



Monday, October 19
4:30 pm–6:00 pm

**504 Everything You Ever Wanted to Know
About Being a Corporate Secretary, But
Never Had a Chance To Ask**

Jane Freedman

Secretary and Associate General Counsel
One Beacon Insurance Company Ltd.

Richard J. Morrison

Associate General Counsel and Secretary
Nstar Electric & Gas Corporation

Nicolas J. Pace

Senior Vice President and Deputy General Counsel
Amerigroup Corporation

Michael Wu

General Counsel
Rosetta Stone

Faculty Biographies

Douglas Chia

Douglas K. Chia is senior counsel and assistant corporate secretary at Johnson & Johnson, the world's most comprehensive and broadly-based manufacturer of health care products, headquartered in New Brunswick, New Jersey. His responsibilities include providing legal counsel to the corporation on matters of corporate governance, securities regulation, public company disclosure, and Sarbanes-Oxley Act compliance.

Prior to joining Johnson & Johnson, Mr. Chia was assistant general counsel, Corporate at Tyco International. In private practice, Mr. Chia was an associate at the law firms of Simpson Thacher & Bartlett and Clifford Chance, practicing in the New York and Hong Kong offices of each firm. While in private practice, Mr. Chia provided legal counsel to issuers and underwriters on securities offerings and cross-border transactions.

Mr. Chia is a member of the Corporate & Securities Law Committee of the Association of Corporate Counsel. Mr. Chia is also a member of the Board of Directors and Corporate Practices Committee of the Society of Corporate Secretaries & Governance Professionals and Chairman of the Society's Membership Committee. Mr. Chia is a member of the National Asian Pacific American Bar Association (NAPABA). In 2008, Mr. Chia was the recipient of Corporate Secretary Magazine's "Rising Star" award and named by NAPABA as one of the "Best Lawyers Under 40."

Mr. Chia received his AB from Dartmouth College and his JD from the Georgetown University Law Center.

Jane Freedman

Jane E. Freedman serves as the corporate secretary and associate general counsel at OneBeacon Insurance Group, Ltd., a Bermuda-based, NYSE-listed property and casualty insurance company. Ms. Freedman works out of Canton, MA. At OneBeacon, she is responsible for corporate governance, corporate secretarial, securities law compliance, executive compensation and benefits, mergers and acquisitions, and corporate finance matters.

Prior to joining OneBeacon, Ms. Freedman served as senior counsel at Raytheon Company, advising directors and executives on corporate governance, securities, corporate finance and executive compensation law issues. Prior to joining Raytheon, Ms. Freedman was in private practice at Hinckley, Allen & Snyder, LLP in Boston, MA.

Ms. Freedman is a member of several bar associations and professional associations, including The Boston Club's Corporate Board Resource Committee. She is on the Board of the Alumnae Association Council of Emma Willard School and serves as its Secretary.

Ms. Freedman graduated cum laude from Wellesley College and she received her JD from Suffolk University Law School where she graduated cum laude.

Richard J. Morrison

Richard J. Morrison is associate general counsel and secretary of NSTAR Electric & Gas Corporation, an electric and gas utility headquartered in Boston. At NSTAR, he is responsible for the corporate governance and corporate secretarial practice and also directs the company's corporate finance, SEC, litigation, and human resources legal support.

A long-time member of ACC, he helped to organize ACC's Northeast Chapter and has served as a director and secretary of the chapter. Mr. Morrison is the current president of the Eastern New England chapter of the Society of Corporate Secretaries and Governance Professionals and serves on the society's national board of directors.

He holds an A.B. from the University of Massachusetts – Boston and a J.D. from Suffolk University.

Nicolas J. Pace

Nicholas J. Pace is the senior vice president, deputy general counsel and assistant secretary for AMERIGROUP Corporation, a Virginia based publicly-traded managed care company dedicated to members in publicly-funded health care programs. His areas of responsibility include corporate governance, SEC and NYSE reporting and compliance, executive compensation, corporate finance and mergers and acquisitions.

Prior to joining AMERIGROUP, Mr. Pace served as assistant general counsel for CarMax, Inc., where he focused on corporate governance, corporate finance, SEC and NYSE reporting and compliance and mergers and acquisitions. Previously, he was a senior associate in the Silicon Valley office of the law firm of Morrison & Foerster, LLP, where he provided legal counsel to clients on corporate governance matters, securities and debt offerings, venture capital financing and mergers and acquisitions. Prior to practicing law, Mr. Pace served as a consultant in Ernst & Young's tax group where he advised corporations on tax planning and transactional matters.

Mr. Pace is active in various professional organizations, including the ACC, American Bar Association, Virginia Bar Association and Virginia Beach Bar Association. He is also active in numerous charitable endeavors, including serving on the board of directors of the First Tee of Hampton Roads and Sam's House, a Nepalese orphanage.

Mr. Pace received his BS from Miami University (Ohio) and is a graduate, cum laude, of the University of Richmond School of Law. He also holds a MBA from the University of Richmond School of Business.


Michael Wu

Michael Wu general counsel and secretary for Rosetta Stone Inc. He is responsible for all legal, corporate governance, government affairs and compliance matters at Rosetta Stone Inc. He established Rosetta Stone's corporate compliance and corporate governance functions as well as its anti-piracy and anti-fraud enforcement program.

Before joining Rosetta Stone, he was general counsel at Montreal-based Teleglobe International Holdings Ltd., a publicly held international telecommunications company. Prior to Teleglobe, Michael was a senior attorney in the Hong Kong and Reston, Virginia offices of Global One, the international joint venture between Sprint, Deutsche Telekom and France Telecom. He was also associated with a predecessor firm of Bingham McCutchen LLP in Washington, DC, and Baker Botts LLP in Houston, Texas, focusing on corporate transactions.

Mr. Wu is a member of the ACC and Northern Virginia Technology Council General Counsel Committee. He serves on the boards of the Business Software Alliance and the Alliance Against Bait and Click. He is fluent in English and Mandarin Chinese.

Mr. Wu holds a BA from Emory University and received his JD from the University of Virginia.



What We Will Cover

- Overview
- Board Communications/Training /Evaluations
- Annual Meeting of Shareholders
- Proxy Statements
- Subsidiary Governance
- Shareholder Communications & Disclosure
- Recent Developments

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!



Overview of the Corporate Secretary's Role

- Corporate Governance
 - Board and Board Committee meetings
 - Shareholder meetings
- Compliance/Regulatory Matters
 - Securities compliance (e.g., insider trading)
 - SEC disclosure
 - Stock exchange rules
- Subsidiary Records Management
- Shareholder Services and Transfer Agent Issues

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!



Board Calendar and Meeting Agendas

- Calendar and Scheduling Considerations
 - Holidays
 - Directors' other commitments
 - Major corporate events
 - Board retreats and off-site meetings
 - Checklists
- Meeting Agendas
 - Involvement of Chairman, CEO and Lead/ Presiding Director
 - Committee meeting agendas

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Board Materials

- Mailings prior to meetings
 - Collecting and reviewing materials from presenters
- Mailings between meetings
 - Press clippings
 - Analyst reports
 - Unanimous written consents
- Materials at meetings
 - Collecting materials after meetings
- Secure board websites

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Meeting Process

- Director attendance
 - Telephonic participation
 - Unanimous written consents in lieu of meetings
- Committee reports
- Executive sessions
- Minutes
- Director notes

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Use of "Consent Agendas"

- Bundling many routine items into one and moved and approved in one vote with no discussion
- Examples:
 - Approval of minutes
 - Routine matters, such as Committee appointments
 - Staff appointments requiring Board confirmation
 - Reports provided for information only
 - Correspondence requiring no action

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Board Training

- Internal v. External Programs
 - Cost
 - Relevant content
 - RiskMetrics accreditation
 - Team-building or networking
- Topics for Board Training
 - Corporate governance
 - Company and industry specific topics
 - Director liability and D&O insurance
 - Crisis management
 - Boardroom confidentiality

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Board Evaluations

- Evaluate the Board and each committee
- Who conducts the assessment
 - Board Committee or Third Party
- Topics for assessment
 - Governance, Information, Practice, Quality
- Data Collection
 - Written Survey, Group Sessions, Individual Interviews
- Data Aggregation and Analysis
 - Comprehensive data reporting
 - Committee analysis
 - Full board review

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Board Evaluations

- Individual Director Evaluations
 - Depends on the makeup of the Board
 - Approaches (Committee or Third Party)
 - Delivery of results to directors
 - Be prepared to deal with fallout
- Issues and Potential Traps
 - Beware the record you create
 - Document response and follow-up

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

The Annual Meeting

- Pre-Meeting Preparation
- Conduct of the Meeting
- Post-Meeting Debrief

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Annual Meeting Preparation

- Timeline
 - Ongoing: Communicate with shareholders and governance ratings agencies
 - 1 year prior – schedule the meeting (date/location)
 - 4-8 months – begin preparing documents for printing and distribution
 - 3 months – notify stock exchanges, solicitors, transfer agent, printing & mailing services of key dates
 - 2 months – organize internal and external team; schedule periodic team meetings; dry runs; snail mail

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Annual Meeting Preparation

- Proxy Statement: communicate facts about the annual meeting to shareholders including:
 - Where & When – Will there be a live broadcast? Webcast?
 - Proposals To Be Voted
 - Who Will Be Present: Are Directors Required? (a majority of companies now require directors to attend)
 - Admission Procedures

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Annual Meeting Preparation

- **Transfer Agent**
 - E-Proxy?
 - Certify list of record date shareholders
 - Identify potential meeting attendees
 - Tabulation of paper, phone & internet proxies/ votes
- **Proxy Solicitor**
 - Communicate frequently
 - Work with brokers and institutional investors
 - Follow-up on returns
 - Ensure a quorum
 - Anticipate shareholder issues

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Annual Meeting Preparation

- **Annual Meeting Working Group**
 - Organize internal (Legal, IR, Communications, other) working group for periodic prep sessions (include external team as needed)
 - Define Roles and Responsibilities
 - Sounding board for ideas
 - Prepare/review prep documents; participate in conversations with shareholders/proponents and institutional investors

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Annual Meeting Preparation

- **ISS & Other Proxy Voting Advisors**
 - Review analysis and correct misinformation quickly and early
 - Script talking points
 - Face to face meeting?
 - Prepare directors and executives to respond if necessary

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Annual Meeting Preparation

- Shareholder Proponents
 - Build time into the proxy preparation process to respond and attempt resolution
 - Fully inform the board of issues
 - Recognize which issues may have broader support

Practice Tip: Individual proponents want air time. Face to face meetings with management go a long way!

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Annual Meeting Preparation

- Solicitation
 - Work with solicitor and IR to prepare short list of institutional holders to solicit
 - Prepare talking points
 - Face to face meetings?

Practice Tip: Determine whether written talking points must be filed with SEC as additional soliciting materials

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Annual Meeting Preparation

- The Prep "Bible": Used in all prep meetings and brought to the annual meeting. Contains key governance documents and all meeting prep/ information, including:
 - Script (Legal Requirements and Business Remarks)
 - Hot Topics questions and scripted responses
 - Script/procedures for dealing with disruptive shareholder or out of order proposal or nomination
 - Local laws for disturbing the peace
- Dry runs: Have fun with your Chair and CEO!

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

The Annual Meeting

- Admission Procedures
 - Require ticket and picture ID
 - Will tickets be provided with proxy materials or must shareholders request tickets? (providing an estimate of attendance)
 - Try to get a list of names of attendees in advance.
 - Not on the shareholder list and no ID? Alternate procedures-set up a satellite room with video feed (watch but not participate)?
 - Members of the Press?
 - Security?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

The Annual Meeting

- "Rules of the Road"
 - Written "rules of the road" on each chair
 - Time for Q&A or comments
 - Will shareholders be required or requested to submit questions in writing prior to the meeting? Will their identities be verified?
 - Will there be a limit on the time allowed per shareholder/question/comment?
 - Who will provide answers?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Post-Meeting

- Debrief
- Follow-up items?
- Lessons Learned
- Start to plan for next year!

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

The Proxy Statement

- Purpose
- Applicable Laws & Regulations; Other Considerations
- Content
- Delivery
- Practice Tips: Preparation Timeline

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Proxy Statement

- Purpose
 - A proxy statement is a communication from a corporation to its stockholders before the annual meeting, to inform stockholders about significant events taking place at the meeting and to give them enough information so they can vote. The Securities and Exchange Commission (SEC) requires all corporations which sell stock to the general public to provide a proxy statement to stockholders.
 - A typical proxy statement includes information about:
 - Issues to be voted on at the annual meeting, along with a proxy form which the stockholder can use to vote if he or she cannot attend the meeting.
 - Positions on the Board of Directors to be voted on and background descriptions of director candidates.
 - Compensation of officers, directors and auditors.

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Proxy Statement

- Applicable Laws & Regulations; Other Considerations:
 - Bylaws provisions
 - State Law
 - SEC Proxy Rules
 - Listing Exchange Requirements
 - Proxy Advisory Firms (i.e., RiskMetrics)
 - Management's Message

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Proxy Statement

- Content (required & optional)
 - Time & Place of Annual Meeting
 - Proposals To Be Voted
 - SEC Proxy Rules
 - Required content
 - CD&A, Beneficial Ownership and other items incorporated into Form 10-K
 - Other Corporate Governance matters
 - Optional Content
 - Any items or disclosures not otherwise prohibited by law or regulation
 - Examples of Proxy Statements with additional, voluntary disclosure

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Proxy Statement

- Delivery
 - Bylaws requirements
 - State law requirements
 - SEC & Listing Exchange requirements
 - eProxy

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!


ACC Association of Corporate Counsel

Proxy Statement

- Practice Tips: Preparation Timeline & Considerations
 - See timeline in Course Materials
 - Factors that may affect timeline:
 - Shareholder proposals
 - Management proposals (equity or compensation plans)
 - Proxy Advisory Firm negotiation
 - Large shareholders/Institutional shareholders
 - eProxy
 - Current proposed changes to proxy process and content

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Subsidiary Corporate Governance

- Striking a Balance: Appropriate Level of Governance
- Legal and Regulatory Considerations
- Type of Subsidiary (wholly-owned, controlled, minority ownership, international, SPE, etc.)
- Emerging Best Practices
- Practice Tips

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Subsidiary Corporate Governance

- Striking a Balance: Appropriate Level of Governance (practical considerations)
 - Corporate Formalities
 - Management's Time
 - Other (legal/regulatory requirements, type of sub, etc.)

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!



Subsidiary Corporate Governance

- Legal and Regulatory Considerations:
 - Licensed or Regulated Entity? (if so, mandatory audits by regulatory body?)
 - Required Board Composition?
 - Required Committees of the Board?
 - Mandatory Meetings? (annually, quarterly, etc.)
 - Required Articles or Bylaw provisions?
 - Required Board Approvals of Company Activities?
 - Inter-company agreements/transactions
 - Other

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Subsidiary Corporate Governance

- Type of Subsidiary
 - Business Purpose?
 - For Liability Protection Only?
 - Required by law or regulation?
 - International?
 - Wholly-owned, controlled or minority ownership?
 - Special Purpose Entity (SPE)?

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Subsidiary Corporate Governance

- Emerging Best Practices
 - Growing trend for more robust subsidiary corporate governance practices
 - Follow all corporate formalities; have good document trail; proper minutes
 - Consider appointing a Subsidiary Corporate Governance Officer* (if a large number of subsidiaries)
 - Consider subsidiary tracking/management software

* See articles by Royal Bank of Canada CLO, David Allgood

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Subsidiary Corporate Governance

- Practice Tips
 - Proper Board Composition
 - Mix of parent & subsidiary officers
 - Good source of information for in-house legal department; helps to identify issues/mitigate risk
 - Standard agenda items
 - Financial report, operational report, personnel report, legal/compliance report, etc.
 - Subsidiary corporate secretary
 - Timing of meetings; content
 - Coordinate with management meetings

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Types of Shareholder Activists

- Identifying and recognizing activist shareholders and their motivations
 - Activist hedge funds
 - Labour union pension funds
 - Mutual fund families
 - Public pension funds
 - Retail investors
 - “Socially responsible investing” (SRI) funds
 - “Special interest” groups

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Dealing with Shareholder Activists

- Understand your corporation
 - Assess the risk of activism
 - Assess the corporation's culture, tolerance level and willingness to engage (proactively or reactively)
 - Identify and stay current with activists' issues
- Understand and monitor changes in your shareholdings
 - Identify potential activists
 - Analyze the institutional-retail shareholder split
 - Ensure the board and management is aware of activists' concerns/ motives
 - Manage relationships with key stakeholders, including shareholders

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Dealing with Shareholder Activists

- Procedures and Education
 - Develop policies and protocols to respond to shareholder activists
 - Revisit advance notice by-law provisions
 - Educate management and directors in delivering consistent communications
 - Deliver a clear and concise corporate message
- Communicate with Activists
 - Develop proactive communications/engagement strategy
 - Avoid hostile interaction

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Shareholder Proposals

- Review proposal and underlying concerns/ motives
- Consider proposal's consistency with corporate culture and policy
- Consider costs vs. benefits of adopting the proposal
- Assess level of support for proposal
- Consider methods to encourage withdrawal of proposal
- Evaluate possibility of excluding proposal

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Proxy Advisory & Governance Rating Services

- The Corporate Library
- Glass, Lewis & Co.
- GovernanceMetrics International
- ProxyGovernance
- RiskMetrics Group/Institutional Shareholder Services

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

ACC Association of Corporate Counsel

Hot Button Issues

- Corporate Governance
 - Board structure
 - Cumulative voting
 - Executive compensation
 - Change-in-control and severance plans
 - "Poor pay practices"
 - Level/quality of disclosure
 - Majority voting
 - Proxy access
 - Special shareholder meetings
 - Takeover defences
 - Super-majority votes
 - Shareholder rights plans (a.k.a., "poison pills")
 - Classified boards/staggered elections

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!




Hot Button Issues

- Social Issues
 - Environmental sustainability
 - Equal employment opportunities
 - Fair pricing
 - International human rights
 - Political contributions
 - Universal health care

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!



Recent Developments

- Annual elections
- Broker discretionary voting
- Corporate governance disclosure
- Compensation consultant independence
- Executive compensation disclosure
- Majority voting
- Proxy access
- Proxy contest rules
- Proxy "plumbing" fixes

2009 Annual Meeting
October 18-21 Boston

Don't just survive. Thrive!

