



ODX

presents **2009 Outstanding Director**

Jerre L. Stead

Stead has played a pivotal strategic role at many young technology companies and stepped up to run **IHS**, taking it to stunning heights.

DIRECTOR'S SNAPSHOT

Born

January 8, 1943 in
Maquoketa, Iowa

Education

BBS, University of Iowa;
ISMP, Harvard University

Career Highlights

21 years at Honeywell; president
and CEO of Square D; CEO, AT&T
Global Information Solutions
(formerly NCR); chairman and CEO,
Legent; chairman and CEO, Ingram
Micro; chairman and CEO, IHS

Family

Wife Mary Joy, 2 sons,
7 grandchildren

Current hometowns

Highlands Ranch, Col.
and Scottsdale, Ariz.

Most memorable summer job

Running survey crews in Iowa

Best book this year

*Seeing Gray in a World of
Black and White: Thoughts on
Religion, Morality, and Politics*
by Adam Hamilton

All-time favorite movie

It's a Wonderful World
with Claudette Colbert and
Jimmy Stewart

Favorite charity

"Many: We always give to develop
leadership of the future."

Idea of bliss

Helping great people do
great things.

Most admired historical figure

Norman Vincent Peale and
Albert Einstein

What is your motto?

"Treat every person with equal
dignity and respect."



*Jerre Stead with his granddaughter Sydney
in Antarctica on Christmas 2008.*

Jerre Stead: Answering Duty's Many C

An extremely sought-after presence in the boardroom, Jerre Stead has served on more than 30 public boards. At 66, the five-time CEO has every right to rest on his laurels. Instead, Stead has chosen to do just the opposite. His most recent string of directorships has landed him in a minefield of young technology companies. In each case, Stead is credited with a pivotal role in defining strategy, enhancing leadership and solving problems.

"On boards, there are always members who will shape where the company will go. Jerre is that director," says Dwight Decker, fellow Conexant Systems and Mindspeed Technologies director, who was CEO of Conexant until 2007 and chairman until 2008.

Judy Haberkorn, retired president of Consumer Sales and Service of Verizon Communications and fellow Armstrong director pre-bankruptcy, adds, "Jerre is a natural-born leader. He does it quietly and with great humility and humor."

When Stead joined the board of Armstrong Holdings in 1992, he had no idea of the nightmare that lay ahead. Armstrong — a Pennsylvania-based building products manufacturer — was among the many companies hit hard by asbestos litigation in the 1990s, though the asbestos issues dated back to the 1950s. Stead headed the special committee that steered the company through the legal procedures and subsequent Chapter 11 bankruptcy filing in 2000.

"Here was an outstanding, profitable company with no debt before the litigation," recalls Stead. Of the many gut-wrenching decisions he made, the most difficult was asking the company's then CEO George Lorch to step down. "This was a career guy who had a wonderful company. He just could not pull the trigger on the bankruptcy filing," says Stead, confiding that had he been in Lorch's

place, he's not sure he could have, either.

Fellow Armstrong director Ruth Owades, founder of Calyx and Corolla and Gardner's Eden, has deep admiration for the way Stead led the "very honest discussions" about the myriad decisions that needed to be made, including CEO succession. "There is a tendency in big corporations to give things more time," she says. "Jerre helped us face reality and do the right things quickly."

Stead helped recruit new CEO Mike Lockhart, who presided over massive restructuring and the 2006 emergence from the ashes of bankruptcy as Armstrong World Industries. Lockhart remains at the helm today.

Sage Semiconductor Strategy

Having come face-to-face with disaster at Armstrong, Stead has never flinched in the face of heavy debt, cash burn and loss making at Conexant Systems. Stead joined Conexant in 1998, when the semiconductor business was spun out from Rockwell. The new company enjoyed meteoric stock growth for a couple of years before enduring a downturn in the semiconductor industry.

Among his many contributions, says Decker, "Jerre encouraged the Conexant board to make two defining balance sheet



decisions that could have been otherwise fatal to the company.” Stead’s prescient advice prevailed over management’s objections to raising cash it didn’t think it needed in one instance and refinancing debt sooner than it wanted to in the other.

Equally valuable, Stead has brought focus and courage to numerous game-changing acquisitions and divestitures. A planned spin off of the Intranet infrastructure business was thwarted in 2001 by the bursting of the dot.com bubble. Still keen to refocus on its core semiconductor sector, management crafted a plan to sell the wireless chip business a year later. Investment bankers gave the opinion that the unit was worthless, and that it would be impossible to find a buyer.

“Jerre supported our riskier path against the advice of investment bankers,” recounts Decker. Conexant went ahead with the spin-off in 2002, immediately merged it with another wireless company, and created Skyworks Solutions. Today, Skyworks is a profitable NASDAQ-listed company that is number one in its space.

