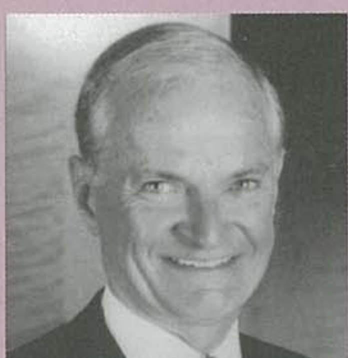
Reginald Brack

Reg Brack led a successful effort to remold advertising giant **Interpublic** in 2000 and 2001. As director, he first skillfully guided the company through the later stages of a delicate CEO succession. Next, he set in motion a process to bring a majority of outside directors onto the board.

"He's extremely knowledgeable, he's a man of complete integrity, and he's very outspoken."

—Brian Mulroney, former prime minister of Canada, now chairman of Quebecor World



Now, Brack is undertaking a similar effort at **Quebecor World**, a leading commercial printing company. He does it with gusto, says **Brian Mulroney**, former prime minister of Canada and chairman of the company: "He's not intimidated by anything or anyone."

Colleagues at both companies are impressed with the changes Brack has helped to bring about. They also find much to praise in his ability to look forward rather than back, and his willingness to speak up. "He's extremely knowledgeable, he's a man of complete integrity, and he's very outspoken," says Mulroney.

Interpublic director **Frank Borelli** appreciates the governance changes Brack has helped put into place. "With everything that's been going on in the financial world this year, we've been ahead of the curve" in adopting the outside-director-dominated model, Borelli says.

The events at Interpublic started in 1998. Brack, ex-CEO and chairman of **Time Inc.**, was on the compensation committee. The then-CEO, **Philip Geier**, was to turn 65 in 2000, the traditional age for CEO retirement at the company. The committee, composed of independent directors, started looking for a successor. The search was well underway when **Leif Olsen**, the committee's then-chairman, fell from a ladder. The accident put him out of commission. The board replaced Olsen with Brack in 1999, making him the lead director. "He had the most experience in our business," says Geier, who is now chairman emeritus.

Brack tackled the succession process. Borelli, another member of the compensation committee, recalls that he handled it with exceptional delicacy and tact. The board tapped search firm **Spencer Stuart** to suggest outside candidates. But Brack made sure the firm didn't contact those contenders until the committee had finished vetting inside candidates. This ensured that no one within the company would hear about the outside contenders. This would have been off-putting, Borelli says. "The idea was to have the least

BORN
August 26, 1937; Great Bend, Kan. (but raised in Dallas, Texas)

EDUCATION
B.S. and Doctor of Letters, Washington and Lee University

CAREER HISTORY
Former chairman and CEO, Time Inc.

FAMILY
Wife, Barbara; three grown children, one grandchild, two step-granddaughters

HOMES
Greenwich, Conn., Maine and St. Martin, French West Indies

FAVORITE MUSIC
Classical (Vivaldi)

RECENT BOOK
Statecraft: Strategies for a Changing World by Margaret Thatcher

MOST ADMIRED PERSON
"My father. He was executive vice president and COO of an airline. When we were kids, instead of being out playing ball, we were traveling with him."

I DON'T LEAVE HOME WITHOUT...
My passport. (Brack once left it at work—and regretted it, when the Time Life building caught fire and he had to catch a flight.)

CURRENT BOARDS
The Interpublic Group of Companies, Inc., Quebecor World, Inc.

amount of potential disruption. We didn't want people distracted from their day-to-day work."

The board eventually promoted **John Dooner**, the leader of an Interpublic subsidiary, to president and COO of the holding company. Thus, he was on a fast track to becoming CEO if he performed well. Brack led the review of Dooner's performance over a nine-month period. Late in 2000, Dooner became Interpublic's chairman and CEO, completing the succession process.

But there was much more to do. Board members felt this was a good time for most of the inside directors to go. Modern principles of good governance called for having a minimal number of inside directors, Brack observes. "It was a new team, a new day, and corporate governance was taking on new visibility."