Regular Meeting of Board of Directors
February 22, 2007

P R O G R A M
* * * * *

Action Taken

- SNS **1.** APPROVAL OF MINUTES
(Resolution Required)
The Chairman will inquire as to whether any exceptions were taken to minutes of the meeting of the Board on November 10, 2006, and, if not, minutes will be approved.
- RRL **2.** CAPITAL ADDITIONS BUDGET REVISIONS
(Resolution Required)
Present to the meeting revisions in continuous form of capital additions budget and consider adoption of resolutions ratifying the Senior Officer's actions.
- SDR **3.** FINANCING PROGRAM
- a. Issuance and Sale of Securities
(Report Only)
Present documents received from the regulatory commissions in connection with the issuance and sale of securities.
- b. Series M Senior Notes Update
(Report Only)
Present report on the terms and interest rate for the Series M Senior Notes previously authorized by the Board.

Regular Meeting of Board of Directors
February 22, 2007

P R O G R A M
* * * * *

Action Taken

- c. Pollution Control Financing
(Report Only)
Present report on activities related to potential future issuance of pollution control bonds to finance certain environmental costs.

- PBJ **4.** (COMPANY'S)-FOUNDATION, REPORT
(Report Only)
Present summary report of (COMPANY'S)-Foundation, for the year ending December 31, 2006.

- WES **5.** COMPENSATION COMMITTEE REPORT
(Resolution Required)
Present report on activities of the Compensation Committee and consider resolution to accept the report.
- a. 2007 Salary Program
Present report of the Compensation Committee on the 2007 Salary Program.
- b. 2007 Compensation
Present report of the Compensation Committee on 2007 base salaries, Performance Pay Plan and Performance Dividend Plan incentive awards applicable to the senior officers of the Company.

Regular Meeting of Board of Directors
February 22, 2007

P R O G R A M
* * * * *

Action Taken

- WCC **6.** CONTROLS AND COMPLIANCE COMMITTEE REPORT
(Resolution Required)
Present report on activities of the Controls and Compliance Committee and consider resolution to accept the report.
- SNS **7.** POWERS OF ATTORNEY
(Resolution Required)
Consider executing powers of attorney for the purpose of signing and filing with the Securities and Exchange Commission with respect to the 2006 Annual Report on Form 10-K and 2007 Quarterly Reports on Form 10-Q.
- SNS **8.** RESIGNATION OF VICE PRESIDENT (Name)
(Resolution Required)
Consider a resolution accepting the resignation of.(Name) as Vice President.
- SNS **9.** NOMINATION AND ELECTION OF VICE PRESIDENT
(Resolution Required)
Consider a resolution nominating and electing a new Vice President.
- All **10.** PRESENTATIONS
(Report Only)
Present to the meeting a review of financial results and a report on other significant matters.

Regular Meeting of Board of Directors
February 22, 2007

P R O G R A M
* * * * *

Action Taken

Item No. 8

RESIGNATION OF VICE PRESIDENT (Name)

(RESOLUTION REQUIRED)

The Chairman told the Board that, Name) would retire from active service of the Company effective May 1, 2007, under the provisions of the Pension Plan and had tendered his resignation as Vice President effective that date.

Upon motion made and seconded, (Name) resignation was accepted by the Board.

RESOLVED, That the resignation of Name) as Vice President be and hereby is accepted by the Board to be effective May 1, 2007.

Type: Service Business
Sales: \$1.0-\$2.5 Billion

Annual Meeting Procedures

Welcome to Company Name 2008 Annual Meeting of Shareholders.

The doors to the meeting room will open at 7:55 a.m. The meeting will begin promptly at 8:00 a.m. and business matters will be presented as set forth in the Agenda below.

Shareholders who wish to address the meeting should approach the microphone in the center aisle. When recognized by the Chairman, shareholders should state their name and the number of shares represented. Proxies for shareholders should identify themselves as proxies and indicate the number of shares represented. All questions should be addressed to the Chairman and should relate to matters in the Agenda.

Each person is requested to limit his or her remarks to a maximum of three minutes. Please allow others the opportunity to comment before asking an additional question.

Members of the press and other media will not be allowed into the meeting room. Inquiries from the media will be directed to _____, our public relations representative, at the end of the meeting.

Cameras and recording devices are not permitted in the meeting room. They may be left with our attendant at our registration desk. We also require that you turn off cell phones, beepers and all other electronic devices.

A G E N D A

1. Opening Remarks and Introductions
2. Presentation of Notice of Meeting and Affidavit of Mailing
3. Statement of Procedures
4. Elect three Class II Directors for a three-year term
5. Ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for 2008

Shareholders who have voted proxies via mail, telephone, or Internet need not vote by ballot unless they wish to change their votes

6. Vote Results
7. Questions from Shareholders
8. Adjournment

**Annual Meeting of Stockholders
Roles and Responsibilities**

<u>Identified Areas of Preparation</u>	<u>Accountable Staff Function (Responsible Person)</u>
1. Compilation of Annual Meeting Book for CEO/Team	Corporate Communications
2. Preparation of formal part of meeting script for inclusion in book	Legal
3. Preparation of CEO remarks for meeting and Board dinner for inclusion in book	Corporate Communications
4. Management of Q&A preparation for CEO for inclusion in book	Corporation Communications
5. Logistics Planning for shareholder meeting and related events	Corporate Communications
6. Security for site and during meeting	HR and Corporate Security
7. Webcast and room communications set up	Investor Relations; Corporate Communications; and Media Solutions
8. Media Planning and interview schedule	Corporate Communications
9. Access criteria and shareholder verification procedures	Legal and HR
10. Investor relationships with shareholders at meeting	Investor Relations
11. Proxy solicitation monitoring and management	Legal; Investor Relations; and [Proxy Solicitor]
12. Voting procedures, voting tally, and certification of results	Legal; and [Tabulator]
13. Coordination of logistics and liaison with [Accountants]	Investor Relations
14. Liaison with Board and Leadership Team	Legal
15. Preparation of CEO	Working Group (See Timetable and Participant List)

**Annual Meeting of Stockholders Preparation Timetable
and Participant List**

<u>Meeting</u>	<u>Subject</u>	<u>Room</u>	<u>Participants</u>
T-35 days	Kickoff meeting of working group to define strategy and assign roles and responsibilities (and review draft mockup of book)		Working Group (see distribution)
T-33	Draft Talking Points complete and sent to staff functions/businesses for review		Communications
T-32	Meeting of working group with CEO to review proposed strategy and roles and responsibilities		Working Group (see distribution)
T-31	Comments due back from staff functions on draft Talking Points		
T-24	Meeting of working group to review mockup of book and status update		Working Group (see distribution)
T-21	Meeting of working group to review book		Working Group (see distribution)

<u>Meeting</u>	<u>Subject</u>	<u>Room</u>	<u>Participants</u>
T-14	Meeting of working group with CEO. to review book		Working Group
T-10	Meeting of working group to finalize book and status update		Working Group
T-8	Meeting with CEO to review Script and Talking Points		Working Group
T-2	Dry Run with CEO	Auditorium	Working Group
T-1 1:30 -2:30 p.m.	Logistics Walk Through with CEO at Ritz-Carlton		TBD
T 11:00 a.m.	Annual Meeting		
TBD	Debrief with CEO (Lessons Learned)		

THE SIDLEY BEST PRACTICES CALENDAR

FOR

CORPORATE BOARDS AND COMMITTEES



INTRODUCTORY NOTE

This calendar represents one version of how the Board of a publicly traded, U.S.-domiciled corporation may wish to organize its activities during a calendar year. Although this calendar is designed to address both specific requirements and broad principles of good governance applicable to most corporations, it must be tailored to each individual corporation. For example, a corporation having a controlling shareholder is exempted from certain of the NYSE and Nasdaq requirements, but should have procedures in place for addressing conflicts of interest. Alternatively, a corporation addressing out-of-the-ordinary course of business issues (e.g., a possible change-in-control transaction, an unplanned CEO succession or liquidity concerns) will be scheduling more frequent meetings. Finally, a corporation having relatively simple businesses and facing no special issues may be able to streamline its Board organization from that shown.

In preparing this calendar, consideration has been given to an appropriate sequencing of events. For example, the strategic review is set for September, two months in advance of the November budget presentations. As another example, a discussion of disclosure philosophy in October is designed to set the stage for year-end reporting.

This calendar was prepared based upon adopted requirements as of November 2006. Changes in those requirements may necessitate timing or other modifications.

Questions, comments and suggestions relating to this calendar should be addressed to:

Joseph W. Armbrust, Jr. 212/839-5390

Thomas A. Cole 312/853-7473

Michael Hyatte 202/736-8012

Moshe J. Kupietzky 213/896-6020

REGULARLY SCHEDULED MEETINGS

	FULL BOARD	AUDIT COMMITTEE	COMPENSATION COMMITTEE	GOVERNANCE COMMITTEE
January (two days)	X	X	X	X
February	X	X		
March				
April		X (telephonic)	X (telephonic)	
May	X			
June				
July	X	X		
August				
September (retreat)	X			X
October		X (telephonic)		
November	X		X	
December				

Agenda items for each of these meetings follow. Citations appearing in parentheses on the following pages are to sources of specific requirements. ("SOA" refers to Sarbanes-Oxley Act; "S-K" refers to SEC Regulation S-K, "S-X" refers to SEC Regulation S-X, "NYSE" refers to the New York Stock Exchange and NYSE rule references are to the rules contained in Section 303A of the New York Stock Exchange Listed Company Manual; Nasdaq has requirements that are similar, in many instances, to the NYSE.) Although only the January and September meetings are indicated as multi-day affairs, in some instances the Committee meetings should take place the afternoon before the meeting of the full Board. As indicated above, there are no regularly scheduled meetings in March, June, August or December. Written materials should be supplied reasonably in advance of the meetings. Because of the legal significance that may be ascribed to any information supplied to a Board or Committee, consideration should be given to a prior review of those materials by counsel. Audit Committee meetings should be scheduled sufficiently in advance of scheduled earnings releases so as not to preempt the Committee from giving meaningful input or requiring changes.

Following the listing of November agenda items appears a list of possible additional items for regular or special meetings.

JANUARY (TWO DAYS)

AUDIT COMMITTEE

- Review of financial results, with detailed review of revenue recognition, significant reserves and any special charges
- Review of draft earnings release for prior 4Q and full year, key messages for analysts conference call and MD&A and earnings guidance (NYSE No. 7(c)(iii)(B) and (C))
- Review and approve plans for independent audit, non-audit services to be provided by auditors (SOA §§ 201, 202 and S-X Rules 2-01(c)(4) and 2-01(c)(7)) and internal audit; determine whether Committee wants to continue to delegate authority to subcommittees to approve unplanned non-audit services (SOA § 202)
- Review management representation letter to auditors
- Review SOA § 204 report, including any management letter or schedule of unadjusted differences (S-X Rule 2-07 and also NYSE No. 7(c)(iii)(A))
- Review SOA § 301 and Exchange Act Rule 10A-3(b)(3) complaint procedures
- Review S-K Item 406 Code of Ethics for senior financial officers, recommend any necessary changes to full Board
- Select independent auditor for current year (SOA § 301, Exchange Act Rule 10A-3(b)(2) and NYSE No. 7(c)(iii)); review lead and concurring audit partners and other audit partners who provide services to the corporation to determine whether any rotation is necessary (SOA § 203 and S-X Rule 2-01(c)(6))
- Review policies for hiring personnel from independent audit firm (SOA § 206, S-X Item 2-01(c)(2) and NYSE No. 7(c)(iii)(G))
- Review of draft Audit Committee-related disclosures of proxy statement (NYSE No. 7(c)(i)(B))
- Receive reports from other Board committees (such as any Risk or Compliance committee) on matters that might impact financial statements
- Executive session

COMPENSATION COMMITTEE

- Approve equity grants and bonus awards (based upon plan designs approved at prior meetings and draft financial results being presented to Audit Committee) (IRC § 162(m))(but consider approving grants at separate meeting following issuance of earnings results)
- Approvals and actions relating to employee benefit plans (ERISA § 404)
- Review of draft Compensation Discussion and Analysis and other compensation and Compensation Committee disclosures for proxy statement (NYSE No. 5(b)(i)(C))

GOVERNANCE COMMITTEE

- Review of completed questionnaires relating to Board self-evaluations
- Review Committee charters (previously reviewed by Committee chairs), recommend any necessary changes to full Board
- Review standing resolutions on delegation of authority and information flow, recommend any necessary changes to full Board (*see* attachment to this calendar)
- Review Code of Business Conduct and Ethics, recommend any necessary changes to full Board (NYSE No. 10)
- Review corporate governance principles, recommend any necessary changes to full Board (NYSE No. 9)
- Review specific Board and Committee compensation, recommend any necessary changes to full Board
- Review policies and procedures for approval of related-person transactions, recommend any necessary changes to the full Board
- Approve director nominees for recommendation to full board
- Review draft of governance-related disclosures from proxy statement

FULL BOARD

- Standard reports – at each meeting (if not monthly), these reports will include operating results, business unit presentations, financial condition, key drivers, contingencies, investor relations
- Receive reports of Audit, Compensation and Governance Committees and act upon any recommendations relating to –
 - Code of Ethics for senior financial officers (SOA § 406 and SK Item 406)
 - option grants and bonuses (report, not action)
 - Committee charters
 - standing resolutions on delegation of authority and information flow
 - director nominees
 - Code of Business Conduct and Ethics (NYSE No. 10)
 - corporate governance principles (NYSE No. 9)
 - related-person transaction approval policies
 - specific Board and Committee compensation
- Review of corporate compliance program, including insider trading policies (which must comport with, among other things, SOA §§ 306, 402, 802, 806) and conflicts policies (which must comport with SOA § 402); acknowledgment by general counsel of obligations under SOA § 307 and 17 CFR 205; consideration of establishment of qualified legal compliance committee (“QLCC”) under 17 CFR 205 (Also, NYSE No. 10 and Sentencing Guidelines)
- Review of completed questionnaires relating to director independence (NYSE Nos. 1, 2, 6, Exchange Act Rule 10A-3 and SOA § 301) and qualification of Audit Committee members (SOA § 407, S-K Item 401(e) and NYSE No. 6)
- Review of completed D&O conflict of interest questionnaires
- Annual review of D&O insurance coverage, indemnification provisions and policies relating to advancement of expenses; also developments in law regarding exculpatory charter provisions
- Annual review of corporate communications strategy
- Executive session (NYSE No. 3)

FEBRUARY

AUDIT COMMITTEE

- Review audited financials and MD&A with management and independent auditors and recommend to the full Board that the audited financials be included in the Form 10-K (S-K Item 306 and NYSE No. 7(c)(iii)(B))
- Review report on the Company's critical accounting policies, alternatives to such policies, ramifications of such policies and the treatment preferred by the independent auditors, as well as any material written communications between the firm and management (SOA § 204 and S-X Rule 2-07) (The Committee should also make sure it reviews with management and the independent auditors the matters set forth in clauses (A)-(D) of the General Commentary to NYSE No. 7(c).)
- Review SOA § 404 internal control report and auditor attestation and discuss with management and independent auditors
- Review with the independent auditors any audit problems or difficulties and management's response (NYSE No. 7(c)(iii)(F))
- In connection with, or in addition to, the matters listed above, meet separately with management, with internal auditors (or other personnel responsible for the internal audit function) and with independent auditors, in each case with a view to identifying issues warranting committee attention (NYSE No. 7(c)(iii)(E))

FULL BOARD

- Standard reports
- Receive report of Audit Committee
- Review of draft Form 10-K, draft proxy statement and procedures supporting CEO/CFO certifications regarding 1934 Act reports and internal controls (SOA §§ 302, 404, 906) and CEO certification of compliance with NYSE listing standards (NYSE No. 12)
- Review of system for gathering, analyzing and internally communicating data for purposes of operating the business (*Caremark*) and complying with disclosure requirements (SEC rule 13a-14), including possible report on the operations of any Disclosure Committee
- Annual review of takeover environment and defenses, as well as all contracts (employment and other) containing change-in-control triggers
- Executive session, including CEO and CFO evaluations and succession plans (routine and emergency)

APRIL

AUDIT COMMITTEE

- Review of draft earnings release for 1Q, key messages for analysts conference call and earnings guidance (NYSE No. 7(c)(iii)(C))
- Review of draft 1Q Form 10-Q (including MD&A) (NYSE No. 7(c)(iii)(B))
- Executive session

COMPENSATION COMMITTEE

- Review Compensation Discussion and Analysis and other compensation and Compensation Committee disclosures and recommend to full Board that the Compensation Discussion and Analysis be included in proxy statement and (through incorporation) the Form 10-K (Item 407(e)(5))

MAY

FULL BOARD (FOLLOWING ANNUAL SHAREHOLDERS MEETING)

- Standard reports
- Elect officers
- Appoint Committees
- Receive report of Audit Committee
- Executive session (NYSE No. 3)

NEW DIRECTORS

- Orientation Session (NYSE No. 9)

JULY

AUDIT COMMITTEE

- Review of draft earnings release for 2Q, key messages for analysts conference call and earnings guidance (NYSE No. 7(c)(iii)(C))
- Review draft of 2Q Form 10-Q (including MD&A) (NYSE No. 7(c)(iii)(B))
- Review of risk assessment and management programs – insurance, derivatives, information systems, stress testing^{*}, etc. (NYSE No. 7(c)(iii)(D))
- Annual Committee self-evaluation (NYSE No. 7(c)(ii))
- Executive session

FULL BOARD

- Standard reports
- Mid-year rejections
- Receive report of Audit Committee
- Planning for September retreat
- Executive session (NYSE No. 3)

* “Stress testing” refers to understanding the impact, if any, on the Corporation’s results of operations or financial condition of changes of a certain magnitude in interest rates, foreign exchange rates, commodity prices, stock prices, credit ratings, etc.

