



May 18, 2009

The Honorable Bryan C. Dixon
Oklahoma County Courthouse
321 Park Avenue, Room 821
Oklahoma City, OK 73102-3604

Dear Judge Dixon:

On behalf of the Council of Institutional Investors, I am writing to urge the District Court of Oklahoma County to grant the Louisiana Municipal Police Employees Retirement System's (LAMPERS) Petition for Writ of Mandate requiring Chesapeake Energy Corp. to comply with the fund's books and records request.

The Council is a nonprofit association of public, union and corporate pension funds with combined assets that exceed \$3 trillion. Member funds are major long-term shareowners with a duty to protect the retirement assets of millions of American workers. The Council strives to educate its members and the public about good corporate governance, shareowner rights and related investment issues, and to advocate on our members' behalf.

Over the years, the Council has developed a set of corporate governance policies that set standards or recommend practices that Council members believe companies and boards of directors should adopt to promote accountability, independence, integrity, rigor and transparency. The Council's policy on the transparency of employment contracts is very clear:

5.12d Transparency: The compensation committee should fully and clearly describe the terms and conditions of employment contracts and any other agreements/arrangements covering the executive oversight group *and reasons why the compensation committee believes the agreements are in the best interests of shareowners* [emphasis added].

Without meaningful transparency, investors cannot hold managers and directors accountable. Whether or not Chesapeake Energy in fact met its obligations under US securities laws, it is clear that the company's disclosures surrounding the new employment contract recently awarded to Chairman and CEO Aubry McClendon were less than robust and have failed to meet the threshold of Council policy. LAMPERS should thus have access to the information needed to determine whether Chesapeake's officers and directors breached their fiduciary duties to the company by awarding Mr. McClendon the new contract.

The Council of Institutional Investors appreciates the opportunity to comment on this important case. If you have any questions about the Council or its corporate governance policies, please do not hesitate to contact Jonathan Urick, Council Research Analyst, at (202) 261-7096 or jonathan@cii.org.

Sincerely,

Jeff Mahoney
General Counsel