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# HP adds activist investor Whitworth to board

By Joseph Menn in San Francisco and Helen Thomas in New York

Hewlett-Packard has added activist shareholder Ralph Whitworth to its board rather than risk more public conflict as it tries to bring 15 months of turmoil to a close.

Mr Whitworth is understood to have been among the investors who faulted HP for paying a 79 per cent premium for UK software company Autonomy this year and for its just-abandoned exploration of spinning off its personal computer division, the world's largest by volume.

“HP has an extraordinarily valuable global franchise, and I look forward to working closely with my fellow directors and HP's management team”, Mr Whitworth said in a statement from the board.

Though its membership has changed, the divided board has come under repeated fire since last year. Many investors objected back then to the company's firing of chief executive Mark Hurd, who had driven the revenue and stock higher, in the wake of a sex harassment claim that a board inquiry did not bear out.

HP and Mr Whitworth negotiated an agreement that includes a two-year stint on the board and a promise by his Relational Investors not to engage in a proxy fight or acquire more than 9.9 per cent of HP's stock. The San Diego-based firm must maintain at least 0.5 per cent of its shares, which had lost more than half their value between Mr Hurd's August 2010 dismissal and last month.

The board last year replaced Mr Hurd with European software executive Léo Apotheker, who announced the Autonomy deal and proposed PC spin-off, only to fire him after 10 months.

The HP directors failed to end the confusion immediately in September by appointing one of their own, Meg Whitman, the former Ebay chief executive, to succeed Mr Apotheker.

Director Ray Lane, who at that point became executive chairman of HP, said after the US markets closed on Thursday that Mr Whitworth “will bring a constructive voice and a track record of value creation into the boardroom”. The board also named two-year director Rajiv Gupta, a veteran in the materials industry, as lead independent director.

Mr Lane organised the effort to oust Mr Apotheker after hearing from many HP investors. The appointment of Mr Whitworth suggests that he has not finished appealing them.

Mr Whitworth already this year unveiled activist holdings in L-3, the defence company he

believes should reconsider its mix of businesses. He also has served on the board of Genzyme, the biotech company sold to [Sanofi-Aventis](#) this year for more than \$20bn.

In 2008, he challenged Bob Nardelli, the chief executive of [Home Depot](#), on his pay and performance, leading to the CEO's departure from the retailer.

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