

Building

Our Foundation

2009 STUDY OF DALLAS/FORT WORTH WOMEN IN THE BOARD ROOM

Building Our Foundation

Women in Corporate Leadership

Many boards and corporate suites are missing something—and that something is the presence of forward-thinking, qualified women to diversify the board room and bring confidence, competence, and knowledge to decision making at leading companies. That's why a group of proactive business leaders, women and men, from an array of different professions in the Dallas-Fort Worth area, came together in 2009 to create The Board Connection (TBC), a not-for-profit organization that advocates, educates, and connects female business leaders.

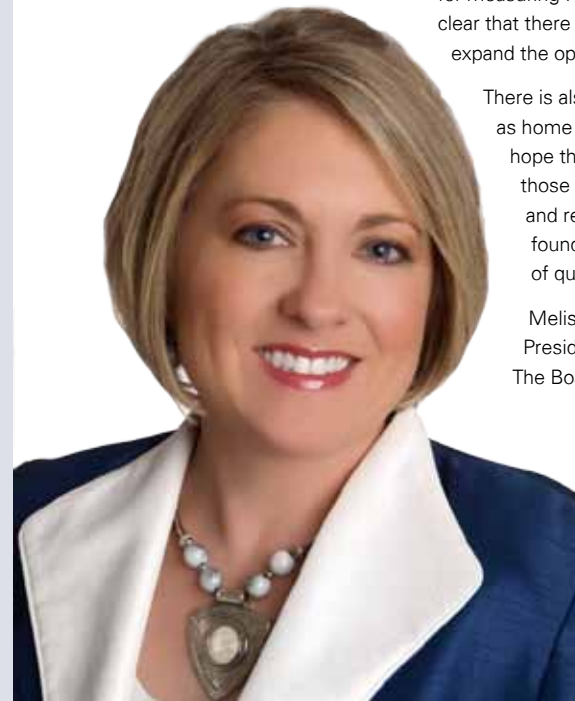
The founders of TBC are well aware of the impact women executives have on a corporation, and on the value that diversity brings to shareholders. In its inaugural year, TBC established its mission: to increase the number of women serving on corporate boards and in the executive suite in Texas. Finding the baseline or foundation for our work was the first order of business.

As TBC begins the process of empowering women to join the boardroom, we need a clear picture of where we stand in 2010. In conjunction with the **University of Texas at Dallas**, TBC conducted research about women serving on boards and in executive positions in FORTUNE 1000 companies in Dallas-Fort Worth.

The following report is a summary of this study, providing a foundation for measuring TBC's progress. Take a look at our statistics, and it will be clear that there is a considerable amount of work to be accomplished to expand the opportunities for women.

There is also good news that the Dallas-Fort Worth area serves as home to some outstanding corporate stories in diversity. We hope that the report provides you with insight, and challenges those of influence to renew their diversity efforts for recruiting and retaining corporate talent. Join TBC in building on the foundation of our first-year study to strengthen the pipeline of qualified, capable women to take their place at the table.

Melisa Denis
President
The Board Connection



The Board Connection

The Board Connection is a Texas-based nonprofit organization established in 2009 to identify, educate, and connect qualified executive professional women in Texas to opportunities for corporate board positions.

TBC offers ongoing assessment to empower women to acquire the needed skill sets and to develop a personal, professional brand. To build a pipeline of board candidates who are within three to five years of readiness, TBC offers training for candidates for board service, providing them with a clear understanding of corporate governance, board structure, and expectations for board responsibility.

TBC leverages existing local resources with national women's organizations, such as the Interorganizational Network, Women Corporate Directors, and the National Association for Corporate Directors. Executive coaches, mentors, and professional certificate programs also can strengthen skills and the résumé of a prospective board candidate.

TBC provides valuable peer networking and exposure to decision makers. Admitted members gain knowledge and suggestions from executives who have blazed trails. In addition, TBC offers connections to companies that are looking for talent.

With a mission to increase the number of women serving on corporate boards and the executive suite in the Dallas-Fort Worth area, TBC, in conjunction with the University of Texas at Dallas Board Institute, offers this report based on the proxy statements of the 42 public companies.

