



The Board
Connection

2014
REPORT

VOICES
BEING
HEARD

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the support provided by
our corporate sponsors.



A MESSAGE FROM THE PRESIDENT AND FOUNDER

The value that women bring to corporate boards is becoming an increasingly popular topic on numerous local, national, and global agendas. As members of The Board Connection (TBC), we've been working to plant these seeds since our establishment in 2009 and are excited that we're starting to see the fruits of our efforts. We are pleased to present the fifth edition of our report and to provide you with an update on what are primarily positive changes.

As you will see, we've made significant progress in numerous areas with an overall increase in the percentage of board seats filled by women and a decrease in the companies with no female directors. The data also shows that, while Texas is still behind the national average, we are quickly closing that gap. In the coming years, we feel confident that we will match and even surpass other states to eventually become a leader in this area.

To bring an additional perspective to the discussion, we are also providing a corporate view of the benefits women bring to the boardroom by sharing the thoughts of several local executives. Boardroom diversity has become top-of-mind for many companies as they seek to broaden their perspectives and remain competitive in today's complex business world. Leaders here in Texas, across the nation, and around the globe are joining our call to action as there is an increasing awareness of the need for change on multiple fronts.

We are very encouraged by these recent trends and look forward to sharing more positive reports in the years to come. Please visit our website at theboardconnection.org and feel free to contact us with any questions.

Our voices are definitely being heard, and we hope that you will join us in our effort to continue raising awareness about this important initiative.



Gayle Anderson
President



Melisa Denis
Founder & President Emeritus

VOICES
BEING
HEARD

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

- Assessment
- Training/preparation
- Networking/exposure
- Focus on public policy

The Board Connection

A VALUE PROPOSITION

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

TBC offers an 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 InterOrganization Network, Women Corporate Directors, and the National Association for Corporate Directors. Executive coaches, mentors, and professional certificate programs also strengthen skills and the résumé of a prospective board candidate.

TBC provides valuable peer networking and exposure to decision makers. 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 Texas, TBC offers this report based on the proxy statements of the 45 FORTUNE 500 companies headquartered in Texas.



2014 BOARD



Melisa Denis, Founder and President Emeritus
Partner in Charge, Global Mobility Services Practice
KPMG LLP



Cathy Fraser
Senior Vice President Human Resources
Tenet Healthcare



Gayle Anderson, President
CFO/CRO
DigiWorksCorp, LLC



Kathy Harless
Independent Director
The Toro Company



Lisanne Glew, Vice President
Vice President, Wealth Management
UBS Financial Services, Inc.



Susan Garcia
Managing Director, CIO Advisory Services
KPMG LLP



Kelly Harris, Treasurer
Partner
Harris & Dickey



Kelly McDonald
Senior Vice President and Controller
Rave Cinemas



Carla Howard, Secretary
Officer, Senior Vice President and General Tax Counsel
Energy Future Holdings



Linda Rutherford
Principal and CEO
Rutherford Ventures



Dorinda Abendschein
Senior Vice President and CFO North America
Schneider Electric



Sharon Stufflebeme
Chief Information Officer and CHRO
FTS International



Kit Addleman
Partner
Haynes and Boone, LLP

While we are certainly pleased to bring you positive news from a local perspective, we are also encouraged by the increasing popularity of this topic on both national and global agendas. On the following pages, we will share the thoughts of several Texas-based executives as they reflect on the importance of diversity in the boardroom. We will also highlight several U.S. publications that reference this topic as well as thoughts from world leaders who have joined the call for gender parity.

RAISING OUR VOICES



FEEDBACK FROM THE LOCAL BUSINESS COMMUNITY

“At Tenet, we recognize the critical importance and value of diversity in the boardroom and throughout the company.

Our board is comprised of highly qualified directors who are diverse not only in their gender and ethnicity, but also in geography and professional background. This rich mix of experiences, perspectives, and talent serves to broaden our conversation and debate, meaningfully inform our decision-making, and improve performance throughout the organization.”

— **Trevor Fetter, President and CEO**
Tenet Healthcare Corporation

“**Trends:** As the largest companies in the U.S. have begun to address diversity, mid-size and smaller companies have followed their leadership. However, since the board’s refreshment pace for directors totals only one or two every 24 to 36 months, the process is slower than desired.