SEPTEMBER (RETREAT)

GOVERNANCE COMMITTEE

- Review of forms of questionnaires relating to Board self-evaluation, director independence and Audit Committee qualifications
- Approval of Board and Committee calendar for coming year, for recommendation to full Board
- Initial review of Board membership and consideration of appropriate slate of nominees for next year's Annual Meeting
- Annual Committee self-evaluation (NYSE No. 4(b)(ii))

FULL BOARD

- Standard reports
- Comprehensive reviews: corporate strategy; management structure, talent development and succession; competitive analysis; culture
- Receive Audit Committee report on risk management review
- Receive Governance Committee report and act on recommendation about Board and Committee calendar for coming year; delivery of questionnaires (described above) for completion and return by November meeting
- Review plans for continuing education for directors (NYSE No. 9)
- Executive session (NYSE No. 3)

OCTOBER

AUDIT COMMITTEE

- Review of draft earnings release for 3Q, key messages for analysts conference call and earnings guidance (NYSE No. 7(c)(iii)(C))
- Review of draft 3Q Form 10-Q (including MD&A) (NYSE No. 7(c)(iii)(B))
- Review with CEO, CFO, CAO reporting and disclosure philosophy and internal communications designed to set “tone at the top” for preparation of Form 10-K and year-end financials

NOVEMBER

COMPENSATION COMMITTEE

- Approve compensation (including options) and bonus plan designs for coming year, for recommendation to full Board
- Engagement of compensation consultant
- Annual Committee self-evaluation (NYSE No. 5(b)(ii))

FULL BOARD

- Standard reports
- Approve operating and capital budgets and financing program for coming year
- Receive report of Audit Committee
- Receive report of Compensation Committee and approve compensation and bonus plan designs for coming year
- Executive session (NYSE No. 3)

**POSSIBLE ADDITIONAL AGENDA ITEMS
FOR REGULAR MEETINGS
OR BASIS FOR CALLING SPECIAL MEETINGS**

AUDIT COMMITTEE

- Receipt of SEC accounting comments or press/analyst reports reflecting on accounting
- Proposals for related-party transaction

COMPENSATION COMMITTEE

- Compensation of newly-hired senior executives
- Adoption of any golden parachute or other employment agreement
- Adoption of equity-compensation plans, subject to shareholder vote under NYSE No. 8

GOVERNANCE COMMITTEE

- Any change in independence status of any individual director

FULL BOARD

- Receipt of indication of interest/takeover bid

ATTACHMENT

**POSSIBLE SUBJECTS FOR STANDING RESOLUTIONS ON
DELEGATION OF AUTHORITY AND INFORMATION FLOW****TRANSACTIONS, ETC., REQUIRING BOARD APPROVAL**

- Any statutorily-mandated items, such as a charter amendments, issuances of shares, share repurchases, dividends, etc.
- Any financing transaction in excess of \$[__million] or, regardless of size, necessitating a legal opinion or certified resolutions
- Any acquisition involving consideration (payment for equity plus assumed debt) in excess of \$[__million]
- Any disposition for a sales price, or involving assets with a book value, in excess of \$[__million]
- Any reduction-in-force or layoff involving more than [__] employees
- Any contract (including any lease) out-of-the-ordinary course and involving payments or receipts in excess of \$[__million] in any year or \$[million] over the term thereof; any material amendments of any such contract
- Any out-of-the-ordinary course transaction or contract with any principal stockholder, director or officer (or any affiliate or relative thereof)
- The commencement of litigation by the Company involving (i) estimated legal fees in excess of \$[million] in any year or \$[__million] over the course thereof or (ii) a potential counterclaim in excess of \$[__million]
- Any capital expenditure included in an approved capital budget and costing in excess of \$[__million]
- Any capital expenditure not included in an approved capital budget and costing in excess of \$[__million]
- Hiring-and-firing decisions at the [____] level and above

MATTERS ABOUT WHICH THE BOARD MUST BE NOTIFIED

(Immediate notification versus notification at next regular meeting to be determined by CEO in consultation with counsel)

- Any event of defalcation (i) by any employee involving amounts in excess of \$[_____] or (ii) by any officer, regardless of amount
- Any claim of sexual harassment against an officer
- Any waiver of the Code of Business Conduct and Ethics
- Resignation by any officer or director
- Any “insider trading” by any employee
- Any out-of-the-ordinary-course opening or closing of a “trading window”
- Any out-of-the-ordinary-course contact from a regulatory body or the stock exchange
- Any material issue raised by outside auditors with respect to previously issued financial statements
- Any approach by a potential acquirer of the Company or any material business thereof
- The commencement of litigation against the Company seeking amounts in excess of \$[_____]

CODE: _____
 TYPE: SERVICE
 SALES: \$ 5.4 BILLION

Individual Director Evaluation Form

Please complete the form below for each of the Directors being evaluated, including comments where possible. All responses will be combined in a composite form for each director, without attribution. Both your evaluation and the composites will be treated confidentially. In scoring, please use the following criteria:

1. Notable strength
2. Generally effective
3. Improvement needed

Director Evaluated:
 (please circle one)

Criteria	Rating (please circle one)	Comments on Strengths and Opportunities
Represents Shareholders: Represents the interests of shareholders in deliberations before the Board and demonstrates primary loyalty to shareholders.	1 2 3	
Demonstrates Loyalty: Is loyal to Company and takes pride in association with it and board. Avoids actions that conflict with duty of loyalty.	1 2 3	
Exhibits High Standards and Values: Acts consistently with highest ethical values. Adheres to letter and spirit of corporate code of conduct. Personal conduct brings credit to Company.	1 2 3	

149449

Criteria	Rating (please circle one)	Comments on Strengths and Opportunities
<p>Attends Meetings Regularly: Attends regular and special meetings and social occasions. Makes Board work a priority in personal schedule.</p>	<p>1 2 3</p>	
<p>Increases Knowledge of Business: Eager to learn and increase knowledge of the business and the Company. Keeps abreast of major corporate and industry changes. Takes advantage of available opportunities to visit facilities and learn more about the Company. Spends enough time learning about the business to be both challenging and helpful to senior management.</p>	<p>1 2 3</p>	
<p>Prepares Effectively For Meetings: Gives diligent attention to the pre-meeting materials, requests additional materials or clarification if necessary and is well prepared to evaluate and add value to agenda items presented at the meeting.</p>	<p>1 2 3</p>	
<p>Thinks, Acts, Independently and Objectively: Not captive of management, other members of board or outside parties. Not unreasonably influenced by personal experience or events. Takes tough constructive stands when necessary. Expresses thoughtful, honest concerns or opinions</p>	<p>1 2 3</p>	
<p>Contributes Effectively at Meetings: Demonstrates insight and forethought. Gets to the heart of an issue quickly. Is decisive, action oriented. Communicates persuasively. Concentrates on the key topics and issues at hand, in an appropriate role for a director. Provides constructive comments and creative and innovative ideas. Avoids digressions. Does not intrude into management process.</p>	<p>1 2 3</p>	

Criteria	Rating (please circle one)	Comments on Strengths and Opportunities
<p>Supports Deliberative Process: Increases quality of discussions. Is courteous, tactful, listens to others and respects their opinions and contributions. Brings out the best in other directors. Doesn't dominate discussions. Confronts conflict and helps manage it constructively.</p>	<p>1 2 3</p>	
<p>Contributes to Board's Continuous Improvement: Shows interest in and contributes to Board's continued improvement. Constructively participates in Board's evaluation process. Interested in best practices of corporate governance and assists the Board in improving.</p>	<p>1 2 3</p>	
<p>Shares Knowledge and Expertise: Makes personal knowledge and expertise available to Board and senior management, as appropriate. Is accessible when reasonable requests are made.</p>	<p>1 2 3</p>	
<p>Challenges Management To Set and Achieve Challenging Goals: Constructively challenges management to seek and attain competitive targets of performance and increase shareholder value.</p>	<p>1 2 3</p>	
<p>Do you have any other comments to make about this Director?</p>		

Signature

Essentials Seminar
 The Ritz-Carlton Hotel
 Atlanta
 Oct. 29 -30, 1998

ABC Corporation
 1998 Assessment of the Board

Section 2 - The Board	Current Performance				
	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
17. The Board sufficiently challenges the CEO	1	2	3	4	5
18. The Board is sufficiently supportive of the CEO	1	2	3	4	5
19. The right number of Board Committees exist to get the work done	1	2	3	4	5
20. Board Committee are made up of the right people	1	2	3	4	5
21. Board Committees keep other Board members informed	1	2	3	4	5
<i>The Board effectively participates in...</i>					
22. The Company's strategy planning	1	2	3	4	5
23. Monitoring the Company's strategy	1	2	3	4	5
24. Reviewing the Company's operating/financial performance	1	2	3	4	5
25. Developing succession plans for key jobs	1	2	3	4	5
26. Evaluating the CEO	1	2	3	4	5
27. Making compensation decisions	1	2	3	4	5
28. Reviewing management's performance and ethics	1	2	3	4	5
29. Protecting privacy of what occurs at Board meetings	1	2	3	4	5

BOARD OF DIRECTORS

ABC Corporation
1998 Assessment of the Board

	Current Performance				
	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
30. The Board refrains from micro0managment	1	2	3	4	5
31. The Board avoids conflicts of interest	1	2	3	4	5
32. The frequency of Board meetings is appropriate	1	2	3	4	5
33. The location of Board meetings is satisfactory	1	2	3	4	5
34. The facilities where the Board meetings occur are satisfactory	1	2	3	4	5
35. The Board is made up of the right number of people	1	2	3	4	5
36. The process for selecting new Directors is appropriate	1	2	3	4	5
37. The Board is made up of a diverse group of people (age, background, experience, etc.)	1	2	3	4	5
38. Overall, the Board is effective	1	2	3	4	5

39. What one change would most improve the Board's effectiveness? *(Your comments will be typed and summarized to protect your anonymity before being presented to the Board.)*

BOARD OF DIRECTORS

Confidential

The Greenbrier -National Conf.
handout 1999

**Self-Assessment of Board Performance
Evaluation Form**

Directions: Rank answers from 1 to 3: 1 = Needs improvement; 2 = Acceptable; and 3 = Good. Please feel free to include written comments throughout or in the space provided at the end of the questionnaire. Of course, any suggestions for improving the Board process are appreciated.

A. Evaluate the Chief Executive Officer	
1. Is the Board doing an adequate job of evaluating the performance of the CEO on a regular basis? • If not, what improvements can be made?	1 2 3
2. Are the goals, expectations and concerns of the Board effectively communicated with the CEO?	1 2 3
B. Review and Approve Company's Strategic Direction and Annual Operating Plan, and Monitor Company's Performance Against the Plan	
1. Does the Board know and understand the Company's values, mission, strategies and business plans and reflect this understanding on key issues throughout the year?	1 2 3
2. Does the Board spend the necessary time reviewing and approving the Company's strategic direction, annual operating plans and annual budgets?	1 2 3
3. Does the Board focus sufficiently with management on the strategic issues that will shape the Company's future?	1 2 3
4. Does the Board adequately monitor financial and other indicators throughout the year to ensure that the Company is performing as planned?	1 2 3
5. Does the Board receive adequate information from management to adequately monitor the Company's performance with industry comparative data? • If not, what improvements can be made?	1 2 3

Confidential

<p>6. Does the Board feel there is an effective system of controls in place for safeguarding assets, managing major risks and identifying critical issues and trends?</p> <ul style="list-style-type: none"> If not, what improvements can be made? 	<p>1 2 3</p>
<p>7. Does the Board adequately consider shareholder value in its decision-making process?</p>	<p>1 2 3</p>
<p>C. Review Management Performance and Compensation</p>	
<p>1. Does the Board have an adequate process for determining management compensation?</p> <ul style="list-style-type: none"> If not, what improvements can be made? 	<p>1 2 3</p>
<p>2. Does the Board use clearly-stated methods of measuring management performance?</p>	<p>1 2 3</p>
<p>D. Review Succession Planning</p>	
<p>1. Does the Board understand, and are they comfortable with, the management succession plan, including the CEO succession process?</p>	<p>1 2 3</p>
<p>E. Advise and Counsel Management</p>	
<p>1. Does the Board have sufficient formal and informal contact with the CEO, as well as with other management?</p>	<p>1 2 3</p>
<p>2. Do Board members ask appropriate questions of management?</p>	<p>1 2 3</p>
<p>3. Does the Board seek outside expertise and advice when appropriate?</p>	<p>1 2 3</p>
<p>F. Review Structure and Operations of the Board: Selection and Evaluation of Board Candidates</p>	
<p>1. Is the current size of the Company's Board (___ members at present) appropriate?</p> <ul style="list-style-type: none"> If not, then what size should it be in the long term? 	<p>1 2 3</p>

<p>2. Is the proportion of outside directors to inside directors (___ outside; ___ inside) appropriate?</p>	<p>1 2 3</p>
<p>3. Do the individual directors, as a whole, have the right mix of general business experience, skills and expertise in areas vital to the Company's success?</p> <ul style="list-style-type: none"> • What characteristics or skills would you like to see more represented? 	<p>1 2 3</p>
<p>4. Is the process followed by the Governance Committee and the full Board for selecting and nominating directors satisfactory?</p> <ul style="list-style-type: none"> • If not, what improvements can be made? 	<p>1 2 3</p>
<p>G. Review Structure and Operations of the Board: Board Practices</p>	
<p>1. Is the Company's mandatory retirement age of 72 years appropriate?</p>	<p>1 2 3</p>
<p>2. Are the current "directors' stock ownership guidelines" (___ times the annual director compensation or approximately \$ _____ over five years) adequate?</p>	<p>1 2 3</p>
<p>3. Is the Company's directors' compensation package competitive?</p> <ul style="list-style-type: none"> • Would you like to see a change in either the amount or form of compensation? 	<p>1 2 3</p>
<p>H. Review Structure and Operations of the Board: Board Operations and Meetings</p>	
<p>1. Are the number of board meetings (___) and the length of the board meetings held during the year adequate?</p>	<p>1 2 3</p>
<p>2. Do you have adequate input into preparation of the agendas?</p>	<p>1 2 3</p>
<p>3. Is ample time allocated at the Board meetings to assure full discussion of important matters?</p>	<p>1 2 3</p>

Confidential

<p>4. Are the meetings conducted in a manner which ensures open communication and meaningful participation?</p> <ul style="list-style-type: none"> Do you have any suggestions for improvements? 	<p>1 2 3</p>
<p>5. Do you believe Board members come prepared to the meetings and ask the appropriate questions of management?</p> <ul style="list-style-type: none"> If not, is this valid for more than a limited number of directors? 	<p>1 2 3</p>
<p>6. Are you receiving sufficient financial information in a form that enables you to understand the important issues and trends in our business?</p> <p>Is the other information you receive prior to and during the meetings sufficient in substance to allow you to make good decisions?</p> <ul style="list-style-type: none"> Do you have any suggestions for improvement? 	<p>1 2 3</p> <p>1 2 3</p>
<p>7. Do the directors disclose personal interests in transactions and abstain from voting where appropriate?</p>	<p>1 2 3</p>
<p>8. Is one outside directors-only meeting per year adequate?</p>	<p>1 2 3</p>
<p>1. Review Structure and Operation of the Board: Committee Structure</p>	
<p>1. Is the Company's committee structure appropriate?</p> <ul style="list-style-type: none"> If not, what improvements can be made? 	<p>1 2 3</p>
<p>2. Are the Company's committees functioning properly and are the committee meetings productive?</p> <ul style="list-style-type: none"> If not, what improvements can be made? 	<p>1 2 3</p>
<p>3. Are the number of committee meetings appropriate?</p>	<p>1 2 3</p>

Confidential

4. Are non-committee members kept well-informed of deliberations of each committee? • If not, what improvements can be made?	1 2 3
5. Please provide comments or any suggestions for improvements for any of the committees.	
J. Do you have any other comments or suggestions?	

_____ (Signature – Optional)

CODE: 15 F #4256
 TYPE: Insurance
 SALES: \$ NA

July 8, 1997
CONFIDENTIAL

BOARD SELF-ASSESSMENT QUESTIONNAIRE

Below are a series of questions intended to stimulate your comments and suggestions on various matters related to the Board and its Committees. Where rankings are requested, the following key applies: 1 = Unacceptable, 2 = Needs Improvement, 3 = Acceptable, 4 = Good, and 5 = Excellent. Please complete this Questionnaire and return it in the enclosed envelope to the Chairman of the Nominating and Corporate Governance Committee. Your responses are requested by July 31, 1997.

<u>Board Roles & Responsibilities</u>	<u>Ranking</u>
1. Please rank based on current Board involvement and give your views on these and other areas where Board focus should be increased or decreased:	
• Management succession	1 2 3 4 5
• Strategic planning	1 2 3 4 5
• Business planning	1 2 3 4 5
• Oversight of Company performance	1 2 3 4 5
• Sources and uses of capital	1 2 3 4 5
• Legal compliance and regulatory matters	1 2 3 4 5
• Other (please specify)	1 2 3 4 5

July 8, 1997

CONFIDENTIAL

2. Please give your views on whether the Board's roles and responsibilities are adequately defined. For example, would you favor the adoption of corporate governance guidelines for the Board. (For your reference, enclosed is a summary which compares ██████'s Board policies/practices with the GM Guidelines. This summary was prepared and distributed in October 1994 to the then named Committee on Directors. It remains accurate in all material respects. A related summary of ██████'s policies/practices earned a grade of "A" from CalPERS later in 1994. Also, for your reference, please see a more recent comparison (enclosed) of ██████ practices with CalPERS' proposed standards.)