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Partner

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The Board Connection Value Proposition

TBC provides programming to assist qualified women interested in serving on corporate boards and advancing their careers in the executive suite. The organization will dedicate the resources to identify, educate, and develop women who aspire to serve on corporate boards. TBC's programming consists of:

Assessment. TBC's membership will help women determine where they are in their career journey. The assessment will also identify any gaps and develop new skill sets. In addition, TBC encourages each woman to build her own unique professional brand.



Training/Preparation. TBC offers women the opportunity for in-depth training about the role of corporate board members. Those aspiring to serve will gain an understanding of corporate governance to balance the personal risks and liabilities of service. In addition, TBC will provide an overview of board committee structures to assist women in identifying their best placement for service.

Networking/Exposure. One of the most valuable aspects of TBC is involvement of women and men who are current and past executives in leading companies. In many cases, these are people who have blazed trails in the corporate world. In addition, TBC provides opportunities for women to meet with companies and other executives who are seeking talent. And the organization encourages mentoring and personal connections among its members.



Resources. TBC will broaden its outreach to other diversity organizations, such as w2wlink, Women Corporate Directors, the National Association of Corporate Directors, and the Interorganizational Network (ION). We can connect women to relevant college professional certification programming or make referrals for career enhancements through executive coaches.



Thank you to TBC's current sponsors: KPMG LLP, Brink's Incorporated, Burlington Northern Santa Fe, Dallas Business Journal, TGIFriday's, UBS, and Verizon.

Why Texas Companies Need More Women Board Members

Perspective

The Dallas/Fort Worth area ranks among the top of many U.S. cities with the largest professional football stadium in the world; an airport so large it needs its own zip code; and a Ferris wheel, the “Texas Star,” which is the tallest in the United States. Texas boasts many other “best of” statistics, but when it comes to women on corporate boards, the state comes up short.

Texas has more FORTUNE 500 companies headquartered within its borders than any other state. There are 64 companies headquartered in Texas, ahead of New York (56) and California (51). Surprisingly, the Dallas/Fort Worth Metroplex ranks third among all U.S. cities for FORTUNE 1000 corporate headquarters; only New York City (67) and Houston (58) rank higher.

Unfortunately, representation of women on corporate boards ranks low. Dallas/Fort Worth stands around 12 percent, while cities like New York City can claim 17 percent female composition on their boards. Why are there so few women serving as board members of our local public and private companies, and more importantly, does it matter?

Because it *does* matter, The Board Connection, a local nonprofit organization, was formed to promote participation of females in corporate boards. It has been shown time and time again that those companies with significant diversity on their boards and in the executive suite will perform financially superior to companies without diverse leadership. It is not just a good idea to have women in the board room; it just makes good business sense.

For example, Pepperdine University found that the FORTUNE 500 firms with the best records of women at the top were 18 to 69 percent more profitable than the median companies in their industries. McKinsey looked at the top-listed European companies and found that greater gender diversity in management led to higher-than-average stock performance. Catalyst found that companies with three or more women on their boards outperformed the competition on all measures by at least 40 percent.

Authors Claire Shipman and Katty Kay documented the value proposition of women in business in their book, *Womenomics*. For instance, women own nearly half of privately owned businesses, often boldly leaving the corporate world to pursue their own passion. It seems that the recession may highlight that female management takes a longer-term approach to risk and decision making than do their male counterparts. At the World Economic Forum in Davos, many speculated that if Lehman Brothers had broader female leadership, or if the top investment banks had more senior women in the executive or board ranks, perhaps the economic crisis might have been averted.

With the value proposition supporting the presence of women in the board room, why is Texas ranked so low? We believe it is a pipeline issue. If more qualified women are to serve on corporate boards, then more capable women need to gain visibility as candidates for selection. In the not-so-distant past, many companies appointed board members based on friendship with the chairman or other board members. The pool often reflected the demographics of current boards, most often older, white males.

With the advent of Sarbanes-Oxley standards for financial transparency, that method is changing. To help women gain skills and broaden their professional networks, a few committed women started The Board Connection as an organization to initiate change in the rules—at least in the Dallas/Fort Worth area. The goal is to identify potential women with the capabilities for corporate board service within three to five years. The organization will seek out C-level professionals in finance, marketing, human resources, legal, or other strategic-level competencies that possess the credentials to add value to a board of directors.