Although the process may take time, almost without exception, energy, industrial, distribution industries, and manufacturing have demonstrated a commitment to address boardroom diversity as director openings become available.

Key Board Attributes: In recent years, in response to intense global competition, Chief Executive Officers expect members of the board to be active, informed contributors to strategic growth plans. As a result, new board members are evaluated against the strategic and business needs, as well as the all-important interpersonal skills needed for the boardroom.

Board Selection Process: Selection of new board members has moved from selecting from known relationships to an intense, attribute evaluation process of individuals (often through a retained search firm). The importance of direct strategic knowledge, obvious executive leadership experiences, and superior communication skills are paramount, regardless of industry.”

— **Rhys J. Best**
Chairman of the Board of Austin Industries; Board of Directors of Cabot Oil and Gas, Commercial Metals Company, MRC Global, Inc., and Trinity Industries

“If we are going to win in a world that changes at ‘light speed,’ then we must be prepared to capture diverse insights quickly and be willing to engage in a challenging strategic dialogue about our business.

The days of stuffy boardrooms that are detached from marketplace realities are over.

In this fast-moving world we must learn to include diverse thinking and experiences in our daily strategic discourse, we must learn to debate those unique ideas and insights openly and with intensity, and we must be willing to act fast when great ideas emerge from those discussions. That is the bar we should hold ourselves to, and it begins by building a board and a leadership team that not only includes diversity of experience and thinking, but commits to leveraging it to drive constant innovation in the business model.”

— **Chris Brickman, CEO**
Sally Beauty Holdings, Inc.
A Russell 3000 company with 22% women directors

APPLAUSE

Moving off the ZERO MARK

EOG RESOURCES, INC.

Industry: Energy
Location: HOUSTON

2013
FORTUNE
Rank: 263

2014
FORTUNE
Rank: 233



Change: From ZERO to ONE
Added through: Expansion
of one new board seat

AN INCREASING NATIONAL PLATFORM

A January 2015 article in *The Wall Street Journal* brought further visibility to the issue of gender diversity. "Are Changes in Store for Women in the Boardroom?" explores the likelihood of significant changes in this area. Though the author acknowledges that women are still in the minority in terms of corporate board seats, she is optimistic.

Interviews with several female executives point to a change in view as to what is acceptable in today's business environment. Stakeholders have made it clear that boards with no women at the table are no longer acceptable.

While progress may be slow due to low turnover in director seats, there is a definite trend toward bringing women to the boardroom.

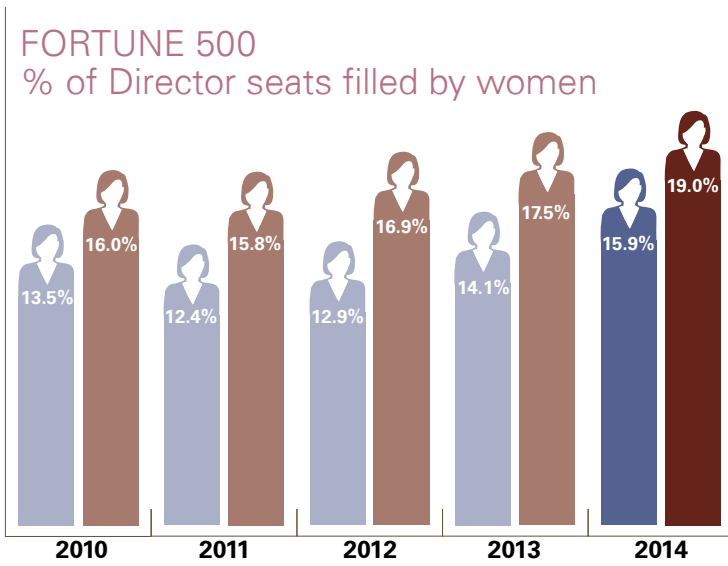


Women on Board is a recently released book offering advice to women seeking board positions. It opens with a quote from KPMG Global Chairman and U.S. Chairman and CEO John Veihmeyer, who states,

"Today, more and more corporate boards are recognizing that gender diversity is a business imperative and a critical element in sustaining successful enterprises. We have the highest female representation on KPMG's U.S. board in our history, and we know it makes us a stronger organization."

