

Report on Determination of Current Board Leadership Structure  
April 8, 2009

This report provides background information on the current leadership structure of the Board, including (i) the Board's decision to elect the Corporation's Chief Executive Officer, Jeffrey L. Bewkes, as Chairman of the Board effective January 1, 2009; and (ii) the independent Directors' decision to re-elect the Corporation's Lead Independent Director, Frank J. Caufield, to that position.

While these decisions were made in December 2008, prior to the Board's adoption of its "Policy on Determining the Leadership Structure of the Board of Directors" in January 2009, the Board and its independent Directors considered many of the key principles and processes set forth in that policy in making the decisions.

### **General Background**

Under Time Warner Inc.'s Corporate Governance Policy, the Nominating and Governance Committee has been responsible for reviewing and making recommendations to the Board regarding the Board's leadership structure, including whether (i) one individual should serve as Chairman of the Board and Chief Executive Officer and (ii) the Board should have a Lead Independent Director.

As a long-standing practice, the Nominating and Governance Committee and Board have reviewed the leadership structure of the Board on at least an annual basis, as part of the Board's self-evaluations. Further, the Nominating and Governance Committee and Board have reviewed the performance of the individual or individuals who serve as Chairman and CEO on at least an annual basis, as part of their annual performance reviews.

**Chairman/CEO.** Over time, the Board of Directors has reached different conclusions regarding whether the Chairman and CEO positions should be held by a single individual in light of the circumstances at the time. From January 2001 until May 2003, the positions of Chairman and CEO were held by different individuals. From May 2003 until December 2007, the positions were held by one individual, Richard D. Parsons. In January 2008, the positions were again held by two different individuals, with Mr. Parsons continuing to serve as Chairman for a transition period and Mr. Bewkes becoming CEO.

**Lead Independent Director.** In February 2006, in light of evolving industry practices, discussions with stockholders, and the fact that the Chairman position was held by a non-independent Director, the Board established the position of Lead Independent Director. The Lead Independent Director has the responsibilities set forth in the Corporate Governance Policy. In May 2006, the Board elected Mr. Caufield as Lead Independent Director.

## **Recent Determinations Regarding Leadership Structure**

**Chairman/CEO.** During the summer of 2008, the Board considered the appropriate leadership structure of the Board as part of its annual self-evaluation process. As in prior years, this included an evaluation of whether the positions of Chairman and CEO should be held by one or two individuals, as well as whether the Chairman should be an independent Director. In addition, after Mr. Parsons informed the Board of his plan to step down as Chairman of the Board as of the end of 2008, the Nominating and Governance Committee and Board again considered the matter of the Chairman and CEO positions at their meetings on December 11, 2008. During these reviews over the course of 2008, the Committee and Board considered a number of factors, including:

- The challenges and opportunities facing the Corporation, including the need for decisive leadership and clear accountability.
- Mr. Bewkes' performance as CEO and his ability to assume the additional responsibilities as Chairman, including the workload associated with serving as Chairman.
- The policies and practices in place to provide effective and independent Board oversight of management, including the role of the Lead Independent Director, annual performance evaluations of the Chairman and CEO by the independent Nominating and Governance Committee and the Compensation and Human Development Committee.
- The views of the Corporation's stockholders, expressed both collectively and individually, including views expressed by the Corporation's larger stockholders and votes cast at the annual meetings of stockholders in 2006, 2007, and 2008 on stockholder proposals regarding a policy requiring an independent Chairman of the Board.
- The regulatory requirements, as applicable, in the U.S. and U.K.
- The practices of other large public corporations.

After reviewing these and other factors, the Nominating and Governance Committee recommended, and the Board approved, the election of Mr. Bewkes as Chairman of the Board commencing on January 1, 2009, in addition to his serving as Chief Executive Officer. In the Corporation's press release announcing the decision, Mr. Caufield as Lead Independent Director stated on behalf of the Board that,

“Time Warner is going through a strategic transition to become a more streamlined, content-focused company to take advantage of growth opportunities afforded by fast-moving technologies and markets worldwide. As Chairman and CEO, Jeff Bewkes will provide clear, decisive, and unified leadership for our company and Board as we execute that strategy.”

Further, Mr. Robert C. Clark, Chairman of the Nominating and Governance Committee, stated that:

“When Dick [Parsons] expressed a wish to step down as Chairman at the end of this year, the Board considered the appropriate leadership structure and leader for the company. We are confident that having Jeff Bewkes as

our Chairman and CEO, coupled with Frank Caufield's continued service as Lead Independent Director and our strong governance policies, provide the right combination of clear leadership and accountability as we move forward."

**Lead Independent Director.** As part of the Board's annual self-evaluation process in 2008, and as part of the annual review of the Corporation's governance documents, the Nominating and Governance Committee and Board reviewed the role and responsibilities of the Lead Independent Director. When Mr. Parsons informed the Board of his plan to step down as Chairman, the Committee and Board again considered the role of the Lead Independent Director in conjunction with the decision to elect Mr. Bewkes Chairman, as well as Mr. Caufield's service in that position. The Nominating and Governance Committee recommended that the independent Directors re-elect Mr. Caufield as Lead Independent Director.

### **Related Documents**

Copies of Time Warner's Corporate Governance Policy, Nominating and Governance Committee Charter, and Policy on Determining the Leadership Structure of the Board of Directors are available under the Corporate Governance section of the Corporation's website at [www.timewarner.com/governance](http://www.timewarner.com/governance).