In its initial research, The Board Connection surveyed several chairmen of local FORTUNE 500 companies to determine the characteristics of professionals best suited for board service. The key question posed to these chairmen was if the candidate needed to be a current or

former CEO in order to serve on a corporate board. If the answer was yes, it would be virtually impossible to change the diversity landscape. However, if other criteria is used and valued, then women will have a chance to serve. Luckily, all of the executives surveyed confirmed that a CEO title was not the most important criteria in determining board qualifications.

If women are going to diversify public and private corporate boards, they must be qualified and maintain expansive networks. Getting connected and involved with organizations like The Board Connection is a great first step to gain readiness and broaden awareness. Once positioned on your first board, the second and third (if desired) are much easier to conquer. In the process of gaining that board placement, the potential candidate should conduct her own due diligence with the company and its senior leadership to make sure it is the right fit.

Men must be involved in the effort to diversify the executive suite if we are really going to make a difference. If the board truly represents the shareholders, and diversity increases shareholder value, it just stands to reason that helping a few sisters to the board room makes good sense. It is one thing to say that men want diversity on their boards, but every person must be involved in making the change. Time will tell.

– *Melisa Denis*

Study Methodology

The 2009 TBC Study of Women Directors and Executive Officers for Dallas/Fort Worth was based on the 42 companies in the geographic area identified as being members of the FORTUNE 1000.

The Institute for Excellence in Corporate Governance (IECG) at the University of Texas at Dallas (UTD) compiled the data for the Study from the most recent Securities and Exchange Commission filings, including annual reports (form 10-K's) and Proxy statements (DEF 14As) The most recent filing for nearly all of the companies were as of fiscal year ending December 31, 2008.

IECG, one of UTD's Centers of Excellence within the School of Management, enhances the abilities of corporate directors, senior management, and institutional investors to effectively and ethically protect and promote the interests of their stakeholders. IECG provides timely, multidisciplinary programs dedicated to specific issues related to the corporate governance system.

TBC extends its gratitude to IECG Executive Director Constantine Konstans, Associate Dean for External Affairs and Corporate Development Diane McNulty, and Associate Professors Mark Anderson and Suresh Radhakrishnan.

IECG Web site: <http://som.utdallas.edu/centers/iecg/>

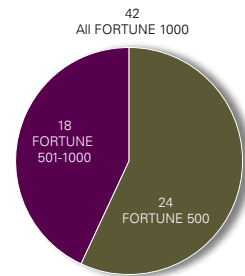


Census Data

Dallas/Fort Worth FORTUNE 1000 Companies

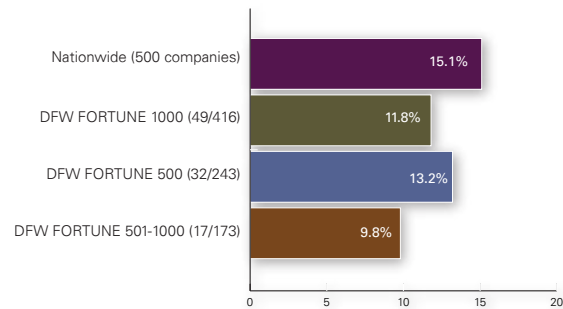
Nationwide Statistics

The national statistics represent leading companies in California, Chicago, Georgia, Kansas, Maryland, Massachusetts, Michigan, Tennessee, New York, Philadelphia, and Wisconsin.

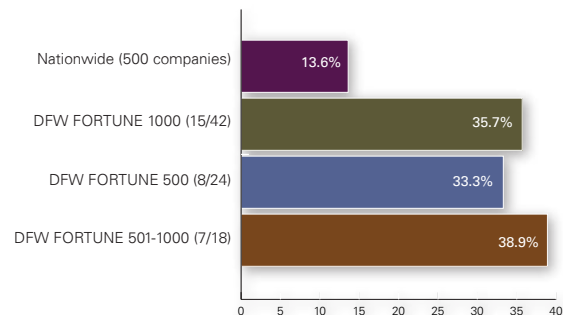


Dallas/Fort Worth (DFW) data represents the area's FORTUNE 1000 companies.

