



presents **2010 Outstanding Director**

Robert L. Joss

Joss was a vigilant credit committee chair at Wells Fargo, pushing the bank to maintain credit quality even when contrary to market trends.

DIRECTOR'S SNAPSHOT

Born

June 5, 1941 in Spokane, Wash.

Education

BA from University of Washington;
MBA and PhD from Stanford

Career Highlights

Dean, Stanford Graduate School of Business; CEO, Westpac Banking Corporation; senior management, Wells Fargo

Family

Wife Betty of 47 years,
two children, five grandchildren

Hometown

Atherton, Calif.

Most memorable summer job

Farmhand on my grandfather's
dairy farm

Best book this year

Too Big to Fail
by Andrew Ross Sorkin

A favorite recent movie

Invictus

Idea of bliss

Spending time with my
grandchildren

Most admired historical figures

Nelson Mandela
and Margaret Thatcher

What's your motto?

A job worth doing is a job
worth doing well.

Current boards

Agilent, Bechtel, Citigroup



Bob and Betty Joss with their grandchildren in Australia.

Bob Joss: The Bank Director's Gold Star

As chair of the board's credit committee for 10 years, Bob Joss played a key role in shielding Wells Fargo from the severity of the crisis that hit most banks and ultimately the global economy in 2008. Although he retired from the Wells Fargo board upon being recruited to serve as a director at Citigroup in July 2009, Joss's impact at Wells Fargo will not soon be forgotten.

"Bob's legacy is one of good focus, asking hard questions and bringing the right perspective with regard to credit issues," says Bob Steel, the former Goldman Sachs vice chairman who had stepped in to serve as CEO of Wachovia when the troubled bank was taken over by Wells Fargo in January 2009. Now a Wells Fargo director, Steel continues, "After the smoke cleared around the credit collapse, Wells Fargo's credit history was quite good compared to the rest of the industry."

In contrast to Wells Fargo, Wachovia had dived deeply into the subprime mortgage business, culminating in the purchase of savings and loan giant Golden West in late 2006, the peak of the U.S. housing boom. Two years on, Wachovia had write-downs and losses well in excess of the nearly \$25.5 billion it paid for Golden West.

Wells Fargo director and Inter-con Security Systems CEO Rick Hernandez says, "In hindsight, all of the issues in the credit markets were what Bob was constantly steering us away from. He pushed us toward credit quality even when it was contrary to the general market direction and popular opinion." Hernandez says this resulted in the "pristine balance sheet" that put Wells Fargo in a position to buy Wachovia for \$15.1 billion in a government-forced sale that avoided Wachovia's bankruptcy. "If not for the acquisition, Wells would be smiling on the sidelines of this crisis," he concludes.

Experience talks

Joss possesses an uncommon trait among U.S. bank directors, at least before the crisis: sector expertise. After working in senior management at Wells Fargo from 1971 to 1993, he moved to Australia to serve as CEO and managing director of Westpac Banking Corporation. At Westpac, Joss gained valuable international experience while leading a turnaround in the company's operations and customer service. When he returned to the United States in 1999, Joss became Dean of the Stanford Graduate School of Business and a Wells Fargo director.

"Bob has all the tools — intellect, courage, instincts — and he knows the banking industry so well," says Phil Quigley, Wells Fargo lead director and retired chairman and CEO of Pacific Telesis Group. "His experience and informed judgment were extremely helpful to our board and management during the credit crisis and the ongoing integration of Wachovia Bank."

Whether as a member of the audit committee, chairing the credit committee or as part of the full board's deliberations, Joss kept an unwavering focus on risk management and best-in-class governance prac-



tices, say fellow directors. Wells Fargo audit chair and retired PricewaterhouseCoopers global chairman and CEO Nick Moore says Joss helped the bank grow the right kind of revenue and assets. "He's got the kind of direct experience that is impactful," says Moore, who was so impressed with Joss on the Wells board that he recommended him to privately held Bechtel where both men currently serve as directors.

For his part, Joss believes his biggest contribution at Wells Fargo was making sure the credit committee's agenda always covered portfolio composition with particular attention to the riskiest portfolios. "An awful lot of the difficulties in this global financial crisis originated from non-traditional areas. Banks took their eye off the ball and got mesmerized by a desire for revenue growth," he says. Indeed, products like esoteric derivatives and bridge equity for commercial real estate proved themselves to be toxic to many financial institutions and fatal to Bear Stearns and Lehman Brothers. In sharp contrast, Wells Fargo largely avoided complex off-balance-sheet mortgage securities and carefully managed its exposure to the subprime mortgage market.