July 8, 1997
CONFIDENTIAL**Board Composition and Management**

3. Please give your views on the size and composition (including expertise and diversity) of the current Board.

4. Please give your views on:

- Mandatory retirement for outside Directors (██████'s is currently at age 70)
- Term limits for outside Directors

5. Please give your views on non-executive Chairmen; on lead Directors

6. Please give your views on Board self-assessments; on individual Director assessments

July 8, 1997
CONFIDENTIAL

<u>Board/Management Relationships</u>	<u>Ranking</u>																				
<p>7. Please rank and give your views on the Board's relationship with management:</p> <ul style="list-style-type: none"> • Sufficiently supportive/challenging • Amount and level of Board interaction with management • Adequacy of reciprocal communication regarding goals, expectations and concerns • Other (please specify) 	<table style="width: 100%; text-align: center;"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
1	2	3	4	5																	
1	2	3	4	5																	
1	2	3	4	5																	
1	2	3	4	5																	
<p>8. Please give your views on processes for Board/Committee assessment of CEO performance and compensation.</p>																					

July 8, 1997
 CONFIDENTIAL

<u>Board Compensation & Benefits</u>	<u>Ranking</u>
<p>9. Please give your views on the following:</p> <ul style="list-style-type: none"> • Adequacy of ██████'s Director compensation and benefits package overall • Extent to which current Board compensation aligns interests of Directors with long-term interests of the Company and its shareholders • Preferred percentages of compensation to be delivered in cash and stock • Should these percentages be mandatory or voluntary (i.e., at election of individual Directors) • Should Directors have share ownership requirements? If so, what should they be (e.g., X shares after Y years, X% of total retainer after Y years, etc.)? • Other changes you would like to see in ██████'s Director compensation and benefits package 	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>

July 8, 1997
CONFIDENTIAL

<u>Board/Committee Meetings</u>	<u>Ranking</u>
<p>10. Please rank and give your views on the following:</p> <ul style="list-style-type: none"> • Number and length of Board and Committee meetings • Allocation of meeting time between presentation and discussion 	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>
<p>11. Please rank and give your views on the extent to which Board and Committee meetings promote:</p> <ul style="list-style-type: none"> • Candid and constructive dialogue • Critical questioning • Informed consensus on important issues • Timely resolution of issues • Effective interaction among Directors and between Directors and management 	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>

July 8, 1997
 CONFIDENTIAL

<u>Board/Committee Meetings (Continued)</u>	<u>Ranking</u>				
12. Please rank and give your views on the following:					
• Attendance by Directors at Board/Committee meetings	1	2	3	4	5
• Board/Committee members adequately prepared for meetings	1	2	3	4	5
• Board sensitivity to conflicts and affiliations which may conflict with ██████'s business interests	1	2	3	4	5
• Adequacy/timeliness of information provided prior to and during meetings	1	2	3	4	5
• Adequacy of independent Director "executive" sessions	1	2	3	4	5
• Board/Committees seek outside advice as appropriate	1	2	3	4	5
• Adequacy of staff and related support for Board/Committee meetings and functions	1	2	3	4	5

July 8, 1997
CONFIDENTIAL

<u>Board/Committee Meetings (Continued)</u>	<u>Ranking</u>															
<p>13. Please rank and give your views regarding Board Committees:</p> <ul style="list-style-type: none"> • Right type/number • Division of assignments among Committees and between Committees and Board • Proper selection and rotation of Committee members 	<table style="width: 100%; text-align: center;"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
1	2	3	4	5												
1	2	3	4	5												
1	2	3	4	5												
<u>Other/Additional Comments</u>																

**WHIRLPOOL CORPORATION
BOARD EVALUATION QUESTIONNAIRE**

	Very Good	Good	Needs Improvement*	Don't Know	12 Mo. Trend		Comments
					Better +	Worse -	
A. Board Meeting Mechanics							
1. Length of Meetings							
2. Number of Meetings							
3. Agenda Setting							
4. Adequacy of Pre-meeting Information							
5. Quality of Presentations							
6. Between Meeting Communications							
7. Other _____							
B. Meeting Content/Conduct							
1. Balance between Strategy & Operations							
2. Amount of Detail							
3. Coverage of Corp. Governance Issues							
4. Time for Discussion							
5. Climate for Open Debate							
6. Topics Covered							
7. Other _____							

* Please indicate how the item could be improved..

	Very Good	Good	Needs Improvement*	Don't Know	12 Mo. Trend		Comments
					Better +	Worse -	
C. Board Organization/Operation							
1. Size of 11-15 (2 inside)							
2. Retirement at Age 70							
3. No Term Limits							
4. Committee Structure (Audit, Corporate Governance, Finance, H.R.)							
5. Exposure & Access to Management							
6. Board Composition (skills, diversity)							
7. Other _____							
D. Board Practices							
1. CEO & Executive Compensation Review							
2. CEO Performance Review							
3. CEO & Executive Succession Planning							
4. Committee Member Selection & Rotation							
5. Conduct of Committee Meetings							
6. Board Member Selection							
7. Criteria for Selection/Retention of Board Members							
8. Board Evaluation Process							
9. Compensation of Directors							
10. Other _____							

* Please indicate how the item could be improved..

	Very Good	Good	Needs Improvement*	Don't Know	12 Mo. Trend		Comments
					Better +	Worse -	
E. Overall Performance of Board Members in the following areas:							
1. Understanding the Business							
2. Understanding the Strategies							
3. Doing their homework							
4. Asking good questions							
5. Sharing insights							
6. Attending meetings							
7. Keeping current							
8. Other _____ _____							
F. Overall, I feel the performance of the Board is:							

G. Specific Comments/Suggestions: _____

_____ Name

DRDEVAL

* Please indicate how the item could be improved..

CODE: 15F No. 1394
TYPE: Manufacturing
SALES: \$ Over 5 Billion

1997 ANNUAL REVIEW OF BOARD OF DIRECTORS' PERFORMANCE

I. BOARD OPERATIONS IN GENERAL

1. Do Board members comprehend and respect the differences between the Board's policy-making role and the CEO's management role?

1.	2.	3.	4.	5.
Well Below	Below	Meets	Above	Well Above
Expectations	Expectations	Expectations	Expectations	Expectations

Comments: _____

2. Is the chemistry of the Board good? Are Board meetings conducted in a manner that insures open communication, meaningful participation, and timely resolutions of issues and does the Board take appropriate responsibility for resolving issues?

1.	2.	3.	4.	5.
Well Below	Below	Meets	Above	Well Above
Expectations	Expectations	Expectations	Expectations	Expectations

Comments: _____

3. Do Board members stay abreast of issues and trends affecting the company, and use this information to assess and guide the company's performance in a meaningful way?

1.	2.	3.	4.	5.
Well Below	Below	Meets	Above	Well Above
Expectations	Expectations	Expectations	Expectations	Expectations

Comments: _____

4. Are the Board's goals, expectations, and concerns honestly and effectively communicated to the CEO?

- | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below
Expectations | Below
Expectations | Meets
Expectations | Above
Expectations | Well Above
Expectations |

Comments: _____

5. Is the contact between the Board and senior staff and operating management adequate and appropriate?

- | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below
Expectations | Below
Expectations | Meets
Expectations | Above
Expectations | Well Above
Expectations |

Comments: _____

6. Is there an adequate program for the orientation and development of new directors?

- | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below
Expectations | Below
Expectations | Meets
Expectations | Above
Expectations | Well Above
Expectations |

Comments: _____

II. MONITORING STRATEGY, OPERATIONS AND HUMAN RESOURCES

1. Strategy

a. Is adequate information and time provided for the Board to understand the strategic plan and related underlying issues?

___ Too little ___ About right ___ Too much

b. Does the Board understand the strategic plan and reflect this understanding in actions on key issues during the year?

YES NO

c. Is information and time provided for the Board to adequately monitor the strategic plan?

___ Too little ___ About right ___ Too much

Comments: _____

2. Operating Plans

a. Is information and time provided for the Board to understand the operating plan, including the capital budget?

___ Too little ___ About right ___ Too much

b. Is information provided for the Board to adequately monitor the company's performance to the annual operating plan?

___ Too little ___ About right ___ Too much

Comments: _____

3. Is the information received on the operating performance of peer companies:

___ Too little ___ About right ___ Too much

Comments: _____

4. Given the importance of the acquisition and divestiture program, is communication with the Board on the program in general and specific transactions?

___ Too little ___ About right ___ Too much

Comments: _____

5. Are the Board's procedures for the evaluation of the CEO and other principal senior executives?

- | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below
Expectations | Below
Expectations | Meets
Expectations | Above
Expectations | Well Above
Expectations |

Comments: _____

6. Are the Board's succession planning procedures related to the CEO and other principal senior executive positions?

- | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below
Expectations | Below
Expectations | Meets
Expectations | Above
Expectations | Well Above
Expectations |

Comments: _____

III. COMMITTEES

1. General

a) Are responsibilities of the committees well defined?

- | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below
Expectations | Below
Expectations | Meets
Expectations | Above
Expectations | Well Above
Expectations |

Comments: _____

b) Is there adequate communication and coordination among the committees?

- | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below
Expectations | Below
Expectations | Meets
Expectations | Above
Expectations | Well Above
Expectations |

Comments: _____

2. Operation

(Please note your opinion on the effectiveness of the following committees.)

Executive Committee

1.	2.	3.	4.	5.
Well Below Expectations	Below Expectations	Meets Expectations	Above Expectations	Well Above Expectations

Comments: _____

Audit Committee

1.	2.	3.	4.	5.
Well Below Expectations	Below Expectations	Meets Expectations	Above Expectations	Well Above Expectations

Comments: _____

Nominating and Board Affairs Committee

1.	2.	3.	4.	5.
Well Below Expectations	Below Expectations	Meets Expectations	Above Expectations	Well Above Expectations

Comments: _____

Organization and Compensation Committee

1.	2.	3.	4.	5.
Well Below Expectations	Below Expectations	Meets Expectations	Above Expectations	Well Above Expectations

Comments: _____

Pension Committee

- | | | | | |
|--------------|--------------|--------------|--------------|--------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below | Below | Meets | Above | Well Above |
| Expectations | Expectations | Expectations | Expectations | Expectations |

Comments: _____

IV. STOCK MARKET PERFORMANCE

1. Is the information received on periodic reports and contacts made with or issues raised by major institutional shareholders?

___ Too little ___ About right ___ Too much

Comments: _____

2. Is the information received on the company's stock performance compared with peer companies?

___ Too little ___ About right ___ Too much

Comments: _____

V. ADMINISTRATIVE MATTERS

1. Is the timing of notice of meetings, information in the agenda book on issues to be discussed, and minutes?

- | | | | | |
|--------------|--------------|--------------|--------------|--------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below | Below | Meets | Above | Well Above |
| Expectations | Expectations | Expectations | Expectations | Expectations |

Comments: _____

2. In general, are the presentations to the Board?

- | | | | | |
|--------------|--------------|--------------|--------------|--------------|
| 1. | 2. | 3. | 4. | 5. |
| Well Below | Below | Meets | Above | Well Above |
| Expectations | Expectations | Expectations | Expectations | Expectations |

Comments: _____

3. Is the length of each meeting adequate for the Board to effectively cover appropriate business?

- ___ Too little ___ About right ___ Too much

Comments: _____

4. Is the number of meetings during the year adequate for the Board to be effective?

- ___ Too little ___ About right ___ Too much

Comments: _____

5. Is the new meeting schedule?

- ___ More effective ___ No difference ___ Less effective

6. Do you have any suggestions that would help to improve the effectiveness and efficiency of the operation of the Board?

Comments: _____

VI. YOUR COMMENTS PLEASE ON THIS EVALUATION PROCESS

CODE: 15F
 TYPE: Pharmaceutical
 SALES: \$ 130 Million

Board of Directors Assessment

The following assessment tool is designed to facilitate your thoughts regarding the performance of the Board of Directors as a group. It is intended to enhance the board's overall effectiveness.

Please feel free to include written comments throughout or in the area provided at the end of the questionnaire.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Composition					
The Board:					
1. is the right size. If not, what size do you recommend? (Please comment below)	1	2	3	4	5

2. has the right mix of skills, experiences and backgrounds. Are there any skills, experiences and / or backgrounds you would like to see represented to a greater degree? (Please comment below)	1	2	3	4	5

3. has the appropriate proportion of outside directors to inside directors. Comments / Suggestions for change:	1	2	3	4	5

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Primary Responsibilities					
Board Members:					
4. spend sufficient time learning about the business and understand it well enough to provide critical oversight.	1	2	3	4	5
5. have appropriate knowledge and understanding of the company's values, mission and strategic intent.	1	2	3	4	5
6. review on an annual basis the company's long range strategic plan.	1	2	3	4	5
7. review the key annual objectives presented by management.	1	2	3	4	5
8. regularly review progress against objectives including: earnings, capital and EVA as well as other financial indicators.	1	2	3	4	5
9. stay sufficiently abreast of government, regulatory, and environmental (public policy) developments that could impact the company's success.	1	2	3	4	5
10. sufficiently review the company's research and development pipeline to evaluate progress.	1	2	3	4	5
11. consider shareholder value in the decision-making process and weigh it appropriately.	1	2	3	4	5
12. adequately monitor company performance with pharmaceutical industry comparative data.	1	2	3	4	5
13. focus on the high-profile risk issues that could have significant company impact.	1	2	3	4	5
14. have an appropriate level of involvement in CEO succession including contingency planning in case of an emergency.	1	2	3	4	5
15. review recommendations by management on the succession management plan for senior executive positions.	1	2	3	4	5
16. have in place an appropriate process to assess the CEO.	1	2	3	4	5

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Information / Processes					
The Board:					
17. receives clear and concise background information prior to meetings that helps in understanding and preparing for agenda items. Comments/suggestions for change:	1	2	3	4	5
<hr/>					
<hr/>					
<hr/>					
18. receives clear and concise information during meetings to make appropriate decisions (e.g. financial information). Comments/suggestions for change:	1	2	3	4	5
<hr/>					
<hr/>					
<hr/>					
19. has meetings that are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues.	1	2	3	4	5
20. has meetings that are adequate in length to cover the necessary business to be conducted.	1	2	3	4	5
21. meets an adequate number of times per year.	1	2	3	4	5
22. benefits from the annual retreat. Comments/suggestions for change:	1	2	3	4	5
<hr/>					
<hr/>					
<hr/>					
23. encourages and ensures an open line of communication					
between the Board and senior management?	1	2	3	4	5
among Board members?	1	2	3	4	5

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Information / Processes (con't)					
The Board:					
24. has executive sessions which are candid and constructive.	1	2	3	4	5
25. openly communicates goals, expectations and concerns with the CEO.	1	2	3	4	5

Committees

26. The Board Committee structure adequately supports the Board.	1	2	3	4	5
27. We have the appropriate number of committees. Comments/suggestions for change:	1	2	3	4	5

Performance of Committees

28. The Audit Committee performs its responsibilities satisfactorily. Comments/suggestions for change:	1	2	3	4	5
---	---	---	---	---	---

29. The Compensation and Management Development Committee performs its responsibilities satisfactorily. Comments/suggestions for change:	1	2	3	4	5
---	---	---	---	---	---

Performance of Committees (con't)

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
--	-----------------------	--------------	----------------	-----------------	--------------------------

30. The Finance Committee performs its responsibilities satisfactorily.
Comments/suggestions for change:

1 2 3 4 5

31. The Governance Committee performs its responsibilities satisfactorily.
Comments/suggestions for change:

1 2 3 4 5

32. The Public Policy Committee performs its responsibilities satisfactorily.
Comments/suggestions for change:

1 2 3 4 5

33. The Science and Technology Committee performs its responsibilities satisfactorily.
Comments/suggestions for change:

1 2 3 4 5

Overall Comments

Please provide any other comments / suggestions for change below.

We would appreciate your sharing of "Best Practices" that you have experienced in your working with other Boards on which you serve that would be useful for the Board to adopt.

CODE: 35
TYPE: Service
SALES: \$ 1 - 4.9 Billion

Evaluation: Board of Directors

Introduction

Several performance categories for the Board of Directors to use in evaluating its own performance are listed below. Each category includes a series of questions intended to assist you in thinking about the Board's performance during the most recent fiscal year. Please rate overall Board performance in each category according to the scale shown below, and add any comments you would like in the space provided.

Performance versus Expectations		
1	2	3
<i>Needs improvement</i>	<i>Satisfactory</i>	<i>Outstanding</i>

Performance Categories

Fiduciary Oversight

- The Board knows and supports beliefs, values, philosophy, mission, strategic plan and business plan.
- Board deliberations throughout the year properly reflect this knowledge.
- Effective procedures are in place to ensure the Board is fully informed as to any information needed to fulfill their oversight responsibilities.

Comments:

Rating 1 2 3

Board Governance and Process

- The current Board and Committee structure is effective, and all meetings are conducted in a manner that ensures open communications and timely resolution of issues.
- Board members comprehend and respect the difference between their policy-making role and the CEO's management role.
- Board members receive detailed, timely information before meetings to allow for sufficient discussion of material issues.

Comments:

Rating 1 2 3

Strategic Planning and Business Decisions

- The Board focuses on enhancing shareholder value.
- The Board reviews the long-range strategic plan and related annual business plans that support the Company's longer-term strategic objectives in sufficient detail and has sufficient discussion regarding any comments or concerns they may have.
- The Board approves major financial and business actions of the Company, including acquisitions or divestitures, significant capital expenditures, etc.

Comments:

Rating 1 2 3

Financial Performance

- The Board regularly monitors measures of financial performance, such as cash flow, profitability, revenues, expenses.
- The Board reviews and approves the annual operating plan and capital budget, and regularly monitors performance against them throughout the year.
- The Board evaluates Company performance in light of the longer-term strategic goals as well industry performance.

Comments:

Rating 1 2 3

Succession Planning/Senior Management Development

- The Board has appropriate input into the selection and appraisal of senior management and has sufficient and regular contact with them.
- The Board assures that proper planning is done regarding management succession.
- The Board has an effective process to evaluate CEO performance and provide candid and complete feedback to the CEO.

Comments:

Rating 1 2 3

Overall

What is your overall rating of the Board's performance?

What suggestions do you have for improving the overall effectiveness of the Board?

Are you proud of Delta? Please comment.

Name: _____

Date: _____

CODE: 15F No. 5223
TYPE: Service Company
SALES: \$ 50 to 99.9 million

Board of Directors' Evaluation Form

Responsibilities

The generally agreed upon core duties of directors in directing the affairs of a corporation (mindful of all of the corporation's constituents) are as follows:

- (i) Electing, evaluating the performance of, compensating and planning for the succession of, the Chief Executive Officer and the directors;
- (ii) Electing, evaluating the performance of, compensating and planning for the succession of, the corporation's top management;
- (iii) Serving as stewards of the assets of the corporation, including assuring adequate internal controls;
- (iv) Ensuring that appropriate codes of conduct and ethical standards are in place and observed;
- (v) Overseeing the strategic direction of the corporation, including its capital spending;
- (vi) Overseeing the capital structure and the financing of the corporation and the returns to shareholders;
- (vii) Monitoring the operations of the corporation; and
- (viii) Monitoring the financial results, and the public reporting of the financial results, of the corporation.

Evaluation

Please rate _____ Inc.'s Board of Directors in relation to the following statements. Answers should be circled and ranked from ① - needs improvement to ⑤ - exceeds requirements.

