

COUNCIL OF INSTITUTIONAL INVESTORS

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April 21, 2009

The Honorable Tom Harkin
731 Hart Senate Office Building
Washington, DC 20510

Re: Independent chairs on corporate boards

Dear Senator Harkin:

On behalf of the Council of Institutional Investors, thank you very much for your April 6 letter to me about your plans to introduce legislation that would require the chair of any U.S. public company to be an independent member of the corporation's board.

The Council applauds your interest in this critical corporate governance principle. The tenet that boards should be chaired by independent directors is a firmly held corporate governance policy of the Council. The Council has long believed that a CEO/chair concentrates too much power in one individual, potentially weakening the board's oversight of management and the board's role as protector of shareowners' interests. An outside chair provides an appropriate balance of power between the CEO and the board and facilitates strong, independent board leadership and functioning.

Thank you very much for your interest in this issue. If you have questions about independence of board chairs, please do not hesitate to contact me or, in Washington, Jeff Mahoney, CII's general counsel (jeff@cii.org) or Amy Borrus, CII's deputy director (amy@cii.org). Jeff and Amy met recently with members of your staff and would be pleased to provide further background information or respond to any questions.

Sincerely,



Joseph A. Dear
Board Chair
Council of Institutional Investors