



Governance Improvements at TARP Companies May Not Increase Board Effectiveness

FOR IMMEDIATE RELEASE

Portland, Maine; March 10, 2010 – A [new report](#) from The Corporate Library, an independent corporate governance research firm, concludes that improvements to corporate governance practices at companies receiving funds under the Trouble Asset Relief Program (TARP) may not improve board effectiveness. The report examines governance changes at the top 25 highest-profile TARP companies.

The most obvious sign of transformation is that 88 percent of the TARP companies studied made changes to the composition of the board in the last two years, sometimes quite dramatically replacing a majority of directors. “The new directors, as a whole, seem well-qualified and competent,” said Senior Research Associate Annalisa Barrett, author of the report. “However, history has shown that a group of people with good résumés can sometimes do a terrible job of overseeing corporate management.”

In addition to overall trends, the report offers an analysis of governance changes made at Citigroup, Bank of America and AIG.

The report, titled “2010 Proxy Season Foresights #6: Under the TARP,” is available as a [free download](#) from The Corporate Library’s online store.

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About The Corporate Library

For eleven 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.

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