

**A**t a critical juncture in his path toward becoming chairman and CEO of Merrill Lynch, Stan O'Neal was named president of the firm's U.S. Private Client Group, a job widely considered a steppingstone to the top spot. It was early 2000, and Worley H. Clark, a Merrill Lynch director known simply as "H," sat on the Management Development and Compensation Committee. Clark invited O'Neal to Chicago, ostensibly to learn more about the ambitious executive's strategy for the retail brokerage business.

O'Neal figured on a one-hour meeting—enough time to deliver his 30-minute presentation and answer Clark's questions. Instead, he spent the entire day at Clark's office. "It was only in the last hour or so that we got to talking about what I had in my presentation," O'Neal recalls. "But I had the sense that by that time, 'H' had learned everything he wanted to learn."

Such an unexpectedly long and wide-ranging getting-to-know-you is classic Clark. It might seem an uncharacteristic approach for an engineer who rose through the ranks to become chairman and CEO of Nalco Chemical Co. But like his grandfather, a Virginia farmer who owned a country store, Clark analyzes the people before he analyzes the facts of any complex situation. To do this, he creates opportunities for collegial get-togethers—sometimes at his office; sometimes over dinner with his wife, Callie Anne; sometimes while riding horses, baling hay or herding cattle at his 3,000-acre Montana ranch.

"Because of his ability to get to know and understand others and the strength of his own inner compass, 'H' is always a very cool, calm and thoughtful person in any situation of conflict or pressure," says Jill Ker Conway, lead director at Merrill Lynch. It is a quality that has consistently made Clark a guiding force when companies hit stormy seas.

"Every company has ups and downs

sometimes, and some of them manage it much better than others," Clark says. "But what you need is a cool board, cool-headed people who don't get rattled, who don't run the business but make certain that the strategies that are put together by management make sense and that they are headed in the right direction and that there's a high level of ethics."

When the British conglomerate Hanson PLC prepared to spin off Millennium Chemicals in 1996, its chairman, the corporate raider Lord James Hanson, courted Clark to serve on the new Millennium board. Millennium was the world's second-largest producer of titanium dioxide, a pigment used to provide whiteness and opacity to paints, coatings, plastics, inks, foods and toothpastes.

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DAVID J.P. MEACHIN • FELLOW  
MILLENNIUM CHEMICALS DIRECTOR

Within several years, the company was in trouble. The spinoff and a subsequent joint venture had saddled Millennium with massive debt which loomed ever more threateningly as the industry entered the bottom of the pricing cycle. Customers defected when the company raised prices, and the stock tumbled from a high of \$22.35 in 1997 to under \$10 in 2003. A major shareholder was urging what would have been a fire sale. And all through this, the CEO faced serious personal problems that were affecting his effectiveness and that eventually led to his being asked to resign.