The authors interview dozens of corporate and search executives and share their findings in the book. For women seeking board positions, it also provides:

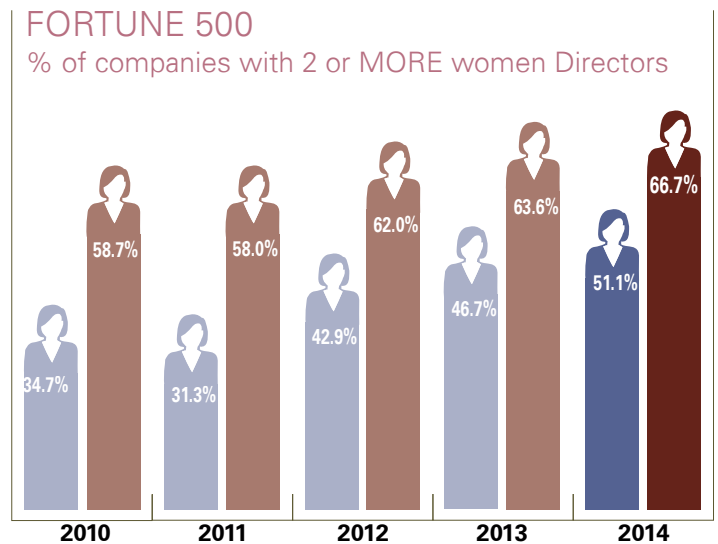
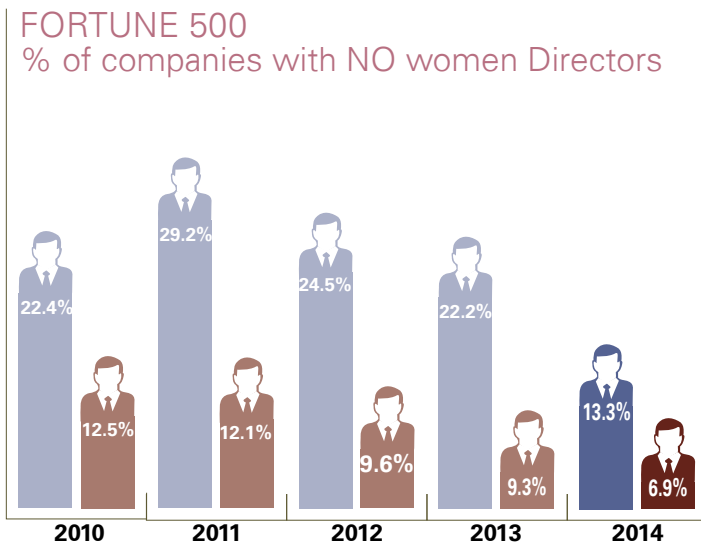
- Checklists for those seeking board membership
- Rules for getting things done on a board, inside and outside meetings
- Dos and Don'ts of board nominating committee interviews
- Explanations about the benefits of developing a cultural quotient
- Insights on how advisory boards can bridge key skill gaps on a board.



HOW MUCH
PROGRESS
HAS BEEN
MADE?*

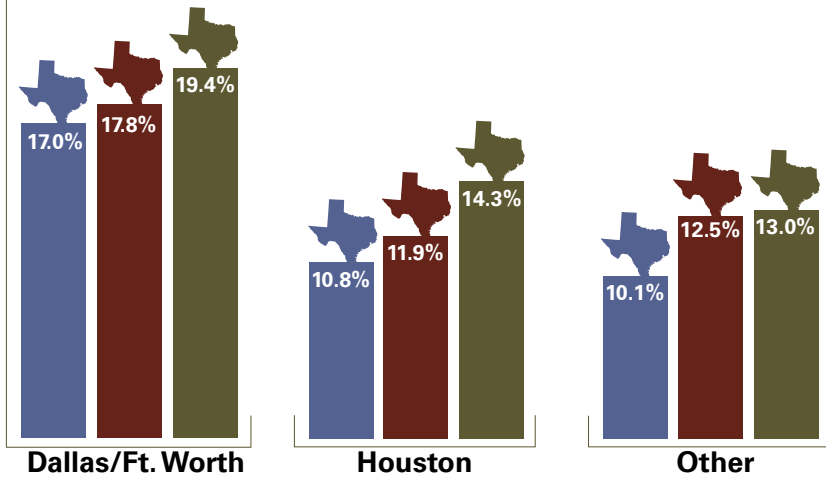
*All data is as of July 2014.