1. Does the Board have the appropriate mix of skills, experience and other characteristics to be effective? ① ② ③ ④ ⑤

Comments: _____

2. Is the Board organized properly, i.e., into the appropriate committees (with the appropriate matters being reviewed by the committees)? ① ② ③ ④ ⑤

Comments: _____

3. Is the Board practice as to meetings (i.e., timing, four meetings per year, formatting, length, logistics, facilities) effective? ① ② ③ ④ ⑤

Comments: _____

4. Is the Board receiving (both in anticipation of the quarterly meetings and in the monthly reporting packages) the information it needs to discharge its duties? ① ② ③ ④ ⑤

Comments: _____

5. Is the information that is presented to the Board for the quarterly meetings and in the monthly reporting packages in the best possible format? ① ② ③ ④ ⑤

Comments: _____

6. Are the matters taken up by the Board the appropriate matters and are they taken up orderly and timely? ① ② ③ ④ ⑤

Comments: _____

7. Are the presentations to the Board adequate? ① ② ③ ④ ⑤

Comments: _____

8. How well does the full Board or a Committee of the Board discharge its duties to:

a. Elect the Chief Executive Officer ① ② ③ ④ ⑤

Comments: _____

b. Evaluate the performance of the Chief Executive Officer? ① ② ③ ④ ⑤

Comments: _____

c. Compensate the Chief Executive Officer? ① ② ③ ④ ⑤

Comments: _____

d. Plan for the succession of the Chief Executive Officer?

① ② ③ ④ ⑤

Comments: _____

e. Nominate directors?

① ② ③ ④ ⑤

Comments: _____

f. Compensate directors?

① ② ③ ④ ⑤

Comments: _____

9. How well does the full Board or a Committee of the Board discharge its duties to:

a. Elect the executive officers?

① ② ③ ④ ⑤

Comments: _____

b. Evaluate the performance of the executive officers?

① ② ③ ④ ⑤

Comments: _____

c. Compensate the executive officers?

① ② ③ ④ ⑤

Comments: _____

d. Plan for the succession of the executive officers?

① ② ③ ④ ⑤

Comments: _____

10. How well is the Board exposed to high-potential employees?

① ② ③ ④ ⑤

Comments: _____

11. Do the Board meetings generate sufficient and meaningful dialogue among the Directors, between the Directors and the Chief Executive Officer and between the Directors and top management?

① ② ③ ④ ⑤

Comments: _____

12. How well does the Board serve as stewards of the Company's assets, including assuring adequate internal controls?

① ② ③ ④ ⑤

Comments: _____

13. How well does the Board ensure that the appropriate codes of conduct and ethical standards are in place and observed?

① ② ③ ④ ⑤

Comments: _____

14. How well does the Board oversee the capital spending of the Company?

① ② ③ ④ ⑤

Comments: _____

15. How well does the full Board oversee the capital structure and the financing of the Company and the returns to shareholders?

① ② ③ ④ ⑤

Comments: _____

16. Is the Board sufficiently and timely informed as to the operations of the Company? ① ② ③ ④ ⑤

Comments: _____

17. How well does the Board monitor the financial results, and the public reporting of the financial results, of the Company and related financial indicators? ① ② ③ ④ ⑤

Comments: _____

18. Does the Board fully understand the key issues (both-short term and long-term) facing the Company, and does the Board take initiative in giving direction to the Company to enable it to improve its performance? ① ② ③ ④ ⑤

Comments: _____

19. How well is the Board involved in the longer-term strategic planning of the Company? ① ② ③ ④ ⑤

Comments: _____

20. Do you have any suggestions related to the composition, structure or function of the Board that would make it more effective? ① ② ③ ④ ⑤

Suggestions:: _____

CODE: 13 F
 TYPE: Manufacturing
 SALES: \$ 2.1 billion

Check here if you are an Don't just survive. Thrive!
 inside director

SURVEY #1: DIRECTOR'S EVALUATION OF THE BOARD'S EFFECTIVENESS

How do you rate the Board in its . . .

Your Rating:
 0-1-2-3-4

Your Comments
 (Use the back of this page to continue
 comments, if necessary.)

Contribution to Corporate Performance

- _____ 1. Enhancement of the "strategic wisdom" of the company.
- _____ 2. Interest in corporate financial goals and performance measures.

Shareholder Perspective

- _____ 3. Consideration of shareholder interests in decisions which may have a significant impact on those interests.

Full Board Function and Effectiveness

- _____ 4. Ability to grasp and deliberate about important issues.
- _____ 5. Effectiveness in bringing decision topics to closure.
- _____ 6. Collegiality of atmosphere.
- _____ 7. Use of outside advisors where appropriate.

Your Rating:
0-1-2-3-4

Composition of Board

Your Comments

- _____ 8. Balance and breadth of directors' backgrounds, board experience and personalities.

Board Committees

- _____ 9. Activity, effectiveness and reporting of committees.

Management Development

- _____ 10. Appraisal of performance of senior management.

- _____ 11. Assuring development of future senior management.

Relationship of Board to Senior Management

- _____ 12. Degree of mutual trust among the directors themselves.

- _____ 13. Degree of mutual trust between the Board members and top management.

- _____ 14. Quality of organization and leadership of Board meetings.

- _____ 15. Climate for serious inquiry and challenge on all appropriate corporate matters.

Your Rating:
0-1-2-3-4.

Your Comments

Information

16. Timely availability of complete and relevant information for review before Board consideration of important decisions and actions.

17. Regular updates on major strategic considerations and environmental influences (long-term corporate strategy; shareholder value enhancement; major environmental threats and opportunities; trends in laws, regulations and standards affecting the company; corporate governance trends).

18. Knowledge of major threats to, and opportunities for, the company and the information to assess them.

19. Regular receipt of information about and discussion of company operating results and financial condition.

Quality of Time in Board Meetings

20. Use of time in Board meetings (balance between presentation and discussion; balance between current issues and information to broaden understanding of company; focus on most important issues).

DO YOU HAVE ANY OTHER COMMENTS OR SUGGESTIONS ON THE EFFECTIVENESS OF THE BOARD?

Director's Name: _____

Check here if you are an _____
inside director

SURVEY #2: EVALUATION OF INDIVIDUAL DIRECTORS

<u>CRITERIA</u>	<u>YOUR EVALUATION:</u> <u>0 - 1 - 2 - 3 - 4</u>	<u>YOUR COMMENTS</u>
<p>1. Follows both the letter and spirit of each of Armstrong's operating principles (see attached brochure). Doesn't abrogate any one of them. Doesn't ignore any one of them.</p>	_____	<p>_____</p> <p>_____</p> <p>_____</p>
<p>2. Approaches role of director with a positive and optimistic frame of mind. Toward the Board experience. Toward the company. Is loyal to and takes pride in Armstrong.</p>	_____	<p>_____</p> <p>_____</p> <p>_____</p>
<p>3. Advocates the Board's success, especially by contributing to continued improvement in the Board's effectiveness. Shows interest in and commitment to a better Board. Does not inappropriately retard the Board's efforts to be one of the very best in America.</p>	_____	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>4. Thinks, speaks and acts independently and objectively. Not captive to management, other members of the Board or outside parties. Is not unreasonably influenced by personal experience or events. Is objective when considering trade-offs and consequences.</p>	_____	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>5. Supports the deliberative processes of the Board, helping fellow directors sustain productive discussions. Brings out the best in other directors. Demonstrates insight and forethought. Increases the quality of discussions. Is civil and collegial (recognizing the discussion time and "space" due to others, even in dissent.)</p>	_____	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

YOUR EVALUATION:

0 - 1 - 2 - 3 - 4

CRITERIA

YOUR COMMENTS

6. In Board and committee meetings, concentrates on the principal elements of the issues and topics at hand, in an appropriate role for an outside director. Gets to the essence of things. Finds the right balance. Avoids trivial elements. Does not intrude on the management process.

7. Gives diligent attention to materials supplied by the corporation in advance of and during meetings and requests additional information as may be appropriate.

8. Makes personal knowledge and experience available to top corporate management, as appropriate. Looks for and offers selected opportunities to consult without micro-managing. Is accessible when reasonable requests are made.

9. Spends enough time understanding the corporation and its business to be both challenging and helpful to senior management. Keeps abreast of major corporate developments. Goes beyond just reading Board materials. Reads and talks to others about broad trends in company's principal markets. Finds occasional opportunities to visit customers or facilities.

DO YOU HAVE ANY OTHER COMMENTS TO MAKE ABOUT THIS DIRECTOR?

➔ In addition to the Chairman of the Board, should the Chairman of the Board Affairs and Governance Committee have access to the Director evaluation survey data compiled by the independent outsider?

Yes _____
 No _____

Comments: _____

1996 Assessment of the Board

Section 3: Individual Board Member

Please assess each Board Member based on this scale:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neither Disagree Nor Agree
- 4 = Agree
- 5 = Strongly Agree

Completed by:

<i>This Board member...</i>											
40. Attends Board meetings											
41. Is well prepared for Board meetings											
42. Actively participates in Board meetings											
43. Is a key contributor to the Board											
44. Is open to ideas and suggestions											
45. Sufficiently challenges the CEO											
46. Sufficiently supports the CEO											

EATON CORPORATION

Board of Directors Evaluation

Circle the number that best corresponds with the demonstrated level of contribution.

Section 1. Director's Self-Assessment

1.) I know and understand Eaton's vision, strategic plans and strategic goals.

Comments:

Basic understanding.	Understands in detail and relates actions to this understanding.	Contributes strategic insights that add value to Eaton.
----------------------	--	---

2.) I continually monitor the company's progress toward the achievement of its strategic plans and goals.

Comments:

Basic awareness from attending meetings.	Studied awareness and ability to respond to questions regarding the company's performance and strategic issues.	Makes self personally aware of the dynamics affecting Eaton and can speak authoritatively regarding Eaton's actions and response.
--	---	---

3.) I review and approve annual operating and capital plans and regularly assess performance against these approved plans.

Comments:

Participates in review as normal part of Board accountabilities.	is actively inquiring as to performance outcomes and uses these data in contributing to future plans.	Is concerned with the achievement of goals and the implementation of strategy-asks key questions between meetings to make certain goal achievement is on track.
--	---	---

4.) I regularly review financial measures and statements to understand how the company is performing relative to peers.

Comments:

Participates in review as normal part of Board accountabilities.	Actively questions results and wants to "get behind the numbers" to assure Eaton is growing and creating value.	In-depth understanding of peer performance and contributes insights as to how Eaton can eclipse its peers.
--	---	--

5.) I understand Eaton's beliefs, values, culture and reflect this understanding on key issues throughout the year.

Comments:

Basic understanding.	Applies them in decision-making.	Actively models them as a Board member.
----------------------	----------------------------------	---

6.) When reviewing critical subjects such as company performance and executive compensation, I am aware of and consider industry comparative data.

Comments:

Reviews data in an informed way when presented.	Understands external data and considers it when making informed decisions.	Understands external data in depth and can critically apply it to Eaton's unique situation.
---	--	---

7.) I regularly review governance practices and offer suggestions that will improve functioning of the Board in carrying out its fiduciary responsibilities.

Comments:

Provides valued input when issues are raised at Board meetings.	Has a keen awareness of changing governance issues and provides such input to the Board.	Has special insights and ideas regarding improving governance at Eaton in a manner consistent with its culture. May be a positive champion for special issues.
---	--	--

8.) I keep abreast of the general economy and of issues and external trends affecting Eaton and use this information to assess and guide Eaton's current and longer-range performance.

Comments:

Maintains basic knowledge. Refers on own experience.

Stays up-to-date on economic and external issues and insightfully applies this to Eaton's unique situation.

Has true intellectual understanding of economic and external trends. Proactively raises these issues within a context of really understanding how they may affect Eaton.

9.) I show interest, involvement and commitment to Eaton, its shareholders and role as a Director.

Comments:

Shows appropriate levels of interest, involvement and commitment.

Takes role very seriously and comes well prepared to all Board and Committee meetings.

Acts as a role model for other Board members as to the highest levels of commitment and positive involvement. Is a true ambassador for Eaton.

Section 2. The Board's Impact (Roles and Responsibilities)

10.) The Board understands its governance and policy-making roles and functions with an appropriate degree of independence.

Comments:

Basic level of understanding is evident and the Board functions effectively in its governance role.	The Board functions in an independent manner and attempts to provide the correct amount of guidance to management.	The Board operates in an independent manner while always being aware of the accountability of management and continually works to maintain this balance in all matters.
---	--	---

11.) The Board acts in a way that reflects an appropriate understanding of the difference between its role and the CEO's management role.

Comments:

Has a basic understanding of the difference in roles.	Actively aware of the difference in roles and maintains this difference in accountability in all deliberations and actions.	Actively aware of the difference and works to interact with the CEO in a manner that complements the CEO's management style and competencies.
---	---	---

12.) Board goals, expectations and concerns are honestly communicated with the CEO.

Comments:

Open communications are maintained and issues raised in a timely and productive manner with the CEO.	Two-way communications are openly maintained.	Two-way communications are openly maintained and an ongoing productive dialogue ensues that is helpful to both the CEO and the Board.
--	---	---

13.) The Board productively interacts with management and understands the difference in their respective roles.

Comments:

The Board understands management's role and honors the difference.	Two-way communications are openly maintained with key executives.	Two-way communications are openly maintained and an ongoing and productive dialogue ensues to the benefit of all parties.
--	---	---

Section 3. Compensation, Performance and Succession Planning

14.) The Board and CEO agree on annual objectives for the CEO and corporation which are used to assess performance and compensation.

Comments:

Objectives are developed and shared.	Objectives are used to assess performance and there is a direct line of sight to compensation decisions.	Objectives are used to assess performance and are viewed as dynamic measures. Both the CEO and the Board are continually working to understand the dynamics behind the performance achieved.
--------------------------------------	--	--

15.) The Board and/or the Compensation and Organization Committee regularly reviews the CEO's assessment of the performance of the senior officers of the company.

Comments:

Reviews are conducted on a regular basis.	Reviews are done in concert with an integrated approach to executive development and succession planning.	While understanding the role of the CEO in evaluating his/her staff, the Board provides helpful developmental input regarding how to make the senior executives even more effective.
---	---	--

16.) The correlation between executive pay and Eaton performance is regularly considered by the Board and/or Compensation and Organization Committee.

Comments:

The Board is provided regularly with appropriate comparative analysis, data and materials.	The Board utilizes those comparative analyses to make informed compensation decisions.	The Board has established a clear line of sight between company performance and executive compensation. Shareholder value creation is directly related to compensation.
--	--	---

17.) The Board annually reviews succession plans for the CEO and senior management.

Comments:

The Board annually reviews the senior executive succession plans.	Succession plans indicate specific levels of competency and active discussion regarding development is held.	Competency-based succession plans are reviewed and assignments given to help broaden executives and position them as role models for others. Depth in the executive ranks has been achieved.
---	--	--

Section 4. Meeting Mechanics and Support

18.) Advance materials to the Board contain the right type of information.

Comments:

Materials are well prepared.	Materials are organized so as to highlight the key issues and make the requirements for Board action clear.	Materials are organized so as to facilitate Board member assimilation and understanding.
------------------------------	---	--

19.) Board members receive their materials sufficiently in advance of meetings.

Comments:

Materials are sent in advance of the meetings.	Materials are sent well in advance of the meetings.	Members have time to ask questions regarding the materials in advance of the meetings.
--	---	--

20.) Board meetings are conducted to make efficient use of time so that time is spent on the right things.

Comments:

Board and Committee meetings are well run and efficient.	Board and Committee meetings are well run and are flexible enough to be able to spend additional time on key issues.	Board and Committee meetings are primarily focused on key issues of the day and handle the normal transactions efficiently.
--	--	---

Section 5. Overall Board Evaluation

21) Overall, the Board's effectiveness would be rated as:

Comments:

Highly effective
and productive.

One of the best
in assuring value
creation for Eaton's
shareholders.

A model of "world class"
Board operations.

Peer Evaluation
 ABC Corporation
 1998 Assessment of the Board
 Are you a Board member or a senior executive? (circle one)

Section 1 - Chairman of the Board	Current Performance				
	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
<i>The Chairman of the Board...</i>					
1. Encourages open discussion during Board meetings	1	2	3	4	5
2. Makes available sufficient time for discussion at meetings	1	2	3	4	5
3. Includes what is important on the meeting agenda (vs. boiler plate)	1	2	3	4	5
4. Provides for sufficient and appropriate material to be sent to Board members in advance of meetings	1	2	3	4	5
5. Encourages Director participation in meetings	1	2	3	4	5
6. Provides adequate exposure of other key members of management to the Board	1	2	3	4	5
7. Ensures quality presentations are made to the Board and Committees	1	2	3	4	5
8. Adequately orients new Board members	1	2	3	4	5
9. Makes the appropriate number of visits to company facilities	1	2	3	4	5
10. Adequately communicates with Board members between meetings	1	2	3	4	5
11. Ensures adequate financial information is provided to the Board	1	2	3	4	5
12. Ensures adequate competitive information is provided to the Board	1	2	3	4	5
13. Allows the board to discuss important issues before plans are set	1	2	3	4	5
14. Makes all sides of an issue known to the Board	1	2	3	4	5
15. Is effective overall as a leader	1	2	3	4	5
16. What one change would most improve the Chairman's effectiveness? <i>(Your comments will be typed and summarized to protect your anonymity before being presented to the Chairman.)</i>					

Sample Director Peer Evaluation

BOARD OF DIRECTORS

CEO Evaluation Form

CODE: 15c No. 5216
TYPE: Service Company
SALES: \$50 to 99.9 Million

Job Description

1. Promote and require the highest ethical conduct by all people and demonstrate personal integrity consistent with the Mission Statement and the Values and Beliefs of
2. Establish, articulate and support the vision for the Company that will serve as a guide for expansion as enters the 21st Century.
3. Establish strategies for short- and long-term growth in revenue, profit, returns and shareholder value.
4. Align physical, human, financial and organizational resources with strategies.
5. Communicate strategies and alignment in a clear manner so that every employee understands their personal role in the Company's success.
6. Establish Succession Planning process in order to select, coordinate, evaluate and promote the best management team.
7. Keep the Board informed of important strategic and business issues.

Objectives

(see attached)

Evaluation

Rank answers from 1 to 5: ① well below expectations; ② below expectations; ③ meets expectations; ④ above expectations; and ⑤ well above expectations.

Leadership – Leads the Company with a sense of direction and purpose that is well understood, widely supported, consistently applied, and effectively implemented.

