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For immediate Release

PRESS RELEASE

RESEARCH ON 'CSR' AND 'DIRECTOR LIABILITY' AWARDED PRIZES IN LONDON

The European Corporate Governance Institute (ECGI) held its Annual Working Paper Prize-giving ceremony in London today (Friday). The two awards were presented to the best paper in the Finance Series and in the Law series from the previous year.

This year, the Finance Series prize of €5,000 that is sponsored by Standard Life Investments, the global asset manager, was awarded to Professor Karl Lins (University of Utah), Professor Henri Servaes (London Business School), and Professor Ane Tamayo (London School of Economics) for their paper on "Social Capital, Trust, and Firm Performance during the Financial Crisis".

The paper examines the link between a firm's social capital, as measured by its Corporate Social Responsibility (CSR) activities and performance during the financial crisis. The study involves 1,673 firms with CSR data and finds that high-CSR firms experienced higher stock returns, profitability, sales growth, and sales per employee during the 2008-2009 financial crisis. It suggests that the trust between the firm and its stakeholders and investors, built through investments in social capital, pays off when the overall level of trust in corporations and markets suffers a negative shock.

The Law Series prize of €5,000 that is sponsored by Allen & Overy LLP, the international law firm, was awarded to Professor Holger Spamann (Harvard University) for his paper on "Monetary Liability for Breach of the Duty of Care?"

This paper clarifies why optimal corporate governance generally excludes monetary liability for breach of directors' and managers' fiduciary duty of care, while also highlighting the potential for an optimal combination of standard performance pay and tailored partial liability.

Speaking at the ceremony, Professor Marco Becht, ECGI Executive Director said "*The Working Paper law and finance series' are at the core of ECGI activities, reflecting outwardly the outstanding work of our research members around the globe. The support of the series is strengthened by the generous sponsorship of our partners, Allen & Overy and Standard Life*

Investments, who have had the vision to support this important award for a number of years running”.

Ends.

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About the European Corporate Governance Institute

The ECGI is an international scientific non-profit association which provides a forum for debate and dialogue between academics, legislators and practitioners, focusing on major corporate governance issues and thereby promoting best practice.

Its primary role is to undertake, commission and disseminate research on corporate governance. Based upon impartial and objective research and the collective knowledge and wisdom of its members, it can advise on the formulation of corporate governance policy and development of best practice.

In seeking to achieve the aim of improving corporate governance, ECGI acts as a focal point for academics working on corporate governance in Europe and elsewhere, encouraging the interaction between the different disciplines, such as economics, law, finance and management.

About the ECGI Working Paper Series

The primary purpose of the two series (Law and Finance) is to publish research papers on corporate governance related topics that are authored or co-authored by ECGI Research Members i.e. those who have been elected as ECGI Fellows or nominated as ECGI Research Associates.

The series editors generally apply a broad definition of corporate governance and also include papers on the interface between corporate governance and other areas, or papers of which only a part touches on corporate governance. However, papers in other areas whose relevance for corporate governance is only indirect or methodological are not to be included.