



COMBINED CEO/CHAIR ROLES ASSOCIATED WITH GOVERNANCE RISK FACTORS

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Portland, Maine; March 25, 2009 – A new study from The Corporate Library, an independent corporate governance and executive compensation research firm, found that companies whose chief executive officers (CEOs) also serve as Chair of the Board are more likely to have certain troubling governance characteristics than companies where the roles are separated. The study is the result of an analysis of the board leadership structure at more than 3,000 North American companies.

The governance features in question, all of which have been associated with board entrenchment or lessened oversight of management, include:

- relatively long CEO tenures;
- fewer board meetings per year;
- classified board structures; and
- the presence of executive committees, which are typically given the power to act on behalf of the entire board, potentially allowing for a concentration of power among a few board members.

In addition, the study discusses the most common argument companies give for refusing to separate the roles—that CEO candidates demand both positions. “The fact that so many companies have already separated the roles, without demonstrable deterioration of executive quality, suggests that this argument is specious,” said Senior Research Associate Annalisa Barrett, author of the report. “Moreover, if a CEO candidate insists on leading the board, it suggests that he or she may resist the kind of healthy and productive oversight that the board is meant to exercise on behalf of shareholders.”

The study, titled “2009 Proxy Season Foresights #5: Companies With Combined CEO and Chair of the Board Positions” is available for \$25 from The Corporate Library’s online store at www.thecorporatelibrary.com.

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About The Corporate Library

Now celebrating its tenth year, The Corporate Library is an independent research firm that provides 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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