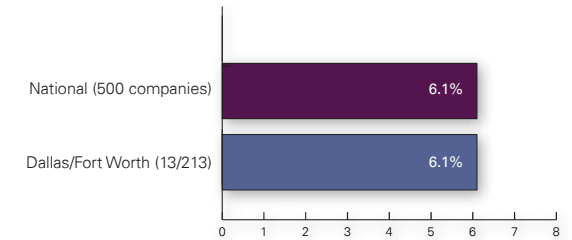
Percentage of Director Seats Held by Women



Percentage of Companies with No Women Directors



Women among Highest Compensated Executive Officers



28.6%

Companies with Women among the Top Compensated (12/42)

71.4%

Companies with No Women among the Top Compensated (30/42)

Women Serving as Executive Officers in Dallas/Fort Worth

9.8%

Officers (41/410)

35.7%

DFW Companies with No Women Executive Officers (15/42)

0%

DFW Companies with a Woman CEO

There was no information available about participation on boards by women of color.

	FORTUNE rank	# of total executives	# of female in total executives	# of total top executives	# of female in total top executives	Total # of directors	# of female directors
Exxon Mobil Corp.	1	19	0	7	0	11	2
AT&T	8	12	1	5	0	17	4
AMR	104	5	0	5	0	14	2
Fluor	114	14	0	5	0	11	2
Kimberly-Clark	128	9	1	5	0	12	2
JCPenney	139	11	1	5	0	10	3
Burlington Northern Santa Fe	142	8	1	5	0	11	1
Texas Instruments	215	14	3	5	0	11	4
Dean Foods	216	13	3	5	0	10	2
Southwest Airlines	246	6	1	5	1	9	1
Commercial Metals	251	7	1	5	1	10	1
Energy Transfer Partners	266	7	0	7	0	11	0
Tenet Healthcare	283	5	1	5	1	10	2
Gamestop	296	6	1	6	1	10	1
Centex	308	5	1	5	1	11	2
XTO Energy	330	6	0	6	0	9	0
Atmos Energy	343	7	0	4	0	14	0
Celanese	368	9	1	4	1	9	0
D.R. Horton	378	4	0	4	0	5	0
Affiliated Computer Services	401	15	4	5	0	7	0
Holly	420	6	1	5	1	8	0
Dr Pepper Snapple Group	427	11	1	5	0	9	2
Blockbuster	450	5	0	5	0	9	1
Crosstex Energy	479	4	0	4	0	5	0
Flowserve	513	14	2	5	0	11	1
Brinker International	533	8	1	5	0	9	2
Radioshack	534	10	2	5	0	7	1
Comerica	559	15	3	5	2	13	3
Trinity Industries	567	14	2	5	0	11	1
Lennox International	615	14	1	6	1	11	2
Torchmark	643	12	1	5	1	10	1
Idearc	695	5	1	5	1	7	0
Rent-A-Car	706	7	1	5	1	8	1
Perot Systems	723	9	0	5	0	11	2
Metro PCS Communications	727	12	1	5	0	8	0
Sally Beauty Holdings	742	10	1	6	0	12	2
AmeriCredit	768	6	0	4	0	9	1
ENSCO International	781	12	0	5	0	9	0
Pioneer Natural Resources	814	10	0	5	0	10	0
Alliance Data Systems	843	12	0	5	0	8	0
Zale	845	18	3	5	0	9	0
Cinemark Holdings	989	14	0	5	0	10	0

Did you know...

Highlighting progress among the FORTUNE 1000 companies studied for the 2009 TBC report:

- In Dallas/Fort Worth, women comprise more than 25 percent of the board seats at both Texas Instruments and JCPenney.
- Local companies with women serving between 20 percent and 25 percent of director positions include AT&T, Brinker International, Comerica, Dean Foods, Dr Pepper Snapple, and Tenet Healthcare.
- Several Dallas/Fort Worth companies are above the national average of 15 percent of board positions being filled by women. These are Exxon Mobil, Fluor, Kimberly-Clark, Lennox International, and Sally Beauty Holdings.



For information about The Board Connection

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