ENCOURAGING SIGNS



■ Texas ■ National

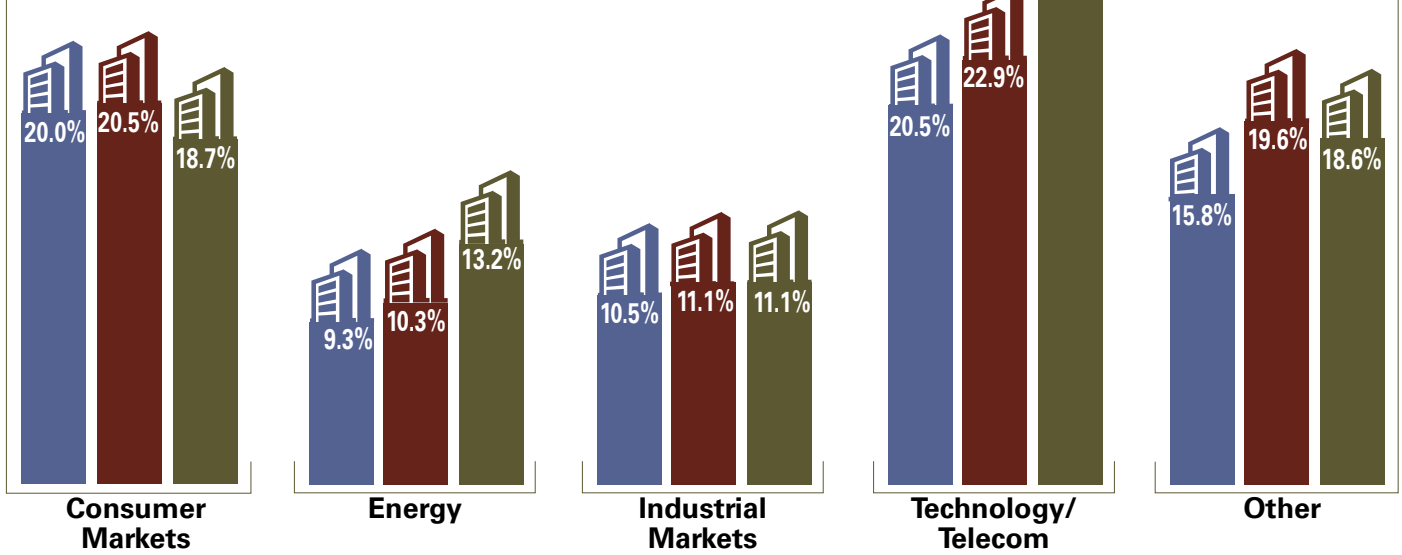
FORTUNE 500
% of Director seats filled by women
by REGION within Texas



