



## LARGER CAP FIRMS LESS LIKELY TO HAVE INDEPENDENT BOARD CHAIRS

FOR IMMEDIATE RELEASE

**Portland, Maine; November 17, 2009** – Fewer than 15 percent of S&P 500 index companies have an independent board chair, according to a new [report](#) from The Corporate Library, an independent corporate governance risk research firm. The report examines trends in board leadership over the past five years and is the second in a series examining [corporate governance practices](#) in the S&P 500, Russell 1000 and Russell 3000.

In recent years, companies increasingly have placed an independent director in the role of chairman of the board, with more than 22 percent of Russell 3000 firms having what The Corporate Library defines as an independent chair. However, in sharp contrast, only 14.8 percent of S&P 500 companies have independent chair positions.

The report also discusses trends in the numbers of companies with a combined chair/CEO position, a lead independent director position, and a chairman who previously served as CEO.

It was found that many directors who meet listing exchange requirements for independence have significant relationships with companies in addition to their board service. For example, a director may be a relative of a company founder or current executive and still be considered independent by listing exchange standards. To provide a nuanced assessment of director independence, The Corporate Library has developed a three-category system, under which directors who have such significant relationships with the companies on whose boards they serve are not counted as independent.

The report, “2009 Governance Practices Series: Board Leadership,” is available for \$45 from The Corporate Library’s online store at <http://www.thecorporatelibrary.com/info.php?id=76>.

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### **About The Corporate Library**

For ten years, The Corporate Library has been the leading independent research firm providing corporate governance information products, research services and data to a broad variety of clients including institutional investors, corporations, D&O liability insurers, law firms, accounting firms, executive search firms, academic institutions and the media. The Corporate Library produces the definitive ratings of U.S. corporate boards of directors, allowing businesses that subscribe to the service to evaluate governance as an element of investment and other risk. The Corporate Library is also a leading publisher of corporate governance reports and studies, including reports on CEO employment contracts, governance practices, mutual fund proxy voting, and executive and director compensation, which its analysts compile using its extensive database of over 3,200 public companies and over 47,000 executives and directors. Additional information on The Corporate Library and its suite of online corporate governance data and analysis products can be found on its website at [www.thecorporatelibrary.com](http://www.thecorporatelibrary.com).

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