① ② ③ ④ ⑤

Assessment: _____

Strategic Planning –

(1) Develops a long-term strategy; establishes objectives and plans that meet the expectations of shareholders, customers, employees, and all Corporate stakeholders. ① ② ③ ④ ⑤

(2) Ensures consistent and timely progress toward strategic objectives. ① ② ③ ④ ⑤

(3) Obtains and allocates resources consistent with strategic objectives. ① ② ③ ④ ⑤

Assessment: _____

Financial Goals and Systems –

(1) Establishes appropriate annual and longer-term financial objectives and manages to consistently achieve these goals.

① ② ③ ④ ⑤

(2) Ensures that appropriate systems are maintained to protect assets and maintain effective control of operations.

① ② ③ ④ ⑤

Assessment: _____

Financial Results – Meets or exceeds the financial expectations of shareholders.

① ② ③ ④ ⑤

Assessment: _____

Succession Planning – Develops, attracts, retains, motivates, and supervises an effective top management team capable of achieving objectives; provides for management succession.

① ② ③ ④ ⑤

Assessment: _____

Human Resources –

(1) Ensures the development of effective recruitment, training, retention and personnel communications plans and programs to provide and motivate the necessary human resources to achieve objectives.

① ② ③ ④ ⑤

(2) Establishes and monitors programs to provide equal opportunity employment.

① ② ③ ④ ⑤

Assessment: _____

Communications – Serves as chief spokesperson, communicating effectively with shareholders and all stakeholders.

① ② ③ ④ ⑤

Assessment: _____

External Relations – Ensures that the Company and its operating units contribute appropriately to the well-being of their communities and industries. Represents the Company in community and industry affairs.

① ② ③ ④ ⑤

Assessment: _____

Board Relations –

(1) Works closely with the Board of Directors to keep them fully informed on all important aspects of the status and development of the Company.

① ② ③ ④ ⑤

(2) Facilitates the Board's governance, composition, and committee structure.

① ② ③ ④ ⑤

(3) Implements Board policies and recommends policies for Board consideration.

① ② ③ ④ ⑤

Overall Comments:

Key Challenges:

Thoughts and Concerns:

Type: Manufacturers
 Sales: \$39.2 billion

THE COMPANY

Board Evaluation Questionnaire

Comments are encouraged for all topics in this Questionnaire, but especially for any topics where the rating is 1, 2 or 3.

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low		Medium		High
Effectiveness		Effectiveness		Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

BUSINESS FOCUS

The extent to which the Board takes an active role in the formulation of the Company's long-term goals and in monitoring progress towards those goals.

1	2	3	4	5
Comments:				

The extent to which the Board is involved in the determination of the Company's strategy.

1	2	3	4	5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

The extent to which the Board monitors the implementation of the Company's strategy.

1	2	3	4	5
Comments:				

The extent to which the Board monitors the Company's operating and financial performance.

1	2	3	4	5
Comments:				

The extent to which the Board oversees the Company's compliance and control systems.

1	2	3	4	5
Comments:				

The extent to which the Board focuses on the key issues that are likely to have significant impact on the Company.

1	2	3	4	5
Comments:				

The extent to which all appropriate issues are presented to the Board for consideration.

1	2	3	4	5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

The extent to which the Board participates in identification of issues for consideration.

1	2	3	4	5
Comments:				

The extent to which the Board has assured that plans are in place to deal with a corporate crisis.

1	2	3	4	5
Comments:				

ACCESS TO INFORMATION

The extent to which the Board has access to Company information to carry out its obligations.

1	2	3	4	5
Comments:				

The extent to which the Board has access to Company management and outside advisors.

1	2	3	4	5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

DEALINGS WITH MANAGEMENT

The extent to which the Board has open and honest communication with Company management.

1	2	3	4	5
Comments:				

The extent to which the Board is involved in setting the agendas for Board meetings.

1	2	3	4	5
Comments:				

The extent to which the Board's management evaluation process is supported by regular access to senior management that is sufficient to make reasonable judgments about performance, succession, promotion and organization structure.

1	2	3	4	5
Comments:				

BOARD INFORMATION AND KNOWLEDGE

The extent to which the Board receives adequate advance materials, in adequate time, to make the decisions it needs to make at Board meetings.

1	2	3	4	5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

The extent to which Board members stay abreast of issues and trends affecting the Company and its business.

1	2	3	4	5
Comments:				

The extent to which Board members are well prepared for meetings.

1	2	3	4	5
Comments:				

BOARD MAKE-UP AND COLLABORATION

The extent to which the Board as a whole possesses the skills and background to address the current issues facing the Company.

1	2	3	4	5
Comments:				

The extent to which Board membership reflects an appropriate level of diversity (in terms of experience, tenure with the board, nationality, race, gender, inside v. outside, etc.).

1	2	3	4	5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

The extent to which Board members exercise their independent judgment in the best interests of the Company, avoid hidden agendas or conflicts of interest, and recuse themselves in appropriate instances.

1	2	3	4	5
Comments:				

The extent to which Board members' interactions with each other are open and constructive.

1	2	3	4	5
Comments:				

Board size is generally appropriate.

1	2	3	4	5
Comments:				

The extent to which the Governance & Nominating Committee and the Board have influence in the process of the selection of new Board members.

1	2	3	4	5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

BOARD MEETINGS

The extent to which the current number of Board meetings is appropriate.

1	2	3	4	5
Comments:				

The extent to which there is time at Board meetings for review and discussion of the issues presented.

1	2	3	4	5
Comments:				

The extent to which time is allowed for Executive Sessions of the Board (appropriate number of sessions, appropriate time at each session).

1	2	3	4	5
Comments:				

The extent to which Executive Sessions of the Board are effective.

1	2	3	4	5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

BOARD COMPENSATION

The extent to which the Board has a process for setting its own compensation.

1	2	3	4	5
Comments:				

The extent to which the Board compensation package aligns the interests of Board members with those of Company shareholders.

1	2	3	4	5
Comments:				

BOARD GOVERNANCE

The extent to which the Board has good constituent documents (Corporate Governance Guidelines, Committee Charters, etc.).

1	2	3	4	5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

BOARD COMMITTEES

The extent to which the Board has established a Committee structure that enables clear focus on the important issues facing the Company.

1	2	3	4	5
Comments:				

The extent to which Committee reports give adequate information to the Board.

1	2	3	4	5
Comments:				

Performance of Committees

Audit Committee

1	2	3	4	5
Comments:				

Compensation Committee

1	2	3	4	5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

Executive Committee

1	2	3	4	5
Comments:				

Finance Committee

1	2	3	4	5
Comments:				

Governance & Nominating Committee

1	2	3	4	5
Comments:				

Innovation & Technology Committee

1	2	3	4	5
Comments:				

Public Policy Committee

Well Below Expectations 1	Below Expectations 2	Meets Expectations 3	Above Expectations 4	Well Above Expectations 5
Comments:				

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness		Medium Effectiveness		High Effectiveness
1	2	3	4	5

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

BOARD EVALUATION

The extent to which this Questionnaire is a good vehicle to assist the Board in evaluating its performance.

1	2	3	4	5
Comments:				

The extent to which the current process for evaluating individual Board members is appropriate.

1	2	3	4	5
Comments:				

Please list one or two areas where Board performance is most effective:

Board Evaluation Questionnaire

Unless otherwise instructed, please use the following descriptors to guide you in responding to the questions below:

Low Effectiveness 1	2	Medium Effectiveness 3	4	High Effectiveness 5
-------------------------------	---	----------------------------------	---	--------------------------------

Note that the effectiveness rating you provided should be based on your expectations of the Company Board and Company management, which may differ from your expectations of a board of directors or management of a corporation that differs in size, complexity or industry from the Company.

Please list one or two areas where the Board could most improve effectiveness:

Board Evaluation Questionnaire

Please list any issues that you think should be covered by this Questionnaire but are not:

Producers
\$5 billion

12/10/02

DIRECTOR'S SELF ASSESSMENT

The following questionnaire is to be completed privately by each director and is offered as a means to reflect on the qualities that affect a director's performance on, and contribution to, the Board of Directors.

Please do not return this assessment. It is for your personal use only.

To the extent that this exercise reveals areas in which self-improvement is desired, an interested director is encouraged to consult with management or the Governance Committee Chairman for options such as training, continuing education or personal feedback.

In my role as a director, I:	Yes	No
[Independence]		
Am never compromised by a need for prestige, income, or loyalty to the individual who invited me to join the Board		
Have no conflicts or relationships that could call into question my loyalty to the company as a whole and to the interests of <u>all</u> shareholders		
Am willing to, and do, challenge management when I feel it is appropriate		
[Preparation]		
Rigorously prepare for meetings, including critical reading of materials supplied in advance		
Have developed a broad, current knowledge of all the company's major businesses including relevant technology, markets, economics, and competitive strengths and weaknesses		
Keep abreast of, and am alert to, market and other external trends and issues that may affect the company (In addition to information supplied by management)		
[Knowledge and Expertise]		
Have specific experience, expertise or perspectives that have a practical application to the company's needs		
Am able to draw on these experiences to provide value to the Board's discussion of issues confronting the company.		
Keep current on developments in my areas of expertise and in business affairs generally		
[Attendance and Time Commitment]		
Attend every Board meeting, meeting of Committees of which I am a member, and other meetings as requested by management or the other directors		
Am on time for each meeting I attend and do not leave meetings early		
Give undivided attention at each meeting I attend and am able to focus without being distracted by my other responsibilities		

DIRECTOR'S SELF ASSESSMENT

In my role as a director, I:	Yes	No
Have sufficient time to maintain knowledge of the company and to fully prepare for meetings		
Am available to provide advice and counsel to the CEO and other senior executives outside of regular meetings when requested or when appropriate		
Share my expertise and perspectives with the other directors outside of formal meetings.		
Participate in Board social events so as to develop a collegial relationship with my fellow directors		
[Shareholder Alignment]		
Have sufficient holdings of the company's stock to signify loyalty to the company and alignment with shareholder interests.		
Understand important shareholder issues		
[Judgment and Skills]		
Have a broad, current knowledge about corporate director responsibilities including applicable legal principles and the legal framework governing corporations.		
Understand the respective roles of the Board and management		
Have an ability to assess the company's strategy, business plan and key issues; and to evaluate the performance of management		
Have an ability to read, understand and evaluate the company's financial and operating reports and the ability to use financial ratios and other indices for evaluating company performance and financial position. [a "financial literacy" test is enclosed for those who wish to explore this in more detail]		
Communicate persuasively		
[Participation and Contribution to Collective Decision-making]		
Seek out and bring to the table information to help the Board stay relevant, informed and focussed		
Offer creative and innovative ideas		
Express thoughtful, and thought-provoking, concerns or opinions on issues presented		
Provide objective, fair, honest, forthright, and constructive comments		
Am alert and inquisitive		
Seek to resolve any discomfort I have with an issue before it is finally resolved or voted upon		
Am willing to raise tough questions but am able to do so in a manner that encourages open discussion		
Seek information and opinions of others and encourage contributions from all members and do not stifle critique or discussion by an inappropriate demeanor		
Will disagree with a fellow director if I believe s/he is wrong.		

DIRECTOR'S SELF ASSESSMENT

In my role as a director, I:	Yes	No
Am able to work with fellow directors while not necessarily agreeing with them		
Confront conflict and help to manage it constructively and productively		
Help to keep the discussion on track and focussed on the issue or objective		
Help to insure that objectives are clear and understood by everyone		
Help to insure that planning and decisions are realistic		
	Yes	No
My compensation as a director does not have any material influence on my willingness to serve on this Board.		

DIRECTOR'S SELF ASSESSMENT

Financial Literacy Quiz

To allow directors to assess their own financial literacy, the attached quiz was prepared¹ as a self assessment device. The answers are supplied at the end of the quiz.

The questions in this instructional quiz focus on financial reporting literacy and board governance as they relate to oversight of finance issues. It is not intended to be a test of the many legalities imposed by being a director.

¹ Prepared by: Philip B. Livingston, President and CEO of Financial Executives International.
With contributions from: Roman L. Weil, V. Duane Rath Professor of Accounting at the University of Chicago, and John Stewart, Partner, Andersen.

1. Who is responsible for the proper preparation and presentation of the financial statements?
 - a. Board of Directors
 - b. Management
 - c. External auditor
 - d. Audit Committee
2. What is the purpose of private meetings between the audit committee and the auditors, both external and internal?
 - a. Facilitate private evaluation of the CFO
 - b. Allow the auditors to express concerns to the committee without management present
 - c. Allow the audit committee to press the external auditors for lower fees
 - d. Reinforce the independence of the committee to the management team
3. Deferred taxes are:
 - a. The unpaid portion of the company's current tax bills
 - b. Taxes resulting from the difference between GAAP (book) income and taxable income
 - c. Tax obligations that arise solely from the implementation of tax shelter vehicles
 - d. Taxes resulting from the difference between the GAAP and tax carrying amounts of the assets and liabilities
4. Illegitimate earnings management practices include:
 - a. Overaccruing restructuring costs in one period and reversing those charges into income in future periods
 - b. Building up various liability accounts (by accruing more expenses) in good quarters and decreasing them in bad quarters
 - c. Recording revenue before the products or services have been delivered
 - d. Postponing the recognition of revenue into future quarters even though the firm has completed its earnings cycle
 - e. All of the above
5. Who is responsible for hiring and firing the external auditor?
 - a. Chief Financial Officer
 - b. Audit Committee
 - c. Chairman of the Board, with the advice of the CEO
 - d. The Board, having usually delegated the task to the audit committee
 - e. The shareholders, by vote on the proxy statement

DIRECTOR'S SELF ASSESSMENT

6. Which of the following is NOT typically included among "current assets" on the balance sheet?
 - a. Accounts receivable
 - b. Fixed assets
 - c. Inventory
 - d. Prepaid expenses
 - e. All of the above are typically included
7. What is the common definition of "current liabilities"?
 - a. Company obligations that must be paid in cash
 - b. Company obligations to current vendors and suppliers
 - c. Company obligations that become due within 90 days
 - d. Company obligations that become due within a year
8. What are the three sections of the cash flow statement?
 - a. Cash from operations, investing activities and financing activities
 - b. Cash from operations, working capital and capital expenditures
 - c. Cash from operations, asset sales and stock activity
 - d. None of the above
9. There are two measures of EPS required on the income statement. What are they, and what's the difference between them?
 - a. Primary EPS and Fully Diluted EPS – treasury stock being one component of the difference
 - b. Primary and Basic EPS – convertible debt being the difference
 - c. Basic EPS and Diluted EPS – with dilutive stock options being one component of the difference
 - d. None of the above is correct
10. Cash flow per share is defined by GAAP as:
 - a. Net income plus depreciation divided by shares outstanding
 - b. Cash flow from operations on the cash flow statement divided by shares outstanding
 - c. The change in cash in the balance sheet divided by the shares outstanding
 - d. There is no GAAP definition. Analysts/companies devise one to suit their own purposes
11. Examples of impaired assets that would require the company to record a charge over the appropriate upcoming periods include:
 - a. Uncollectible receivables
 - b. Equipment used for an abandoned product line
 - c. Obsolete inventory
 - d. Investments/securities that have declined in value
 - e. Goodwill from a bad acquisition
 - f. All of the above
12. The leading cause of financial reporting RESTATEMENTS is:
 - a. The SEC changing the rules requiring retroactive adoption
 - b. The FASB/EITF issuing a new rule
 - c. Improper revenue accounting
 - d. Improper inventory accounting
13. Companies are required to break out the financial results of their business "segments" and the geographies they operate in. How are "segments" defined?
 - a. By product classification
 - b. By industries the company operates in
 - c. By the groupings that management uses to report the results internally

DIRECTOR'S SELF ASSESSMENT

- d. By specific SEC definitions of industry segments
14. Which of the following derivatives might potentially be "marked-to-market" in the financial statements:
- Interest rate swaps
 - Forward commodities contracts
 - Foreign currency options contracts
 - All of the above
15. Gross margin is generally defined as:
- Revenue less allowances for returns and bad debts
 - Revenues less direct operating costs, usually costs of goods sold
 - Revenues less costs of good sold plus depreciation and amortization
 - None of the above
16. Which of the following best describes the purpose of MD&A (management discussion and analysis) in the financial statements?
- To report the results in a narrative, not tabular, manner
 - Allow management to give an assessment of its own performance
 - Describe trends and uncertainties in operations and capital resources
 - Give an industry overview
17. A company issues a key supplier warrants to buy common stock of the company.
- This is not an accounting event
 - This is an equity event that gets accounted for when the warrant is exercised
 - The value of the warrant must be determined when issued and expensed over an appropriate period
 - The company should reduce its costs of goods sold over life of the warrant to reflect the value to the supplier
18. A new CEO is hired by the Board of Directors. The new CEO is given a \$250,000 relocation allowance that is repayable to the company if she leaves the company within one year of her start date.
- The company should record a prepaid for the amount and expense it after one year
 - The company should amortize the expense over the first year of employment
 - The company should expense it when paid
 - None of the above
19. A "Statement of Management Responsibility" is:
- A statement in the annual report, signed by the CEO and CFO, that management is responsible for the financial statements
 - Not required by the SEC
 - Generally found in large company annual reports, but not small company reports
 - Strongly recommended for all companies by Financial Executives International
 - All of the above
20. The major difference between the NYSE and the NASDAQ is:
- NYSE uses the central agency-auction model
 - NASDAQ uses the central agency-auction model
 - NASDAQ uses the market-maker/dealer-sponsored model
 - There is no difference
 - Both a and c are correct
 - Both a and b are correct
21. The audit committee of a public company should be composed of:

DIRECTOR'S SELF ASSESSMENT

- a. The CFO, CEO and at least three outside directors
 - b. At least three independent directors, all financially literate, and at least one financial expert
 - c. The CFO, the CEO and the Chairman of the Board
 - d. None of the above is correct
22. Who should establish the agenda for an audit committee meeting?
- a. CFO
 - b. Outside auditor
 - c. Audit committee chairperson
 - d. Chairman of the Board
23. Which of the following is NOT an example of an intangible asset?
- a. Patent on unused technology/business know-how
 - b. A product formula
 - c. Recent improvements to major facility
 - d. Goodwill
24. The audit committee of a public company is required to:
- a. Give a report that, in its opinion, the financial statements are in compliance with GAAP
 - b. Meet at least four times a year
 - c. Oversee all company litigation
 - d. Disclose whether it considered the impact of consulting work on the auditor's independence

DIRECTOR'S SELF ASSESSMENT**Financial Literacy Quiz
Answers**

1. B. Management is responsible, and the Board has oversight responsibility.
2. B
3. D. If you answered B, you're out-of-date. The current FASB rules take a balance sheet approach to deferred taxes, not an income statement approach.
4. E. All of these practices are targeted by the SEC's earnings management initiative.
5. D
6. B. Current assets are generally assets that will be converted into cash within a year (or one normal business cycle). Fixed assets (equipment, plant) are usually long-term in nature.
7. D. The ratio of current assets to current liabilities is important for the ongoing liquidity of the company. Generally, a ratio of 1:1 is considered healthy.
8. A. Understanding these three sections and thinking about the future of the business in terms of the cash flow from operations, investments and financing are a great way to assess a business. This is a very important part of the financial statement to investors.
9. C, Basic and Diluted EPS. The dilutive cost to shareholders of issuing stock options is reflected in the EPS amounts.
10. D. There is no common definition of cash flow per share. Some think there should be such a definition.
11. F
12. C. If there is one area to focus on and urge conservative accounting for, it's revenue recognition. Again and again, for many years, this has been the number one problem area.
13. C. This is the biggest current hot button for the SEC. Investors want to know how the management team looks at the business and how those pieces are performing.
14. D
15. B. Gross margins are hugely important to financial statement readers. Odd trends and shifts in percentage gross margins usually have major implications.
16. C. MD&A is too often a boilerplate regurgitation of the numbers. This is not the intent. It should be analytical and forward-looking. SEC reviews almost always hammer away on this point.
17. C. Small companies miss this a lot and end up restating.
18. C. There might be an argument for B, but it would be tough to prove and represents aggressive accounting.
19. E. Most big companies do this, and it is good discipline for the operating management to acknowledge its responsibility to the shareholders.
20. E. This is seemingly an obscure question, which involves understanding the difference between the two market methods and which is best for your shareholders (trading efficiencies and depth of market issues), can save your shareholders a lot of money and facilitate capital-raising. Neither model is better -- one just may be more applicable for different situations.
21. B. That's why you're taking this quiz.
22. C. Too many audit committees let the auditor or CFO run the agenda. Don't fall into that trap. Be active and a leader.
23. C
24. D. The SEC has put a big emphasis on auditor independence and complications resulting from the growth of the public accounting firms' consulting practices.