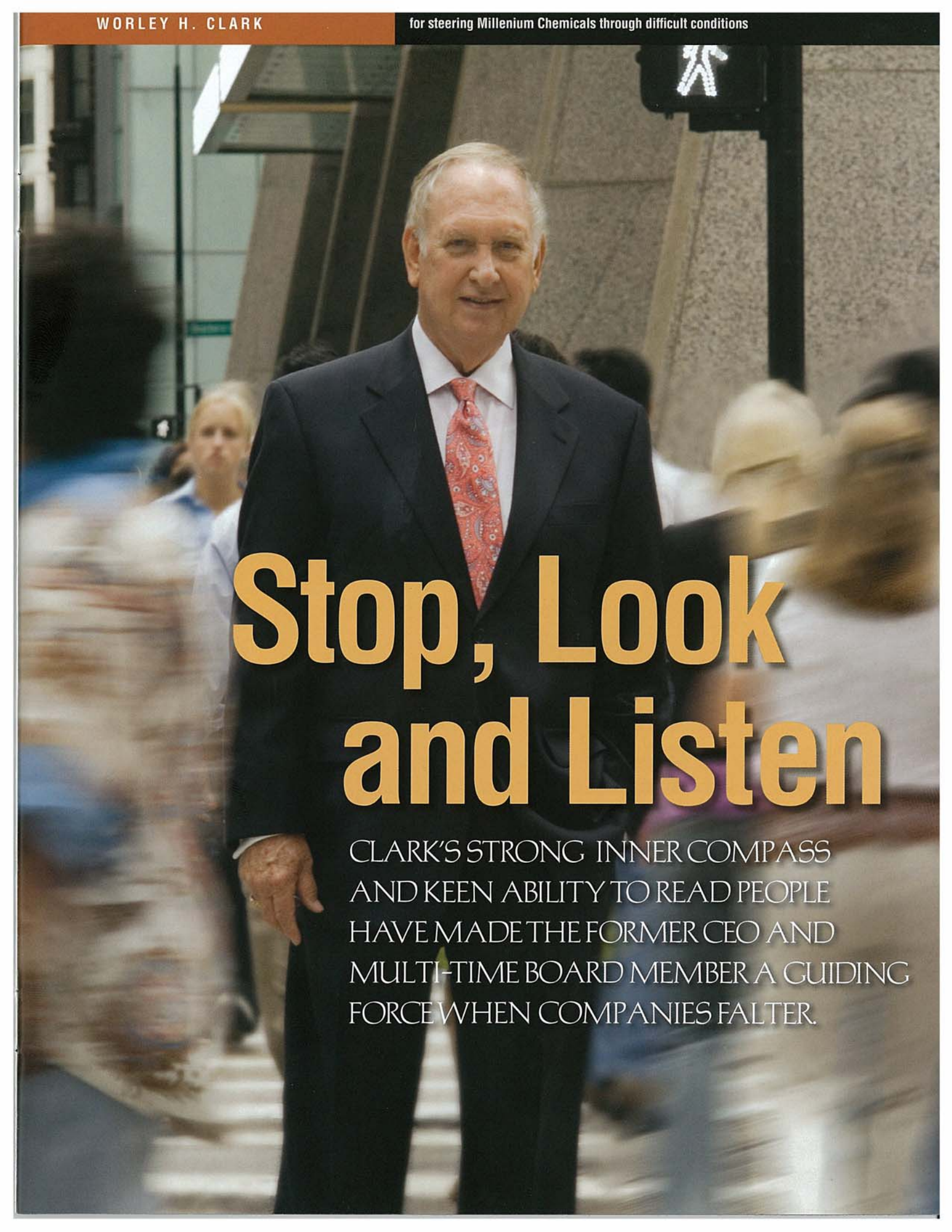
In 2003, the board named COO Robert Lee as president and CEO, and Clark agreed to serve as non-executive chairman. A skilled operations guy, Lee lacked experience with Millennium's

external audiences: customers, investors, Wall Street analysts and the media. Clark bridged the gaps. "I give 'H' enormous credit because the company, candidly, could have just gone into a tailspin, and a buyout firm would have picked it up for a song," says David J.P. Meachin, who chaired the Audit Committee. "'H' used his skill set of a combination of knowledge of how to run a public company, since he'd done it; his knowledge of how to act as a board member, since he was on several boards; and his knowledge of how to be a good mentor to a guy who could do the job but would need some guidance on where to go and what goals to set."

Clark traveled with Lee to meet with workers at Millennium's plants to talk about the company's strategy. They visited customers and invited them as special guests at board meeting dinners. "That helped to bridge bad feelings, if there were any, and to gain confidence that this company is under good management and it's going to survive," Clark says. He and Lee also met with the company's largest investor, who was upset about the slide in Millennium's share price. "I always felt if you have people mad at you, you've got to go see them," Clark says.

They described their plans for getting through the down cycle, how they had repaired ruptured relationships and were no longer losing customers, how they were addressing accounting errors that required a \$15 million restatement, and how they would restore the company to a respectable level of profitability. "'H' and the CEO were buying us time to turn the company around and get it on a better footing," says Mary Bush, president, Bush International, Inc., who sat on the Millennium board at the time. "They were convincing enough that the investor held on."

Within a year, Millennium regained its strength, and the stock price began to climb. Now in a far stronger position, Millennium's directors prepared to sell the company to Lyondell Chemical



# Stop, Look and Listen

CLARK'S STRONG INNER COMPASS AND KEEN ABILITY TO READ PEOPLE HAVE MADE THE FORMER CEO AND MULTI-TIME BOARD MEMBER A GUIDING FORCE WHEN COMPANIES FALTER.