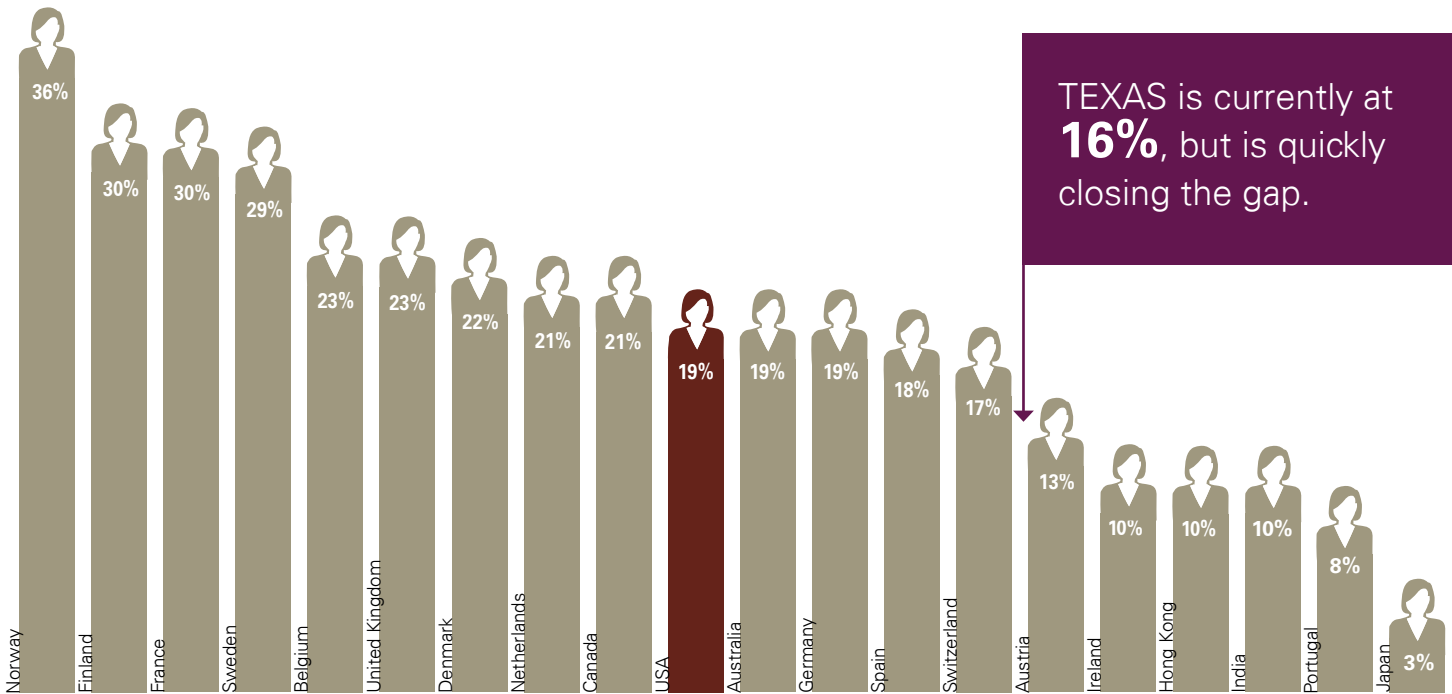
TEXAS DETAIL BY REGION & INDUSTRY

2012 2013 2014

FORTUNE 500
% of Director seats filled by women
by INDUSTRY within Texas



Best and worst COUNTRIES for women on corporate boards



TEXAS is currently at **16%**, but is quickly closing the gap.

GLOBAL CALL TO ACTION

CNN Money recently published an article on the “Best and Worst Countries for Women on Corporate Boards.” Of the 20 countries included in the report, the United States was tied with Australia and Germany in 10th place.

APPLAUSE

Moving off the ZERO MARK

NATIONAL OILWELL VARCO, INC.

Industry: Energy
Location: HOUSTON



Change: From ZERO to ONE
Added through: Expansion of two additional board seats

The **World Economic Forum** is the international institution committed to improving the state of the world through public-private cooperation. Gender parity is a key component of the global agenda and more than 2,500 representatives of business, government, academia, and civil society gathered for the 45th annual meeting this January in Davos, Switzerland.

This year, **UNWomen** also unveiled the HeForShe IMPACT 10x10x10 pilot initiative. This is a one-year pilot project geared toward advancing women by working with governments, companies, and universities to promote change within their respective communities.

FORTUNE 500 TEXAS COMPANIES

Platinum Performers: 30%+ women directors

36.4% 

TEXAS INSTRUMENTS, INC.

Industry: Technology/Telecom
Location: Dallas/Ft. Worth

33.3% 

DR PEPPER SNAPPLE GROUP, INC.

Industry: Consumer Markets
Location: Dallas/Ft. Worth

30.8% 

AT&T, INC.

Industry: Technology/Telecom
Location: Dallas/Ft. Worth

30.0% 

SYSCO CORP.