Producers
\$5 Billion

12/10/02

BOARD SELF ASSESSMENT

DIRECTORS FEEDBACK QUESTIONNAIRE

Please return to the Vice President/General Counsel not later than January 1, 2003.

Results will be compiled and analyzed by management for the Governance Committee's review at its January 2003 meeting and then summarized for the full Board including any Governance Committee recommendations that may arise out of the survey results.

Please offer specific concerns or recommendations for changes in the spaces provided, especially for areas earning a "disagree" or "strongly disagree" response.

References to "the Board" are intended to refer to the collective performance of the Board of Directors, including the work of its Committees.

1=Strongly Agree 2=Agree	3=Neither Agree nor Disagree	4=Disagree 5=Strongly Disagree					
			1	2	3	4	5
Core Responsibilities:							
<i>The Board's processes for meeting its core responsibilities in the following areas are both appropriate and effective:</i>							
1. Evaluating the CEO's performance [note: The Board recently adopted a new process involving the Executive Session Presiding Director]							
2. Determining the CEO's compensation							
3. Ensuring management succession including a specific succession plan for the CEO							
4. Ensuring management development							
Comments: _____							

5. Evaluating and approving the company's strategic direction and initiatives							
6. Monitoring strategy implementation							
Comments: _____							

7. Monitoring operating results and financial condition throughout the year							
8. Monitoring and approving capital spending and other material transactions not in the ordinary course of business							
9. Evaluating corporate performance in relation to industry comparative data							

BOARD SELF ASSESSMENT

DIRECTORS FEEDBACK QUESTIONNAIRE

1=Strongly Agree 2=Agree	3=Neither Agree nor Disagree	4=Disagree 5=Strongly Disagree					
			1	2	3	4	5
Comments: _____ _____ _____							
10. Overseeing compliance with legal and ethical standards							
11. Overseeing the integrity of the company's financial controls and reporting system							
Comments: _____ _____ _____							
12. Identifying, recruiting and selecting new directors							
13. Nominating directors for reelection							
14. Dealing with individual director performance deficiencies							
Comments: _____ _____ _____							
15. Understanding and weighing investor and shareholder concerns							
16. Considering and balancing the interests of various stakeholders including shareholders, employees and communities							
Comments: _____ _____ _____							
Decision-Making Support							
<i>The following elements are satisfactory and effective in supporting the Board's deliberations and fulfillment of the Board's responsibilities</i>							
1. The quality, quantity, relevance and timeliness of information provided to directors in advance of meetings.							
2. The focus, relevance and clarity of information imparted by management at meetings							
3. The balance of meeting time spent between getting information from management and engaging in substantive discussion, debate and decision-making							
Comments: _____ _____ _____							
4. The combined set of skills, knowledge, experience and perspectives represented by the members of the Board in relation to the issues facing the							

BOARD SELF ASSESSMENT

DIRECTORS FEEDBACK QUESTIONNAIRE

1=Strongly Agree 2=Agree	3=Neither Agree nor Disagree	4=Disagree 5=Strongly Disagree									
							1	2	3	4	5
company											
5. The availability of information and advice from sources other than management											
Comments: _____ _____ _____											
6. New Director orientation and training											
7. Continuing education or training for sitting directors on issues facing the company or relating to their responsibilities as directors											
Comments: _____ _____ _____											
8. Frequency of meetings											
9. Length of meetings											
10. Time available to consider individual topics											
Comments: _____ _____ _____											
11. Importance and relevance of topics covered											
12. Prioritization of issues for Board review and frequency of review											
Comments: _____ _____ _____											
13. Board Committee structure and amount of responsibility delegated to each Committee											
14. Committee reports to the Board and Board understanding of Committee deliberations and decisions											
Comments: _____ _____ _____											
Quality of Deliberations and Director Performance											
1. Board has an open culture that encourages frank discussion and free exchange of information											
2. The views of dissenting directors are respected and efforts are made to identify and resolve their discomfort											

BOARD SELF ASSESSMENT

DIRECTORS FEEDBACK QUESTIONNAIRE

1=Strongly Agree 2=Agree	3=Neither Agree nor Disagree	4=Disagree 5=Strongly Disagree					
		1 2 3 4 5					
3. Board discussions are constructive and deal with the right questions							
4. Board discussions are focussed and lead to timely resolution or closure							
Comments: _____ _____ _____							
5. My fellow directors:							
a. Understand the company's businesses, and stay abreast of issues and trends affecting the company							
b. Contribute to Board discussions and effectively apply their unique skills, experiences and perspectives to issues that come before the Board							
c. Comprehend and respect the proper roles of the Board and management							
d. Are constructive, objective and fair							
e. Come to meetings prepared to discuss the issues presented							
f. Give undivided attention during meetings							
Comments: _____ _____ _____							
General							
1. The Board is prepared to deal with an unforeseen corporate crisis							
2. The Board understands the important risks to the company's financial condition, operating performance, competitive and market position							
3. The Board is more proactive than reactive							
4. Directors have sufficient access to management other than the CEO for information gathering and for succession assessment and planning							
Comments: _____ _____ _____							

**BOARD SELF ASSESSMENT
DIRECTORS FEEDBACK QUESTIONNAIRE**

Supplement for CEO Only:

1=Strongly Agree 2=Agree	3=Neither Agree nor Disagree	4=Disagree 5=Strongly Disagree				
		1	2	3	4	5
1. The division of responsibility between management and the Board is appropriate and clear						
2. The Board provides wise counsel						
3. The Board provides clear direction						
4. The Board challenges management as appropriate						
5. The Board engenders management's trust						
6. The Board focuses on the appropriate issues						
7. The Board requests appropriate, relevant information						
8. The Board is not too "micro" in its supervision						
Comments: _____						

Type: Service Business
Sales: \$1.0-\$2.5 Billion

Categorical Standards of Independence

A Director shall not be deemed to have a material relationship with the Company that impairs the Director's independence solely as a result of any of the following relationships:

- the Director is the beneficial owner of less than five percent of the outstanding equity interests of the Company;
- the Director is an officer or other employee of an entity, or his or her immediate family member is an executive officer (as defined in Section 303A.02 of the New York Stock Exchange listing standards) of an entity, that in either case has received payments from the Company for property or services or that has made payments to the Company for property or services and the amount of such payments in each of the last three fiscal years is less than the greater of \$1 million or 2% of the entity's consolidated gross revenues (as such term is construed by the New York Stock Exchange for purposes of Section 303A.02(b)(v));
- the Director is a director or officer of an entity that is indebted to the Company, or to which the Company is indebted, and the total amount of one company's indebtedness to the other is less than 2% of the total consolidated assets of the other entity as of the end of the previous fiscal year;
- the Director, or any entity in which the Director is an equity owner, director, officer or other employee, has obtained products or services from the Company on terms generally available to customers of the Company for such products or services; or
- the Director is an officer, trustee, director or is otherwise affiliated with a tax-exempt organization and the Company made, within the preceding three fiscal years, contributions in any fiscal year that were less than the greater of \$1 million or 2% of the tax-exempt organization's consolidated gross revenues (as such term is construed by the New York Stock Exchange for purposes of Section 303A.02(b)(v)), based upon the tax-exempt organization's latest publicly available information.

The Board retains the sole right to interpret and apply the foregoing standards in determining the materiality of any relationship.

Corporation
Corporate Governance Policy

**Internal Process for Handling
Communications to Directors
(Non-Audit Committee)**

1. Purpose of document	2
2. Process administration and oversight	2
3. Methods for collecting communications	2
4. Collection of communications	3
5. Processing of communications and routine reporting	3
(a) Review	3
(b) Filtering	3
(c) Referrals to other processes	3
(d) Routine business communications	4
(e) Log of communications	4
(f) Forwarding communications	4
(g) File copies of communications	5
6. Action by Corporate Secretary	5
7. Policy administration	5

Internal Process for Handling Communications to Directors (Non-Audit Committee)

1. Purpose of document

Pursuant to Section 4 of its **Guidelines for Communicating with Directors**, the Corporation provides mechanisms for stockholders and other interested parties to send confidential and anonymous communications to the whole Board, the independent Directors, the Chairman of the Board, or the chairman of any particular committee.

This statement of the *Internal Process for Handling Communications to Directors (Non-Audit Committee)* describes the Corporation's process for collecting and organizing communications that are addressed to the whole Board, the independent Directors as a group, the Chairman of the Board, the chairman of any particular committee, or any particular individual Director ("Director Communication") and determining which communications will be relayed to the Directors.

2. Process administration and oversight

This process is administered by the Corporation's Corporate Secretary, is overseen by the Governance and Nominating Committee and is approved by a majority of the Corporation's independent Directors.

3. Methods for collecting communications

Written Director Communications should be addressed to the appropriate body or Director and sent via pre-paid mail or courier to:

c/o Corporate Secretary
Corporation
Address
United States of America

or via e-mail to **Corporate.Secretary@corporation.com**. The Corporation also provides a confidential, anonymous hot line at 1 (800) 555-1234, which is a toll-free call if placed within the United States and will be answered 24 hours a day, seven days a week.

4. Collection of communications

The Corporate Secretary, engaging members of his or her staff as appropriate, will use reasonable efforts to collect all Director Communications (whether received as written material, e-mail or voice message) and will act as the agent of the Board and the Directors for the purpose of applying the process described in Section 5 below.

5. Processing of communications and routine reporting

(a) Review

The Corporate Secretary, or a member of his or her staff under his or her direction, will review all collected Director Communications and will apply the process described in this section 5. Communications that are addressed to the Corporation's president and chief executive officer which relate to his or her role as an officer of the Corporation, rather than to his or her role as a Director, are not considered to be Director Communications and are outside of the scope of this process.

(b) Filtering

The Corporate Secretary, or a member of his or her staff under his or her direction, may "filter out" and disregard (without providing a copy to the Directors or advising them of the communication), or may otherwise handle in his or her discretion, any Director Communication that is described within any of the following categories:

- Obscene or otherwise inappropriate materials
- Unsolicited marketing or advertising material, mass mailings and "spam"
- Unsolicited newsletters, newspapers, magazines, books and publications

(c) Referrals to other processes

Director Communications that are described as "In Scope Communications" under the *Internal Process for Handling Communications to the Audit Committee* will be referred to that process, and processed as described in that document. Director Communications that include unsolicited offers or recommendations relating to director

Internal Process for Handling Communications to Directors (Non-Audit Committee)

candidates will be referred to, processed as described in, the statement of the *Director Nomination Process*.

(d) Routine business communications

The Corporate Secretary, or a member of his or her staff under his or her direction, may handle in his or her discretion any Director Communication that is described within any of the following categories, but he or she will provide a copy of the original communication to the Chairman of the Board (or to any designated lead Director, or to the Chairman of the Governance and Nominating Committee) and advise him or her of any action taken with respect to the communication:

- Routine questions, complaints and comments that can be appropriately addressed by management
- Routine invoices, bills, account statements and related communications that can be appropriately addressed by management
- Surveys and questionnaires
- Requests for business contacts or referrals

(e) Log of communications

The Corporate Secretary, or a member of his or her staff under his or her direction, will maintain a summary log of all communications (other than those excluded under Sections 5(b) and 5(c) above). At least quarterly, the Corporate Secretary will provide to the Chairman of the Board (or to any designated lead Director, or to the Chairman of the Governance and Nominating Committee) a copy of all log entries made since the immediately preceding report was provided to him or her. The Corporate Secretary will promptly provide to any Director, upon his or her request, a copy of any part of, or all of, the log.

(f) Forwarding communications

The Corporate Secretary will forward, to one or more of the following groups or individuals as he or she determines is appropriate in his or her reasonable judgment (which groups or individuals may differ from the addressee named in the Director Communication), the original or a complete copy of any particular Director Communication that is not described in any of Sections 5(b) through 5(d) above: the whole Board, all of the independent Directors, the Chairman of the Board, the chairman of any particular committee of the Board, or any particular individual Director.

(g) File copies of communications

The Corporate Secretary, or a member of his or her staff under his or her direction, will maintain an original or a copy (which may be in an electronic format), of all Director Communications (other than those excluded under Section 5(c) above), which shall be kept in accordance with the Corporation's Record Retention Policy. The Corporate Secretary will promptly provide to any Director upon request a copy of any or all filed Director Communications.

6. Action by Corporate Secretary

The Corporate Secretary may immediately investigate and take any action he or she believes is necessary or appropriate in response to any matter raised in any Director Communication. At least quarterly, the Corporate Secretary will report promptly to the Governance and Nominating Committee the actions taken, since the last report, in response to matters raised in any Director Communication.

7. Policy administration

This statement of *Internal Process for Handling Communications to Directors (Non-Audit Committee)* supersedes any and all previously adopted or published statements of the Corporation's guidelines, policies and procedures regarding any of the matters or topics described herein. This statement of *Internal Process for Handling Communications to Directors (Non-Audit Committee)* is subject and subordinate to the Policy Administration Guidelines of the Corporation's Corporate Governance Policy.

Type: Producers
Sales: \$9.2 Billion

XYZ COMPANY

BOARD OF DIRECTORS' MEETING

Friday, October 15, 2004

CONSENT AGENDA

The administrative matters for the Board of XYZ Company (the "Company") to consider at the October 15, 2004 Board meeting are as follows:

1. Amend the financing resolutions.
2. Approve the 2005 meeting calendar.

In lieu of adopting the attached resolutions, the Board will be requested to adopt the following resolution:

RESOLVED, that this Board of Directors hereby adopts the resolutions set forth in the Consent Agenda presented to and made a part of the minutes of this Board meeting.

1. Amend the Canadian financing resolutions.

In December 2003 the Board approved the issuance and sale of up to \$500 million of unsecured debt securities of XYZ Finance Company, a wholly owned subsidiary of the Company, and authorized John Doe, Chief Financial Officer and Joe Smith, Treasurer to serve as an Executive Committee with limited authority to approve the forms and terms of agreements for the issuance of these securities. The Company's management is seeking Board authority to authorize an additional officer to approve the forms and terms of agreements for these securities. The proposed resolutions are:

WHEREAS, effective December 19, 2003 the Board of Directors authorized the issuance and sale of unsecured debt securities ("Medium-Term Notes") up to \$500 million of XYZ Finance Company (the "December 19, 2003 Resolutions"); and

WHEREAS, as authorized by the December 19, 2003 Resolutions John Doe and Joe Smith were appointed to serve as an Executive Committee on behalf of the Board of Directors to establish the designations or series of Medium-Term Notes and other forms and terms of agreements related to the issuance and sale of the Medium Term Notes.

NOW THEREFORE BE IT RESOLVED, that the December 19, 2003 Resolutions are hereby amended to additionally appoint George Jones (Assistant Treasurer in charge of Corporate Finance) to have, where applicable, the same authorization as designated to John Doe and Joe Smith; and further

RESOLVED, that the appropriate officers of the Company are hereby authorized and directed to take such actions and to execute such documents as may be necessary or desirable to implement the foregoing resolution.

2. Approve the 2005 meeting calendar.

The Board is requested to approve the 2005 calendar of regular meetings.

The proposed resolution is as follows:

RESOLVED, that the regular meetings of this Board of Directors and its Committees during 2005 shall be held on the dates as set forth on Exhibit A.

EXHIBIT A

XYZ COMPANY

2005 Board and Committee Meeting Schedule

Date	Location	Time	Committee Meetings			
			COMP	AUDIT	FIN	GOV
Jan. 25 (Tues.)	Timbuktu		4:00	1:00	10:00	8:00
Feb. 24 ² (Thurs.)	Timbuktu			3:30		
Feb. 25 ² (Fri.)	Timbuktu	10:30	9:00			7:30
Apr. 19 ² (Tues.)				11:00 (<i>call</i>)		
Apr. 22 ^{1, 3} (Fri.)	Timbuktu	11:00				
May 3 ² (Tues.)				11:00 (<i>call</i>)		
July 21 ² (Thurs.)	Timbuktu *			3:30		
July 22 ¹ (Fri.)	Timbuktu *	10:30	9:00			
Aug. 2 ² (Tues.)				11:00 (<i>call</i>)		
Sept. 22 (Thurs.)	Timbuktu			3:30		
Sept. 23 (Fri.)	Timbuktu	10:30				
Oct. 21 ¹ (Fri.)	Retreat Town	10:30	8:00			9:30
Nov. 2 ² (Wed.)				4:00 (<i>call</i>)		
Dec. 15 (Thurs.)	Timbuktu			3:30		2:30
Dec. 16 (Fri.)	Timbuktu	10:00	8:30			

*May be held out of town at one of our other business units.

