



## Q&A: “Noisy Resignation” From the Board? (6/25)

**Q:** *I joined the board of a public health care equipment company several years ago when my family firm invested with them. The company has good potential and strong markets, but results have lagged. I believe the problem is the CEO and his strategic approach on partnerships and expansion. I've pushed for changes in the boardroom, but the rest of the board are in the chief's camp, and I've grown very frustrated (as are a couple of our largest investors). Our board is staggered. I have two years left on my term, but am considering resigning before our upcoming annual meeting, and may spell my reasons in my resignation letter. I know this can be a nuclear option, though. How should I proceed?*

**A:** A “noisy exit” from a public-company board can indeed deliver a big boom, so proceed carefully. Recent U.S. cases of disgruntled director resignations at Harley-Davidson and Kohls definitely drew attention to strategic squabbles at both companies. Still, formal “outspoken” resignations remain rare. A study on the practice [published](#) in the Harvard Law School forum found that, of 3,825 S&P 500 board resignations from 2016 to 2024, just *four* disclosed disagreements with management as a cause. Yet the authors note that waffling and terseness in the disclosure language suggests far more for-cause resignations than the numbers indicate. This hints that CEOs and top managers definitely don't want to drop such a disclosure brick... and will negotiate with an unhappy director first.

Since a noisy board departure stirs such big compliance and investor relations ripples, you'll also want to handle it by the book. [Lenin Lopez](#), a governance and securities VP with Woodruff Sawyer, notes that even dropping a hint you intend to resign to a fellow director might trigger corporate disclosure requirements. Check your board charter and bylaws to see if a formal procedure is spelled out regarding timing and to whom you need to submit your notice. Remember also that even a bland formal resignation letter, if followed up with a note listing all your complaints, can trigger fresh disclosure headaches (this happened at Kohls).

Prepare a draft letter spelling out your concerns, learn the exact resignation procedures required (including potential blowback for your career), and then seek a private discussion with the CEO on your plans. You may find he's now more willing to listen.

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