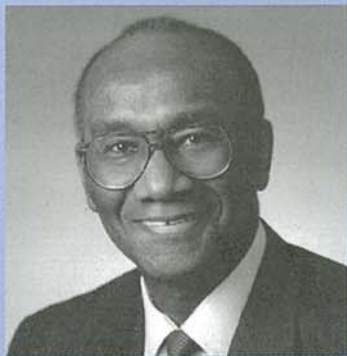
Franklin Thomas

“Frank is everybody’s ideal director,” says **Henry Schacht**. And he should know. Schacht, former CEO of **Cummins Engine** and **Lucent Technologies**, sits on three boards with **Franklin Thomas**.

“When you look for outstanding directors, what you’re really looking for is wise people,” Schacht continues. “Frank is the definition of ‘wisdom’.”

Thomas earned that wisdom the old-fashioned way: through time and effort. Over the past three decades, he’s sat on the boards of numerous *Fortune* 500 companies. His current seats include Cummins Engine, Lucent, **Alcoa**, **Citigroup**, **Conoco**, and **PepsiCo**.

Most recently, Thomas was the leader in sorting out one of the most dramatic managerial power struggles in memory. He reportedly played a key role in resolving the feud between **John Reed** and **Sandy Weill**, the former co-chairmen of Citigroup. The duo had vied for control since agreeing to unite their two companies, **Citicorp** and **Travelers Group**, in 1998.



BORN

May 27, 1934, in Brooklyn, NY.
67 years old.

EDUCATION

Law and bachelor’s degrees from Columbia University.

CAREER HISTORY

Currently a consultant to TFF Study Group, which assists development work in South Africa. Spent 17 years as president of the Ford Foundation, 11 as president of the Bedford-Stuyvesant Restoration Corporation, and previously worked as a deputy New York City police commissioner and an assistant US attorney.

CURRENT BOARDS

Alcoa, Citigroup, Conoco, Cummins Engine, Lucent, PepsiCo.

When tensions between Reed and Weill climaxed earlier this year, the directors threw both men out of the boardroom and met privately to discuss what to do. The *Wall Street Journal* reported that Thomas acted as chairman of the meeting that ultimately led to Reed’s ouster.

Insiders report that the Citicorp board is now looking to Thomas to help lead them through the process of getting the strong-willed Sandy Weill to choose a successor.

“In times of trouble he’s as solid as rock,” agrees **Alain Belda**, Alcoa’s CEO. “You can discuss with him any subject and he will always have a balanced, worthwhile point of view. He is always ready to help.”

Fellow directors trust Thomas’s leadership, too. “He’s the dean of the board,” says **Tim Solso**, Cummins Engine CEO. “The rest of the board members look to his leadership.” His peers on the Cummins board have named Thomas their lead director.

What makes Thomas’ boardroom power even more remarkable is that most of his career experience has been in the not-for-profit sector. CEOs and fellow board members tend to look down their nose on those from the not-for-profit sector because they generally are not bottom-line oriented.

Thomas, however, has had an exceptional career in the not-for-profit sector. The Columbia-educated lawyer worked as an assistant U.S. attorney and a deputy commissioner of the New York City Police Department before becoming CEO of the **Bedford Stuyvesant Restoration Corp.** That’s a renowned community development organization in New York.

Next, Thomas assumed the presidency of the **Ford Foundation**, a position he held for 17 years. Now retired as

president, Thomas devotes time to his board seats and the **TFF Study Group**, which is assisting development efforts in South Africa.

Thomas, who has served on corporate boards since the 1970s, has overseen a variety of large companies in every imaginable economic climate—from the exuberance and wealth of the 1990s to the oil-strapped angst of the 70s.

“For Frank, there are no new problems,” says Solso, the recently appointed CEO of Cummins Engine. “He’s seen most of it before.”

Try *all* of it.

Director **Marina Whitman** says Thomas’s ample experience has

Thomas serves on the compensation committee of almost every board he’s on. His peers say that’s no accident. “Frank brings to his position as chairman of Conoco’s Compensation Committee strong leadership skills and extensive expertise in designing executive compensation programs that reinforce the company’s strategic direction and align top management’s interests with those of its stockholders,” reports **Archie Dunham**, CEO of Conoco.

Aggressive equity-ownership rules created under Thomas’s leadership require Conoco’s Dunham to hold a whopping five times his annual salary in company stock. Moreover, Thomas’s comp committee gave

Thomas’s extensive tenure as president of the Ford Foundation gives him solid experience in managing large organizations. That inspires trust in the numerous CEOs who have regarded Thomas as a mentor and adviser.

“He’s relied on by every CEO I know,” Schacht observes. “He’s always there. And he’s always there in a thoughtful, objective way. He’s the person chief executives turn to when they want advice and counsel.”

He doesn’t take that role lightly. Thomas stepped up to the plate when Cummins fell under the attack of a feisty group of activist shareholders. Cummins stock is currently hovering near the same price it had when Thomas joined the board 27 years ago. Irked at years of disappointing stock market performance, the activists demanded meetings with directors and executives.

“They were becoming fairly vocal,” Solso recounts.

Thomas joined Solso and then-chairman **Jim Henderson** in meeting with the investors, whom he succeeded in placating. “Frank was really able to handle that situation,” Solso says. “When there’s a stressful moment, Frank is the first one you turn to.”

Thomas hasn’t won all this attention through fanfare or noise. “It’s not that he’s a big talker,” Whitman notes. And she’s right. Thomas declined to be interviewed for this profile. He believes that talking to the media, even for his own profile, undercuts his effectiveness in the boardroom.

“Whenever he does speak,” Whitman says, “it’s always very thoughtful, very wise.”

“He is one of those rare human beings who brings value to any relationship,” Schacht concludes.

“Frank is everybody’s ideal director.”

—Henry Schacht, former CEO, Cummins Engines

earned him the respect of the Alcoa board, where both have seats. “He’s the institutional memory,” she says. Thomas has directed the company since 1977.

“And it goes beyond that,” Whitman adds. Thomas makes his presence felt even in a group of other highly experienced board members. “On the Alcoa board, everyone is well-informed. All of us have confidence in our own judgment. But, time and again, when it comes down to a major issue, the final imprimatur is what Frank thinks.”

“Frank is a dedicated, knowledgeable and experienced director,” concurs Alain Belda, Alcoa’s chief executive officer.

Dunham an impressively structured bonus to reward him for completing the transaction that separated Conoco from its former parent, **DuPont**.

The bonus took the form of an option to buy 1.4 million Conoco shares at \$26.50 a share, which was the stock’s price on the day of the grant. Some of the options are worthless until the stock reaches of \$35 a share for at least five days; the rest require the price to hit \$42. If Conoco’s stock doesn’t reach those thresholds within five years, the option expires, and Dunham gets nothing. Those terms are unusually demanding. Conoco’s stock has traded recently at \$23 a share.