With the money raised, the board completed the spin-off of the Intranet infrastructure business it had planned to cut loose in 2001. Renamed Mindspeed Technologies, Stead has been on the board of this successful company since its inception in 2003.

Despite the well-defined strategy and bold moves to implement it, Conexant Systems faces an uphill climb to profitability. But with an agreed sale of its broadband business — the last major divestiture in the plan — and an exclusive focus on growing market niches, Stead-style clarity and drive are evident everywhere.

SOS from Brightpoint

The day after retiring as CEO of Ingram Micro in 2000, Stead got a call from Bob Lai-

kin, founder, chairman and CEO of Brightpoint, an Indiana-based distributor of wireless products. Stead had become a friend and mentor to Laikin after the two had met a few years earlier, when Ingram Micro considered buying Brightpoint. “I needed Jerre to help us become a more professional company,” recalls Laikin of a conversation that required his full power of persuasion.

Despite having promised his wife he wouldn’t join another board, Stead couldn’t refuse a friend in need. Most urgently, the SEC had recently opened an investigation into insurance fraud at Brightpoint. Instead of running for the door, Stead rolled up his sleeves and got ready for the fireworks. At his first board meeting, Stead took on the chairmanship of an independent committee to review a policy AIG had sold Brightpoint in 1999 and determine how Brightpoint had accounted for it. The SEC felt the policy was nothing more than a cash round-trip from Brightpoint to AIG and back again. Brightpoint had used the policy to spread a loss over a few years that it otherwise would have had to recognize immediately.

Without admitting or denying wrongdoing, AIG was fined \$10 million and Brightpoint \$450,000 in a settlement with the SEC. Laikin credits Stead’s cool-headed leadership for the company’s ability to put the matter to rest and regain its credibility quickly after such a public regulatory mishap.

Soon after, as lead director, Stead drove the recruitment of an entirely new and diverse board. He guided management in its first strategic planning effort, which has evolved into a disciplined rather than opportunistic approach to growth in the wireless business.

Former BP Human Resources vice president and fellow Brightpoint director Eliza Hermann says that, even in the heat of the

crisis, Jerre struck an important balance between recovery and planning for the future. "He made sure we spent enough time setting realistic growth targets and looking ahead to the time when we could concentrate on operational performance and building long-term shareholder value," she recalls.

The payoff has been tremendous. Now a Fortune 500 company, Brightpoint's revenue has grown fivefold to \$5 billion.

CEO Once More

The year 2000 brought another urgent appeal and marital "hall pass", when IHS's Swiss owner Georg Heinrich Thyssen-

— to complement its core businesses. Although IHS shares have come off their \$70 highs, the company's attractive subscription model and leadership position in the energy and engineering markets promise a long and bright future.

"My deal with the board is that I'll stay until I'm certain we've got everything on track and that one of our internal candidates is ready to become CEO," states Stead. "We have a wealth of talent with five, maybe six people here that someday will be CEOs."

IHS lead director and former AT&T chairman and CEO Michael Armstrong isn't surprised by the large pool of up and coming

"A lot of leaders try to do things themselves, but Jerre works very hard to achieve success through his people."

Steve Denning, chairman, General Atlantic

Bornemisza asked Stead to join his board. Stead could see the company badly needed help and signed on.

Stead got to work fixing a slew of internal issues besetting the \$300 million technical information and services provider. Specifically, he put a new management team together and oversaw the exodus of 26 out of 28 top executives. He changed accounting firms and began tackling compliance issues and the debt load that were dragging IHS down.

Six years later, IHS went public — selling \$232 million worth of shares at \$16 — and Stead became CEO despite his original vow not to. He changed his mind in order to ensure IHS retained the top-notch executives and board he had worked so hard to recruit. He knew the business needed them to successfully execute its ambitious growth strategy.

IHS has acquired and integrated more than 20 focused information and research firms — a remarkable 18 acquisitions were made in the first 19 months after its IPO

executives. "One of Jerre's passions is mentoring promising employees," he says.

"A lot of leaders try to do things themselves, but Jerre works very hard to achieve success through his people," adds IHS director and General Atlantic chairman Steve Denning. "This builds an extraordinarily strong organization."

Succession planning talk aside, retirement is not on Stead's calendar. "I will never retire," he declares. "However I will leave the CEO world after IHS. Then I'll teach more at universities and do much more for nonprofits."

Wherever he puts his tremendous experience and passion to work next, Stead is sure to make an impact. "Don't ever hang out where you can't make a difference," he says. "Life is too short!"

— Bonnie Bauman

Jerre Stead will be speaking about "Creating An Orderly CEO Succession Plan" on November 19, 2009 at ODX New York. Please call 212.542.1255 for details.

Congratulations to the
2009 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.

Robert D. Biggs

H. Raymond Bingham

William V. Campbell

Ursula O. Fairbairn

Jerre L. Stead

Douglas A. Warner III



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