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Conference Board's Blue Ribbon Commission's Report on Corporate Governance

The Report, released on January 9, 2002, although trumpeting its recommendations as “major reforms” adds very little to the parade of corporate governance improvements made over the past decade. Except for its preference for the European model of separation of the roles of chairman and CEO, rather than the NYSE requirement of a designated director to chair meetings of the non-management directors, and its preference for a substantial majority of independent directors, rather than the NYSE requirement of a simple majority, the Report is, in large measure, a repackaging of the NYSE rule proposals as a set of recommended “best practices.” The Report is well written and worth reading, but for those companies that have implemented the practices and procedures necessary to meet the requirements of the Sarbanes-Oxley Act, the SEC rules and the NYSE rules the Report has little significance.

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