**BORN:** June 18, 1932, in Big Stone Gap, Va.

**EDUCATION:** BS Industrial Engineering, North Carolina State University, 1956.

**CAREER HIGHLIGHTS:**

Chairman/CEO Nalco Chemical Company, various senior positions at Nalco rising from district representative to president; sales engineer, Standard Oil of Ohio



**HOMETOWN:** Burr Ridge, Ill., and Tucson, Ariz.

**FAMILY:** Married Callie Anne Coughlin Clark in 1955; 2 daughters, 2 sons-in-law, 2 granddaughters and 1 grandson.

**MOST MEMORABLE SUMMER JOB:** Driving milk trucks and ice cream trucks on rural Virginia routes for the PET Milk Co. during high school and college.

**MOST RECENT BOOK READ:** *The Frontiersmen* by Allan Eckert; *Undaunted Courage* by Stephen Ambrose.

**FAVORITE ARTIST/POET:** Favorite Artist—Charles Russell; Favorite Poet—Matthew Arnold, "Dover Beach."

**FAVORITE CHARITIES:** Churches; Rush University Medical Center.

**SOMETHING MOST PEOPLE WOULD BE SURPRISED TO KNOW ABOUT ME:** "I am a budding painter and artist."

**WON'T LEAVE HOME WITHOUT:** Pocket calendar.

**FAVORITE QUOTATION:** "That's nice. But can you harness a horse?"

**MOST RECENT PUBLIC COMPANY BOARDS:** Lyondell Chemical Co.; Georgia-Pacific Corp.; Merrill Lynch Corp.

Co., a competitor with whom it shared equity in a joint venture that produced ethylene and propylene. "It is a significant credit to 'H' that not only did he get the thing back on track, not only did he cultivate the CEO so he could handle things both internally and externally," Meachin says, "but that he also was able in the time we had to get the company moving in the right direction so the stock price could improve."

Millennium's share price more than doubled, from \$9.55 in October 2003 to \$26.58 in December 2004, when the acquisition closed. "I don't think we would have gotten the price we did had it not been for the firm hand of 'H' in

getting the company moving in a positive direction," Bush says.

Clark's 10-year tenure on the Merrill Lynch board, which ended in 2005, also incorporated challenges. Soon after the Sept. 11 terrorist attacks displaced 9,000 Merrill Lynch employees, its board faced, in quick succession, pressing issues from both inside and outside the company. Merrill Lynch paid a \$100 million penalty and reformed its investment practices after an investigation found the company misled investors with overly bullish pronouncements on companies that were also investment banking clients. Then came power struggles as O'Neal executed a painful

cost-cutting strategy that ultimately transformed the financial services giant into a far stronger business. Throughout, Clark was always "very thoughtful about the best ways the shareholder's interest could best be pursued," Conway says. Shareholders benefited as Merrill's stock price rose from \$38.05 at the end of 2002, when O'Neal became CEO, to \$73.13 in August 2006.

Sometimes, however, there were more downs than ups. Clark joined the Bethlehem Steel board in 1993, well into its decline, and several years later led the search for the last of the storied company's II CEOs. In considering potential leaders, the board settled on corporate troubleshooter Steve Miller, currently the CEO of Delphi, as the only person who could possibly guide Bethlehem through its dire financial straits. And as head of the search, Clark was dispatched to recruit him. Miller seemed optimistic when he took the job, but soon it became clear that it was too late to save the nearly century-old company. "It was a sad thing to see it end in bankruptcy and broken into little pieces," Clark says. "I can't say that I enjoyed that, but I was excited about the prospect of being a part of that during the whole process, trying to find ways to make it come out as well as possible."

Today, 26 years after he was first elected to the Nalco board, Clark remains involved with a number of nonprofits and as a mentor to numerous young CEOs. But for him and Callie Anne, whom he met in the fourth grade, life is moving in a new direction, one that they hope will include classes in ancient history and philosophy, ideally at Oxford or Cambridge. Clark's retirement from the Lyondell board earlier this year marked the end of his service as a corporate director. He and Callie Anne also closed the chapter on their period as part-time cowboys, replacing the ranch with a vacation home in Tucson, Ariz. As they prepared to move, Clark sold the last of their 13 horses and took one last float down the Yellowstone River with his grandchildren. ○