

JEWELRY

Tiffany works to improve performance via fresh board member perspectives

February 21, 2017



Tiffany & Co.'s Blue Box

By STAFF REPORTS

U.S. jeweler Tiffany & Co. has announced the appointment of three new independent directors to its board of directors, increasing the headcount from 10 to 13 members.

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Tiffany's has appointed Roger Farah, James Lillie and Francesco Trapani as the newest members of its board, effective no later than March 6. The additions come in light of agreement between activist investor Jana Partners and Mr. Trapani, who together own approximately 5.1 percent of Tiffany's outstanding shares.

New in town

Tiffany's new independent directors come to the jeweler at a time of corporate restructuring. Earlier this month, Tiffany parted ways with CEO Frederic Cumenal. Currently, chairman of the board of directors, Michael J. Kowalski is acting as interim CEO ([see story](#)).

"We are excited to be adding such distinguished directors to our board as part of our ongoing process to refresh the board, and we are pleased to have worked cooperatively with Jana Partners to have met our objective," Mr. Kowalski said in a statement. "These three new directors are all accomplished executives with a broad range of relevant experience and skills that will benefit all shareholders as we focus on accelerating the execution of our core business strategies."

"We also believe the strength of our board will be an asset in our ongoing CEO search process," he said. "I look forward to completing that process and welcoming our new CEO to our board and, after an appropriate period, I anticipate being able to relinquish my responsibilities as chairman to a successor."

Mr. Trapani joins Tiffany's board after more than three decades of experience in the luxury retail sector. He is the former CEO of Bulgari, working for the jeweler from 1984 to 2011, a period that saw the creation of its hospitality division and LVMH acquisition.

From 2011 until 2014, Mr. Trapani was chairman and CEO of the LVMH watches and jewelry division. Next, he joined Clessidra, Italy's largest private equity fund, as executive vice chairman in 2014 and was later appointed chairman of

the board until the company was sold in 2016.

Together with Mr. Kowalski and an executive search firm, Mr. Trapani will join the committee to hire a new Tiffany CEO.



Tiffany HardWear wrap bracelet

Mr. Lillie is the former CEO at Jarden Corporation and has more than 20 years of experience in the consumer products sector. Prior positions include Moore Corporation Limited, Kohlberg, Kravis, Roberts & Company and current board member roles for Nomad Foods Limited and Royal Oak Charcoal.

The third appointment to the board is Mr. Farah, who served as the co-CEO and member of the board at Tory Burch, a position held since 2014. Mr. Farah has more than 40 years of experience in the lifestyle products and retail sectors.

Mr. Farah was a Ralph Lauren board member between 2000 and 2014. He also served as Ralph Lauren's president and chief operating officer from 2000 to 2013 and executive vice chairman from November 2013 to May 2014.

As part of its internal structure changes, Tiffany also announced that it will be limiting waivers under the retirement age provisions in its governance documents in accordance with the mandatory retirement age. This means that one current director will not stand for 2017 reelection and two current directors will not stand for reelection at the 2018 during the Annual Meeting of Shareholders.



Jana Partners pushed for this agreement with Tiffany. Under its cooperative agreement, Tiffany will nominate Mr. Farah, Mr. Lillie and Mr. Trapani for election to the board during the 2017 Annual Meeting of Shareholders.

Mr. Trapani and Jana Partners have agreed to a "customary standstill and voting commitments." Going forward, Mr. Trapani will be independent of Jana Partners.

"We are very pleased to have worked constructively with Tiffany & Co. to appoint Roger, James and Francesco to the board," said Barry Rosenstein, managing partner of Jana Partners, in a statement.

"Their fresh perspective and unique insight will be invaluable as the board keeps working to improve performance and create shareholder value," he said.

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