Brack persuaded Dooner of the need for the change. An independent board wasn't part of the tradition Dooner was familiar with in his career. "I made the point to him," says Brack, "on behalf of all of us, that this was probably going to be inevitable. And it would be of great benefit to him and the company if he led the way."

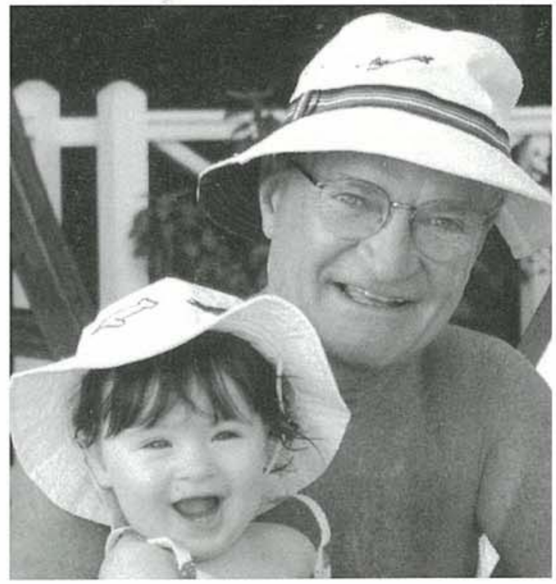
Dooner "enthusiastically picked up the challenge," Brack says. In early 2002, four inside directors resigned, leaving only two—Dooner and CFO **Sean Orr**—on the nine-member board. Analysts called it a positive development, and Interpublic shares rose slightly the day of the announcement. One of Interpublic's biggest competitors, **Omnicom**, soon followed suit by removing seven senior executives from its board.

Ironically, both companies are now having difficulties. Interpublic restated five years of earnings in August 2002. The company uncovered $68.5 million in charges in Europe that hadn't been properly expensed. Interpublic was among many companies double-checking its results due to an SEC requirement that CEOs and CFOs swear under oath that recent financial results are correct. On the brighter side, Brack believes board discussions of the new requirements have been more candid and effective because of the absence of inside directors. "It made things so much more comfortable," he says.

"Reg says, 'yes, we have to have accountability. But there are going to be mistakes. What we have to look at is the future,'" says Interpublic's Geier. Brack concentrates on planning for the future rather than on pointing fingers for past mistakes, Geier asserts.

Brack plans to undertake moves for better governance similar to those at Interpublic at Quebecor World. Montreal-based Quebecor World doesn't necessarily have to follow U.S. governance rules. But Brack thinks it's a good idea. Brack says he and Mulroney are leading a charge to make the board more independent. Five of the 12 directors are insiders. Brack's goal: remove most of the insiders, and have the audit and compensation committees consist only of outside directors. "Mulroney and I have been leading quite a movement," Brack says.

Mulroney agrees. "Reg has been a strong supporter and a leader" in the push for better governance, he says. "The first rule of corporate governance, as far as I'm concerned ... is the obligation to speak your mind," Mulroney adds. "Reg does that."



Reg Brack with his granddaughter, Stella Ryan Brack, at his home in Northeast Harbor, Me.

Another way in which Brack has been outspoken is his call for a European director for the Quebecor World board. "We operate in 18 countries, and I don't have a single board member from Europe," admits **Charles Cavell**, president and CEO. Cavell says Brack brought this up to him in private recently. He agreed it was a concern, and now the board leadership is looking into it.

Mulroney says he recommended Brack for membership on his board, because Brack had an outstanding reputation at Time. Brack was Time's CEO from 1986 to 1994. During that time the company tripled the number of magazines it published to 24 and launched a successful national magazine, *Entertainment Weekly*.

Brack sticks to two corporate boards, not more. After leaving Time, he says, "I joined six or seven boards.... I got overcommitted, and I had to pare it back." He does, however, find time for non-profit work. He's a trustee of the **EarthJustice Legal Defense Fund**, an environmental group whose strategy is filing lawsuits to force the government to follow its own environmental laws. He's also a trustee of the **Center for Strategic and International Studies**, a think tank.