

DAVID W. LENNON

HIGHLIGHTS OF A CAREER IN EXCELLENCE

Addendum to Resume

EXCELLENCE IN CHANGE MANAGEMENT

SVP, CFO — XXX Group Inc.

- Challenge* Replace a legacy of lack of direction, poor competitive positioning and bloated expense budget with an organizational structure, financial discipline and culture that would enable the company to succeed within financial services industry's new global order — aggressively competitive, highly scrutinized and regulated.
- Action* Planned and executed a multi-phased merger — XXX Capital Corporation into ABC Financial (holding company of asset managers) and XYZ Financial (and its funds) into XXX Group, Inc. — then streamlined and restructured the newly formed organization around a well-targeted product offering with a focused management team and rigorous, performance-driven culture.
- Result* Put the company on a growth and success path by creating a highly structured, financially disciplined organization that leveraged one brand, a single-vision management team, centralized back-office operation, and one distribution network providing complementary — vs. competing — investment products to its customers. Captured \$40+ million per year in cost savings during reorganization and culture change initiative.
- Strength* I am a true strategic CFO who competently takes the lead in conceptualizing and executing the changes required to drive growth, improve operational performance, and optimize value to the firm and its customers.

EXCELLENCE IN STRATEGIC FINANCE

SVP, CFO — XXX Group Inc.

- Challenge* Repair a balance sheet seriously weakened by two significant financial burdens: assumption of huge amounts of expensive debt to pay the XXX founder for his \$1.5 billion equity position; and lack of a viable plan to monetize legacy holdings in DST Systems—passively held, non producing stake (\$1.3 billion market value) in a mutual fund processing business that represented 25% of the firm's market capitalization.
- Action* Conceived and managed the execution of a tax-advantaged monetization plan — vs. straight sale of shares — for equity stake in a cash-rich subsidiary of XYZ and used the trapped cash to pay down high-interest debt.
- Result* Saved the company \$430 million in cash through tax-free transaction (IRS Section 355), reduced annual interest expense by \$16 million p/year, decreased its debt levels — from \$850 million at 35% debt-to-equity ratio to \$375 million at 14% debt-to-equity — and began buying back stock under \$500 million authorization. Repaired balance sheet, protected/improved the firm's credit ratings and thwarted threat of hostile takeover.
- Strength* I have an exceptional talent for conceiving and executing innovative financial strategies — complex, high-dollar, tax and regulatory compliant — that protect and improve the immediate and long-term financial position of the firm and its stakeholders.

EXCELLENCE IN FINANCIAL PLANNING & REPORTING

SVP, CFO — XXX Group Inc.

- Challenge* Upgrade the financial planning, forecasting, analysis and reporting functions to align with the newly formed organizational structure, and support future spending — people, products, systems, branding, marketing — in its high-risk effort to regain confidence among investors.
- Action* Restructured the financial organization into logical groups — delineating planning, accounting and transactional processes — guided the Controller in identifying and addressing obstacles in the closing process, and solicited feedback from the management teams to understand their needs for P&L reporting. Linked cross-functional business unit targets with clearly defined strategic goals (financial and non-financial) and communicated process-to-goal performance to the Board of Directors. Hired well-trained finance professionals to replace individuals who were adverse to change.
- Result* Dramatically improved the comprehensiveness, timeliness, accuracy and meaningfulness of decision support enabling the company to report against targets, and closely manage its monthly spending and resource allocation. Trimmed month-end closing cycle by 40% and delivered completed financials within 8 days — vs. 30+ days — from end of the month.
- Strength* My technical skills in finance and accounting are very strong, and I am an expert in reengineering financial functions to make them best-practice. I guarantee “no surprises” financial reporting in a format that fits the needs of individual disciplines — in this case; growth, value, international, mathematical, core/blend, fixed income, money markets — and the whole of the organization.

DAVID W. LENNON

HIGHLIGHTS OF A CAREER IN EXCELLENCE

Addendum to Resume — Page 2 of 2

EXCELLENCE IN CAPITAL MANAGEMENT

SVP, PLANNING & ANALYSIS — XYZ

- Challenge* Enable healthy growth, control risk and improve profitability through disciplined capital management.
- Action* Created, presented — to the executive committee — and gained acceptance for a formal capital allocation framework and management tool. Initiated monthly analysis of capital usage (cash capital, regulatory capital, leverage capital, and risk capital) of each business line within the firm's formal allocation structure. Determined that the firm was undercapitalized and teamed with the CFO in persuading the executive committee to be quick and decisive in increasing its capital levels.
- Result* Within one year, XYZ succeeded in increasing its capital base from \$19.8 billion to \$24.8 billion with a growth rate of 25+%. For the first time, the firm was able to see the true profitability of its activities, thereby prompting restructure and/or downsizing of nonperforming business units, and enabling dramatic improvement in ROE — from 12.3% in 1996 to 17% in 1997.
- Strength* I am acutely tuned to business and financial factors that may dilute profits and/or put the company at financial risk — immediate and long-term. This capital management initiative was credited with saving XYZ from a liquidity crisis when the Russian economy collapsed in mid 1998 (XYZ carried substantial exposure to Russian bonds).

EXCELLENCE IN IMPROVING ROE & SHAREHOLDER VALUE

VP, TREASURY — LMN

- Challenge* Reverse the company's declining ROE and facilitate its entry/growth into capital intensive businesses.
- Action* Conducted independent statistical research and analysis, and produced and presented findings proving that the firm's price/book ratio was linked to its Economic Value Added (EVA).
- Result* After review and scrutiny by many of the smartest corporate finance professionals at LMN, the EVA concept was embraced (by nearly all of the senior-level executives on the management team) and applied in the firm's 162-m calculation (set forth in the proxy statement; establishes tax deductibility on compensation in excess of \$1 million). Management replaced ROE as its primary financial performance metric and focused on maximizing EVA as the effective measure for driving shareholder value.
- Strength* I have an in-depth understanding of contemporary financial theories and practices, and am skilled in applying them in practical situations to achieve best-possible results.

EXCELLENCE IN TEAM LEADERSHIP

HEAD OF FINANCE — WPE

- Challenge* Improve the quality, knowledge and analytical capabilities of the finance department while reducing turnover and maintaining budget levels.
- Action* Reorganized the finance department, increased spans of control, tightened accountabilities, and broadened position descriptions to include analytic and project work. Created a challenging, performance-based environment by designing a rotational program that exposed team members to a variety of roles/functions.
- Result* Formally credited with personal contributions to distinguishing WPE's finance department as having the team with the highest job satisfaction rate among 100+ other companies in CFO Magazine (September 2001). Virtually eliminated turnover (once as high as 30%), and improved the performance and value of the finance staff — ranking them as “business partners” vs. “bean counters” among the firm's management team.
- Strength* One of my greatest talents and most rewarding activities is building and leading a first-class finance team. This was one of the finest finance teams I have ever worked with, and the culture and standards I implemented remain today.