"We asked ourselves and management where the biggest areas of risk were and what could go wrong," says Joss. He credits strong leadership from retired chairman and CEO Dick Kovacevich, current chairman and CEO John Stumpf and key Wells Fargo senior managers for staying in balance and growing with high-quality business. "When banks do well, it's because they've had a clear strategy and paid a lot of attention to execution," says Joss of Wells Fargo's recipe for long-term success.

Beyond his industry experience and sophistication about risk, colleagues say Joss's personal style and respectful way with

people enhance his effectiveness in the boardroom. "Bob stands up to confront realities and share his intuitions when others won't, yet he's very supportive of management," says Quigley. "He's the perfect board member," Steel says without qualification. "Boards need members like Bob who can agree to disagree in a way that's constructive to the process."

Citigroup beckons

After a good, long run at Wells Fargo, Joss felt ready to answer the call to duty at Citigroup. "Citi is very important to the country and to global banking. It's imperative that it be a healthy, well run institution," he states. Even as he braces for many trans-continental trips from Northern California to Citigroup's New York headquarters, Joss feels strongly committed to helping restore the institution to its former glory.

Joss's potent blend of experience and qualities make him an extremely attractive catch for Citigroup, which has lost a staggering \$270 billion in market value over three years. "Normally, new board members need time to get a feel for things, but Bob's impact was immediate," says Citigroup chairman Dick Parsons. "He brought his experience as a banker and CEO in an international context to bear on day one."

Hernandez's admiration for his former fellow director is undiminished by Joss's departure from the Wells Fargo board. "Bob's joining the board of Citigroup was unexpected, but I see it as him being drafted by his country. It's a terrific recognition of his expertise," he says.

The notion of a director draft isn't far-fetched. It has been reported that both Bush and Obama administration officials have taken an active role in recruiting new directors for many of the heavily bailed

out companies including AIG, General Motors, Bank of America, Fannie Mae and Citigroup. With a 27% ownership interest in Citigroup as a result of converting some of its TARP preferred shares into common stock, the U.S. government clearly has a lot riding on the bank's recovery.

"At this point in my career and my life, Citi feels like the right place to allocate the skills I've developed," says Joss. Decades are milestones that he tends to respect, so after 10 years as Dean at Stanford and a Wells Fargo director, he stepped down "to give

it works with management."

Intra-board culture and the culture that develops between management and the board are important to Joss. "You need a culture where there's full disclosure," he says. "I won't tolerate management hiding the ball."

Joss has a soul mate at Citigroup when it comes to the primacy of an open and constructive board culture. Chairman Parsons says, "Bob and I are great believers in boards working together to both challenge and support management. The key is

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Rick Hernandez, CEO, Inter-con Security Systems

someone else a chance." Joss calls it "reputing." "You can get stuck in a place if you stay too long. You take your turn, do your best and move on," he says.

A few years shy of the decade mark, Joss will also be moving on from the Agilent board, where he has served as an independent director since 2003. His new Citigroup commitments have created too many scheduling conflicts to allow him to responsibly perform his duties at the Santa Clara-based instrumentation company.

Agilent, a 1999 Hewlett-Packard spin-off, has recently pushed beyond its traditional electronic measurements business into the life sciences market. CEO Bill Sullivan says that Joss has been a key contributor during this strategic shift. "He can listen to complicated issues outside his immediate domain and synthesize the information down to the critical questions in about five minutes. It's a remarkable ability," says Sullivan.

Calling Agilent a "favorite board experience," Joss says, "It's just the right blend of size, people and backgrounds. I like the way

together." He reports that Joss has already formed a close relationship with Citigroup's management and been a very constructive force in the boardroom.

Joining a boardroom in transition, Joss is one of seven directors new to the Citi board over the past year. An eighth — Mexico's former president Ernesto Zedillo — was recently announced. Like Joss, each new recruit appears to have been selected for his or her directly relevant resume. And after the company's April 2010 annual meeting, a total of eight Citigroup directors will have left the board in the same twelve-month period.

There is clearly a lot riding on Joss and his fellow directors' ability to turn the Citi ship around. Considering how he helped Wells Fargo steer clear of icebergs, it makes a lot of sense to have Joss on the bridge.

—Juliette Fairley

Bob Joss will speak about "How Board Culture Makes or Breaks Performance" on June 16, 2010 at ODX New York. Please call 212.542.1255 for details.

Congratulations to the
2010 Outstanding Directors

These six independent directors have been recognized by their peers as leaders who have gone above and beyond the call of duty, demonstrating judgment, courage and integrity while acting in the interests of shareholders.

Dennis H. Chookaszian

Isaiah Harris, Jr.

Robert L. Joss

John W. Rogers, Jr.

Philip G. Satre

Jane E. Shaw



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