

**SAMPLE PROPOSAL FOR AN ADVISORY VOTE**  
**ON EXECUTIVE COMPENSATION**

RESOLVED, that shareholders of “Company Name” request the board of directors to adopt a policy that provides shareholders the opportunity at each annual shareholder meeting to vote on an advisory resolution, proposed by management, to ratify the compensation of the named executive officers (“NEOs”) set forth in the proxy statement’s Summary Compensation Table (the “SCT”) and the accompanying narrative disclosure of material factors provided to understand the SCT (but not the Compensation Discussion and Analysis). The proposal submitted to shareholders should make clear that the vote is non-binding and would not affect any compensation paid or awarded to any NEO.

**SUPPORTING STATEMENT**

Investors are increasingly concerned about mushrooming executive compensation which sometimes appears to be insufficiently aligned with the creation of shareholder value. As a result, in 2007 shareholders filed more than 60 “say on pay” resolutions with companies, averaging a 42% vote where voted upon. In fact, eight resolutions received majority votes.

In addition, the advisory vote was endorsed by the Council of Institutional Investors and a survey by the Chartered Financial Analyst Institute found that 76% of its members favored giving shareholders an advisory vote. A bill to provide for annual advisory votes on compensation passed in the House of Representatives by a 2-to-1 margin.

Aflac decided to present such a resolution to investors in 2009 and TIAA-CREF, the largest pension fund in the world, held its first Advisory Vote in 2007. As a result of discussions between investors and companies, a Working Group on the Advisory Vote was established to further study how such a practice would be implemented in the U.S. markets to provide advice to investors and companies alike.

We believe that existing U.S. corporate governance arrangements, including SEC rules and stock exchange listing standards, do not provide shareholders with sufficient mechanisms for providing input to boards on senior executive compensation. In contrast to U.S. practices, in the United Kingdom, public companies allow shareholders to cast an advisory vote on the “directors’ remuneration report,” which discloses executive compensation. Such a vote isn’t binding, but gives shareholders a clear voice that could help shape senior executive compensation.

Currently U.S. stock exchange listing standards require shareholder approval of equity-based compensation plans; those plans, however, set general parameters and accord the compensation committee substantial discretion in making awards and establishing performance thresholds for a particular year. Shareholders do not have any mechanism for providing ongoing feedback on the application of those general standards to individual pay packages.

If investors wish to register opposition to a pay package(s) in the previous year, withholding votes from compensation committee members who are standing for reelection is a blunt and insufficient instrument for registering dissatisfaction.

Accordingly, we urge the board to allow shareholders to express their opinion about senior executive compensation by establishing an annual referendum process. The results of such a vote could provide our board with useful information about shareholder views on the company's senior executive compensation, as reported each year.

We urge shareholders to vote for this proposal.

## **Resolution Filers Include:**

### **Labor**

AFL-CIO Reserve Fund  
AFSCME Employees Pension Plan  
Amalgamated Bank LongView Funds  
Communications Workers of America  
The Firefighters' Pension System of the City of  
Kansas City  
Service Employees International Union Master  
Trust  
Utility Workers Union

### **Public Pension Funds**

California Public Employees Retirement  
System (CalPERS)  
Connecticut Retirement Plans and Trust Funds  
(CRPTF)  
New York City Employees Retirement System  
(NYCERS)

### **Asset Management Companies**

Boston Common Asset Management  
Calvert Group  
NorthStar Asset Management  
TIAA-CREF  
Trillium Asset Management  
Walden Asset Management

### **Foundations**

Christopher Reynolds Foundation  
Conservation Land Trust  
Nathan Cummings Foundation  
Fund for Change  
Funding Exchange  
Edward W. Hazen Foundation  
Max and Anna Levinson Foundation  
Needmor Fund  
Tides Foundation

### **Non-Profit Institutional Investors**

Carolina Friends School  
Manhattan Country School  
Oneida Tribe of Indians of Wisconsin