Industry: Food & Drink
Location: Houston

APPLAUSE

Moving off the ZERO MARK 

APACHE CORPORATION

Industry: Energy
Location: HOUSTON

2013
FORTUNE
Rank: 154

2014
FORTUNE
Rank: 167



Change: From ZERO to TWO
Added through: Replacement

Gold Level:

20%–30% women directors

25.0% 

KIMBERLY-CLARK CORPORATION

Industry: Consumer Markets
Location: Dallas/Ft. Worth

25.0% 

PHILLIPS 66

Industry: Energy
Location: Houston

22.2% 

CENTERPOINT ENERGY, INC.

Industry: Energy
Location: Houston

22.2% 

MARATHON OIL CORPORATION*

Industry: Energy
Location: Houston

22.2% 

TENET HEALTHCARE CORP.

Industry: Healthcare
Location: Dallas/Ft. Worth

(In December 2014, Tenet Healthcare increased to 33% women directors.)

*Also ranks highly with women as 50%–60% of top compensated executives.

Honorable Mention:
20% women directors

20.0% 

APACHE CORP.
Industry: Energy
Location: Houston

20.0% 

CELANESE CORP.
Industry: Energy
Location: Dallas/Ft. Worth

20.0% 

CONCOPHILLIPS
Industry: Energy
Location: Houston

20.0% 

JCPENNEY COMPANY, INC.
Industry: Consumer Markets
Location: Dallas/Ft. Worth

20.0% 

SOUTHWEST AIRLINES, CO.
Industry: Transportation
Location: Dallas/Ft. Worth

20.0% 

TESORO CORPORATION
Industry: Energy
Location: San Antonio

RUSSELL 3000 TEXAS COMPANIES

TOP 5:
(not in FORTUNE 500 list)

45.5% 

PIER I IMPORTS, INC.*
Industry: Consumer Markets
Location: Dallas/Ft. Worth

33.3% 

STAGE STORES, INC.
Industry: Consumer Markets
Location: Houston

33.3% 

FRANCESCA'S HOLDINGS CORP.*
Industry: Consumer Markets
Location: Houston

30.0% 

OMNIAMERICAN BANCORP, INC.
Industry: Financial Services
Location: Dallas/Ft. Worth

33.3% 

REPROS THERAPEUTICS INC.
Industry: Healthcare
Location: Houston

*Also ranks highly with women as 50%–60% of top compensated executives.

CLOSING THE GAP

APPLAUSE

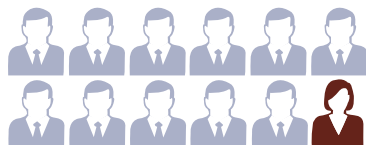
Moving off the ZERO MARK 

CAMERON INTERNATIONAL CORPORATION

Industry: Energy
Location: HOUSTON

2013
FORTUNE
Rank: 362

2014
FORTUNE
Rank: 310



Change: From ZERO to ONE
Added through: Replacement



INTERORGANIZATION
NETWORK
ADVANCES
THE CAUSE

ION
*Advancing Women
to the Boardroom*

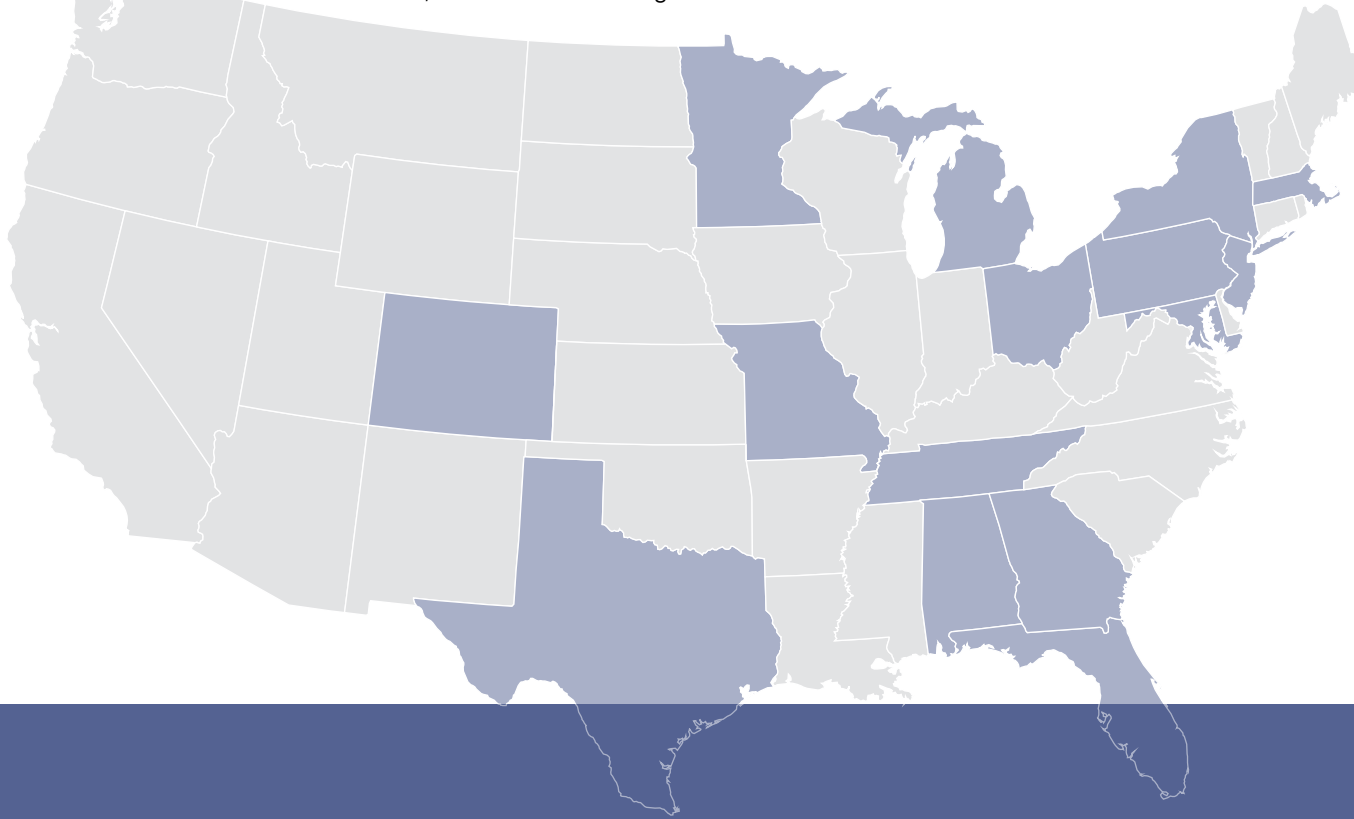


In 2010, TBC became a member of InterOrganization Network (ION).

ION is a national consortium of 15 women's business organizations across the United States that combine energies to advance women to positions of power in the business world, primarily to boards of directors and executive suites. ION gives its geographically dispersed members a national voice, a network to broaden advocacy efforts, an expanded pool of qualified candidates to recommend to companies, and the ability to leverage resources to achieve the common goal.

ION and its members annually conduct benchmarking and periodic tracking of women directors and executive officers of public companies based in their respective regions, publishing key research findings and encouraging comparisons across regions. The research data that ION's members publish provide both breadth and depth of information that is not available anywhere else.

More information about ION is available on its Web site, www.ionwomen.org.



Alabama

Women's Economic
Development Council
www.WEDC-online.net

Colorado

Women's Leadership Foundation
www.womensleadershipfoundation.org

Florida

Women Executive Leadership
www.womenexecutiveleadership.com

Georgia

The Board of Directors Network
www.boarddirectorsnetwork.org

Maryland

Network 2000
www.network2000md.org

Massachusetts

The Boston Club
www.thebostonclub.com

Michigan

Inforum
www.inforummichigan.org

Minnesota

Minnesota Women's Economic
Roundtable
www.mnwer.org

Missouri

Central Exchange
www.centralexchange.org

New Jersey

Executive Women of New Jersey
www.ewnj.org

New York

Financial Women's Association
of New York
www.fwa.org

Ohio

Women for Economic Leadership
and Development
www.weldoh.org

Pennsylvania

The Forum of Executive Women
www.forumofexecutivewomen.com

Tennessee

CABLE (Nashville)
www.nashvillecable.org

Texas

The Board Connection
www.theboardconnection.org



For information about The Board Connection

General questions about TBC

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