### **Religious**

Adrian Dominican Sisters  
Benedictine Sisters of Fort Smith - St.  
Scholastica Monastery  
Benedictine Sisters of Mount St. Scholastica  
Benedictine Sisters of Perpetual Adoration  
Benedictine Sisters of Virginia  
Catholic Healthcare Partners  
Christus Health  
Community Church of New York  
Congregation of Benedictine Sisters, Boerne  
TX  
Congregation of Divine Providence - San  
Antonio, Texas  
Congregation of the Passion - East  
Congregation of the Passion - West  
Congregation of the Sisters of Charity of the  
Incarnate Word, Houston  
Congregation of the Sisters of Charity of the  
Incarnate Word, San Antonio  
Congregation of the Sisters of St. Agnes  
Congregation of the Sisters of St. Joseph,  
Boston, MA  
Congregation of the Sisters of the Holy Cross  
Convent Academy of the Incarnate Word  
Dominican Sisters of Columbus, OH  
Dominican Sisters of Great Bend, KS  
Dominican Sisters of Springfield Illinois  
Glenmary Home Missioners  
Marianist Province of the United States  
Missionary Franciscan Sisters  
Missionary Oblates of Mary Immaculate  
Monasterio Pan de Vida  
Pension Boards, United Church of Christ  
Providence Trust  
School Sisters of Notre Dame of St. Louis  
Sisters of Charity of the Blessed Virgin Mary  
Sisters of Mercy Regional Community of  
Burlingame  
Sisters of Notre Dame de Namur-Boston  
Sisters of St. Dominic, WI  
Sisters of St. Francis of Philadelphia  
Sisters of St. Joseph of Carondelet, CA  
Sisters of St. Joseph of Carondelet, MO

Sisters of St. Joseph of Springfield,  
Massachusetts  
Sisters of the Holy Names of Jesus and Mary,  
US Ontario Province  
Unitarian Universalist Association  
United Church Foundation  
United Methodist Church - General Board of  
Pension & Health Benefits  
United Methodist Church Foundation

### **Retiree Organizations**

Association of Ameritech & SBC Retirees  
Association of U.S. West Retirees

### **Among the Companies Receiving “Say on Pay” Shareholder Proposals In 2008 are:**

3M (MMM)  
Abbott Laboratories (ABT)  
Affiliated Computer Services (ACS)  
Allegheny Energy (AYE)  
Altria Group (MO)  
Anheuser-Busch (BUD)  
Apple Computer (AAPL)  
Applied Micro Circuits (AMCC)  
AT&T (T)  
Bank of New York Mellon (BK)  
Bear Stearns Companies (BSC)  
Blockbuster (BBI)  
Boeing (BA)  
Burlington Northern Santa Fe (BNI)  
Capital One Financial (COF)  
CenturyTel (CTL)  
Citigroup -C-  
Citizens Communications (CZN)  
Clear Channel Communications (CCU)  
Coca-Cola (KO)  
Comcast (CMCSA)  
ConocoPhillips (COP)  
Countrywide Financial (CFC)  
Dow Chemical (DOW)  
Dresser-Rand Group (DRC)  
Dupont (E.I. du Pont de Nemours) (DD)  
Edison International (EIX)  
Electronic Data Systems (EDS)  
Embarq (EQ)  
Entergy (ETR)

Exelon (EXC)  
Exxon Mobil (XOM)  
First Data (FDC)  
General Electric (GE)  
General Motors (GM)  
Goldman Sachs (GS)  
Home Depot (HD)  
Honeywell (HON)  
Ingersoll-Rand (IR)  
International Business Machines (IBM)  
Interpublic Group of Companies (IPG)  
Jones Apparel Group (JNY)  
JP Morgan Chase (JPM)  
Kimberly-Clark (KMB)  
Lexmark International (LXK)  
Lockheed Martin (LMT)  
Marathon Oil (MRO)  
Merck (MRK)  
Merrill Lynch (MER)  
Morgan Stanley (MS)  
Motorola (MOT)  
Nabors Industries (NBR)  
Northrop Grumman (NOC)  
Occidental Petroleum (OXY)  
PG&E (PCG)  
Pulte Homes (PHM)  
Qwest (Q)  
Raytheon (RTN)  
Sempra Energy (SRE)  
South Financial Group (TSFG)  
Tech Data (TDC)  
Tenet Healthcare (THC)  
Tootsie Roll (TR)  
U.S. Bancorp (USB)  
UAL Corp (UAUA)  
UnitedHealth (UNH)  
Valero Energy (VLO)  
Wachovia (WB)  
Waddell & Reed Financial (WDR)  
Wal-Mart Stores (WMT)  
Wellpoint (WLP)  
Wells Fargo & Company (WFC)  
YUM! Brands (YUM)