¹ Declare Dividends.

² Review of quarterly earnings information or SEC periodic report.

³ The 2005 Annual Shareholders' Meeting will be held at 9:30 a.m. followed by a Board meeting.

The Corporate Secretary - Duties and Responsibilities

(Publication of The Society of Corporate Secretaries & Governance Professionals)

What Does a Corporate Secretary Do?

So just what does a Corporate Secretary* do, anyway? A good question, but difficult to answer! While the basic duties of the Corporate Secretary can be outlined easily, their overall responsibilities, and the fit of the role within senior management, are more difficult to explain.

By reviewing state statutes and corporate by-laws, from which the powers and duties of the Corporate Secretary and other corporate officers are derived, one could conclude that the Corporate Secretary is expected to be a sort of combination of scrivener and custodian, but happily, this is not the case in practice. The Corporate Secretary in today's world is a senior corporate officer with wide-ranging responsibilities, who serves as a focal point for communication with the board of directors, senior management and the company's shareholders, and who occupies a key role in the administration of critical corporate matters. The Corporate Secretary is often confidant and counselor to the Chief Executive Officer and other members of senior management, especially on corporate governance affairs.

Providing advice on corporate governance issues is an increasingly important role for corporate secretaries. Many shareholders, particularly institutional investors, view sound corporate governance as essential to board and company performance. They are quite vocal in encouraging boards to perform frequent corporate governance reviews and to issue written statements of corporate governance principles. The Corporate Secretary is usually the executive to assist directors in these efforts, providing information on the practices of other companies, and helping the board to tailor corporate governance principles and practices to fit the board's needs and expectations of investors. In some companies, the role of the Secretary as corporate governance adviser has been formalized, with a title such as Chief Governance Officer added to their existing title.

Several years ago, the leadership of the Society came up with a list of personal and professional attributes of a successful Corporate Secretary. Among these "core competencies" are: understanding the company's business thoroughly; having a basic knowledge of corporate and securities law; demonstrating a "presence" and being able to back it up with solid communication skills; being sensitive and intuitive to what the CEO and directors are thinking and feeling; being able to read signals on the horizon and provide early warning to management; being able to mediate and achieve consensus; knowing how to overcome bureaucratic thinking in the company; being detail-oriented; being flexible and creative; and, finally, maintaining a sense of humor and balance no matter how pressured a situation.

* Corporate Secretary is used here to refer to the Corporate Secretary function. In large corporations, certain administrative corporate secretarial duties are allocated to assistant secretaries, paralegals, or others within the office of the corporate secretary.

For most corporate secretaries, these skills are evidenced in the following areas:

- Board and Committee Meetings
- Annual Meeting of Shareholders
- Corporate Records
- Stock Transfer
- Securities Markets
- Director, Officer, and Shareholder Concerns
- Compliance

Board and Committee Meetings

Being responsible for the smooth operation of corporate meetings requires planning and attention to detail, ranging from assuring that agendas are logically ordered and not overcrowded for the time available, to knowing how to find directors and committee members on short notice when special meetings are needed. To do it well, the Corporate Secretary needs a good working knowledge of the corporate, legal and regulatory matters which may come up at a meeting, and of the business of the corporation and its operations.

In many companies, the Corporate Secretary plays a significant role in determining the agenda of meetings, especially in alerting the Chief Executive Officer, or board and committee chairmen, to topics which should be brought to the attention of the board or committee. And the Corporate Secretary's knowledge of corporate, legal and regulatory matters is frequently called upon during board or committee deliberations.

The Corporate Secretary also drafts and distributes minutes of board and committee meetings. Minute taking and drafting is an art, requiring excellent writing skills, an understanding of what is important to record, and a sensitivity to issues that require special attention and particularly careful treatment.

Annual Meeting of Shareholders

The Corporate Secretary plays a major role in the annual meeting of shareholders - a very significant event for most large public corporations.

Preparation and distribution of the proxy statement and notice of meeting (as well as preparation of the directors' and officers' questionnaires needed to prepare the proxy statement) usually are some of the major functions. The Secretary may also be involved in preparing and distributing the Annual Report. Production of these documents requires a knowledge of federal and state law, and of the rules of the stock exchange(s) on which the company's stock is listed. It also requires a high level of skill in coordinating input from lawyers, personnel and finance groups, as well as directors and senior officers; the knack of dealing with transfer agents, printers, and mailing houses; and the ability to

remain calm despite inevitable last-minute changes that threaten to ruin "do-or-die" production schedules, not to mention budgets.

Negotiations with shareholders regarding shareholder proposals are also frequently the responsibility of the Corporate Secretary. These negotiations involve meetings with proponents, discussions with management and the board, and working with the Securities and Exchange Commission through the "no-action" process.

The Corporate Secretary works closely with the Chairman and senior management, as well as with the Chairman's speech writer, in preparing the script and agenda for the annual meeting. Another essential function for the Corporate Secretary is to help directors and management prepare to respond to shareholder questions at the meeting by creating briefing materials and alerting directors and management to "hot-button" issues. The Secretary is also generally responsible for coordinating security arrangements, thinking through and briefing the Chairman on how to handle disruptive or emergency situations at the meeting.

The Corporate Secretary is usually involved in soliciting proxies, either directly or by working closely with the corporation's proxy solicitors, to help achieve a quorum and deliver the vote. And the Corporate Secretary is also responsible for assuring that the vote is properly and impartially tabulated, and that results are duly reported in the minutes of the meeting.

Corporate Records

When working with corporate records, the Corporate Secretary must know what documents and records need to be created and what matters they should, or should not, contain. It is the Corporate Secretary who needs to consider "Are the proper delegations of authority in place?" "How should this be recorded in the minutes (or should it)?" "Does this action conflict with or supersede a prior action or policy?", etc.

With respect to record maintenance, the Corporate Secretary must assure not only that records are filed and protected and, where applicable, indexed and kept up-to-date, but also that they are accessible. A considerable amount of a Corporate Secretary's time is spent organizing, retrieving, explaining and certifying corporate documents. In addition, the Corporate Secretary is often required to certify officer signatures, affix the corporate seal to various corporate documents, and attest to their legitimacy. The Corporate Secretary must also assure that important corporate records are retained in accordance with applicable law and sound business practice.

As a senior corporate officer, the Corporate Secretary must execute a significant number of documents on behalf of the corporation, and may have liability for the matters contained therein. The Secretary must therefore understand the significance and substance of a wide variety of matters, and may need to develop procedures to assure the accuracy of many different types of documents.

The Corporate Secretary may also be Secretary to the corporation's subsidiaries, and be responsible for their corporate records. In corporations with a large number of subsidiaries, managing these records adds a great deal of complexity to the job.

Stock Transfer

Maintaining shareholder records, and providing for the transfer or replacement of stock certificates, is ultimately the responsibility of the Corporate Secretary. In most major corporations, however, this function is handled by a separate unit or by an outside transfer agent, with the Corporate Secretary acting as the corporate liaison.

Securities Markets

The Corporate Secretary normally serves as the corporate liaison with the various securities markets on which the company's shares are listed, and he or she may be responsible for assuring corporate compliance with stock market requirements. The Corporate Secretary may also be heavily involved in preparing listing or other market agreements, notices, and other documents and reports which the corporation must send to various securities exchanges or markets.

Director, Officer, and Shareholder Concerns

With their prominent role in so many corporate matters, the Corporate Secretary is a central person to whom directors, officers and shareholders turn for practical assistance as well as guidance. Much of a Corporate Secretary's time is spent working with directors, officers and shareholders on a wide variety of matters, and these constituencies expect a great deal of attention from the Corporate Secretary's office.

Directors

The Corporate Secretary is the primary liaison between the corporation's directors and management. As such, a Corporate Secretary may need to:

- help orient new directors to the corporation and the board;
- advise and keep directors informed of corporate and legal responsibilities;
- assist with compliance issues;
- coordinate and organize the flow of information to directors;
- obtain from directors information needed for legal and regulatory compliance;
- assist directors with travel arrangements to and from meetings;
- advise management on director compensation;
- advise the Chairman of the Board on committee assignments for directors;

- keep management informed of director views and preferences;
- provide resources for and coordinate board evaluations;
- assist the Chairman on the selection of new directors;
- advise management and directors on potential director interlock issues.

Officers

The Corporate Secretary provides services to senior officers similar to those provided to directors: advising and keeping senior officers informed of corporate legal responsibilities; assisting with compliance issues; obtaining information needed for legal and regulatory compliance; assisting with travel arrangements to and from corporate meetings; advising the Chairman or Chief Executive Officer on management committee assignments for officers; keeping the Chairman or Chief Executive Officer informed of senior officer views and preferences; alerting senior officers to matters which should be brought to the attention of other officers or the board or board committees; and providing advice and counsel to officers preparing presentations and memoranda to be presented to the board or committees. In addition, in many corporations, the Corporate Secretary administers the corporation's stock option and other compensation programs for executives.

Shareholders

The Corporate Secretary is often responsible for shareholder relations. The shareholder relations function usually involves responding to shareholder inquiries; directing or assisting in preparing and distributing reports and other materials and shareholder communications; maintaining statistical information on the shareholder base; developing programs for large individual or institutional shareholders; and alerting the board and senior management to shareholder concerns. The Corporate Secretary is the principal corporate contact for most shareholders, and may be able to influence how shareholders view management's responsiveness.

In some organizations, the Corporate Secretary is primarily responsible for individual or small institutional shareholders, and large institutional investors are handled by an investor relations group reporting to Finance, Corporate Communications or some other department. The Corporate Secretary may be responsible for the company's stock watch programs, alerting management to unusual trading in the company's securities.

Compliance

Depending on the corporation and the background of the Corporate Secretary, he or she may be responsible for or play a major role in preparing and filing registration statements and reports to the Securities and Exchange Commission, insider trading reports, filings and amendments of state corporate documents, documents related to qualifications to do business, and other regulatory or legal filings. The Corporate Secretary is often the person responsible for pre-clearing purchases and sales of the corporation's securities by

directors and officers. The Corporate Secretary may also play a role in preparing corporate communications on matters of significance to the corporation, including essential disclosures.

In some corporations, the Corporate Secretary is also responsible for compliance with state escheat laws and, occasionally, for general legal compliance for the company as a whole. Some Corporate Secretaries are involved in administering their corporation's code of corporate conduct and developing and administering other corporate-wide policies and policy manuals.

Does the Corporate Secretary Have to Be a Lawyer?

Many corporate secretaries are lawyers and some serve as their corporation's General Counsel. But while a legal background is quite helpful in performing the role of Corporate Secretary, it is not essential. In fact, at times, having a Corporate Secretary who also provides legal advice creates interesting questions as to whether particular communications made to management are legal advice - which may be subject to the attorney-client privilege - or general corporate/business advice, which is not. Thus, the "dual hat" Corporate Secretary/lawyer must always be careful to distinguish (and, as Corporate Secretary, record) which "hat" is being worn, and whether it is legal or managerial advice that is being given to directors and management.

Need Further Information?

This brief monograph outlines the general parameters of the role of the Corporate Secretary. Volumes have been written on the individual aspects of the job, and more detailed accounts of the overall role are also available. The Society of Corporate Secretaries and Governance Professionals, a professional association composed principally of corporate secretaries, assistant secretaries and business executives involved in the duties associated with the corporate secretarial function, maintains and publishes information to assist Corporate Secretaries in carrying out their duties. The Society promotes the voluntary exchange of information through member committees, local chapters, publications and research, as well as through seminars and conferences. For further information on Society programs, publications and reference materials, visit <http://www.governanceprofessionals.org>, or contact:

The Society of Corporate Secretaries and Governance Professionals
521 Fifth Avenue, 32nd Floor
New York, NY 10175
Phone: (212) 681-2000
Fax: (212) 681-2005

Director Education

We offer this schedule and descriptions of Director Education programs as a service for our members.

We've made our best effort to be as accurate as possible. However, except for those programs that the Society produces or co-produces in alliance with other organizations, we are not responsible for the content or quality of these educational programs.

Date	Programs	Contact
July 22 – 25, 2009	Making Corporate Board More Effective	Harvard Business Scholl Executive Education Program Telephone: 800-HBS-5577 Website: <a data-bbox="1008 747 1503 852" href="http://www.exed.hbs.edu/programs/finder.html?level=Board+Leader&topic=&type=">www.exed.hbs.edu/programs/finder.html?level=Board+Leader&topic=&type= <i>This program is RiskMetrics Group - ISS Governance Services accredited</i>
July 27 – 29, 2009	Audit Committee in a Era of Governance	Harvard Business Scholl Executive Education Program Telephone: 800-HBS-5577 Website: <a data-bbox="1008 1150 1503 1255" href="http://www.exed.hbs.edu/programs/finder.html?level=Board+Leader&topic=&type=">www.exed.hbs.edu/programs/finder.html?level=Board+Leader&topic=&type= <i>This program is RiskMetrics Group - ISS Governance Services accredited</i>
July 29 - 31, 2009	Compensation Committee	Harvard Business Scholl Executive Education Program Telephone: 800-HBS-5577 Website: <a data-bbox="1008 1587 1503 1692" href="http://www.exed.hbs.edu/programs/finder.html?level=Board+Leader&topic=&type=">www.exed.hbs.edu/programs/finder.html?level=Board+Leader&topic=&type= <i>This program is RiskMetrics Group - ISS Governance Services accredited</i>

August 5, 2009
2:00 - 3:00 PM EDT

Webinar: The New Focus on Board
Composition
NACD's Boardroom Excellence series

In today's challenging economic and regulatory environment, many individual directors and boards are collectively asking themselves, "What happened?" Pressure from shareholders, the media and Congress has sharply increased the spotlight on board composition.

In this webinar you'll learn what works and what doesn't in recruiting and maintaining the right mix of directors with industry knowledge, professional skill sets and backgrounds to add value to corporate strategy.

Washington, DC

NACD

Website:

Click here to register:

https://secure.nacdonline.org/source/Meetings/cMeetingFunctionDetail.cfm?section=unknown&product_major=152781&functionstartdisplayrow=1

This webinar conveys two NACD Certificate of Director Education credits and is RMG/ISS-accredited.

September 14 – 16, 2009

- The Impact of Governance on the Nuclear Power Industry
- The Political and Regulatory Environment for Nuclear Power Generation
- Enterprise Risk Management: What Keeps You Up at Night?
- Balancing Director Oversight and Management's Agenda
- Do We Have an Effective Safety Culture? - The Role of the Board
- The Growth of the Nuclear Power Industry

Goizueta Business School

Website:

www.goizueta.emory.edu/executiveprograms/execed/di_overview.html

This program is RiskMetrics Group - ISS Governance Services accredited

Sept. 23 – 25, 2009

Directors' Summit™ is designed for Board members and senior executive officers of both public and private companies.

Key Topics

- Directors' Fiduciary, Legal and Ethical Responsibilities
- Building a Strong Board
- Crisis Management / Succession Planning

Wisconsin School of Business

Madison, WI

Telephone: 608-441-7330

Website:

<http://exed.wisc.edu/directorssummit/>

This program is RiskMetrics Group - ISS Governance Services accredited

- The Board's Role in M&A
- Executive Compensation
- Audit Committee Performance / Enterprise Risk Management

Program Objectives

- Stay up-to-date on current governance regulations and best practices
- Evaluate the role of the Board
- Examine Board duties in mergers and acquisitions
- Understand Directors' fiduciary duties and what they mean in practice
- Analyze current practices in CEO and executive compensation

October 1 -2, 2009

The Conference will feature general sessions, breakouts, and discussion groups that cover important governance issues facing all public companies today; committee ,general counsel, and new director workshops; and invaluable networking opportunities

New York

Annual Boardroom Summit

Website:

<http://www.boardmember.com/conferencing-events/2009-summit/overview/>

This program is RiskMetrics Group - ISS Governance Services accredited

October 7 -8, 2009

See Agenda

New York

ODX -Outstanding Directors exchange

Website: www.theodx.com/

This program is RiskMetrics Group - ISS Governance Services accredited

October 18, 2009

Audit Committee Effectiveness:

This seminar provides leading practices for structure, member criteria, agenda-setting, risk oversight and execution.

Washington, DC

NACD

Website:

https://secure.nacdonline.org/source/Meetings/cMeetingFunctionDetail.cfm?section=unknown&PRODUCT_MAJOR=KPMG020309&FUNCTIONSTARTDISPLAYROW=1

*This program is RiskMetrics Group -
ISS Governance Services accredited*

October 18, 2009	Executive and Director Compensation Committee:	Washington, DC NACD
	This seminar provides leading practices for structure, member criteria, agenda-setting, risk oversight and execution.	Website: https://secure.nacdonline.org/source/Meetings/cMeetingFunctionDetail.cfm?section=unknown&PRODUCT_MAJOR=KPMG020309&FUNCTIONSTARTDISPLAYROW=1
		<i>This program is RiskMetrics Group - ISS Governance Services accredited</i>
October 19 -21, 2009	The program offers directors the opportunity to improve their abilities to govern and simultaneously protect themselves and their organizations from liabilities and lawsuits resulting from technical errors and missteps, and to enjoy great networking in the process.	UCLA Anderson School of Management Website: www.anderson.ucla.edu/EEPdtp.xml?code=dtp
		<i>This program is RiskMetrics Group - ISS Governance Services accredited</i>
November 11 - 13, 2009	Women's Director Development Program	Kellogg School of Management
	Explores the challenges for female directors and the keys to unlocking boardroom doors. In this course you will improve your understanding of board responsibilities and be equipped with	Website: www.kellogg.northwestern.edu/execute/programs/governance.htm
		<i>This program is RiskMetrics Group -</i>

the tools and concepts you need for success. You will learn how to leap onto nominating committee radar screens and be a successful director.

ISS Governance Services accredited

November 11 - 14, 2009 Making Corporate Board More Effective

Harvard Business Scholl
Executive Education Program
Telephone: 800-HBS-5577
Website:

www.exed.hbs.edu/programs/finder.html?level=Board+Leader&topic=&type=

This program is RiskMetrics Group - ISS Governance Services accredited

November 16 -18, 2009 Audit Committee in a Era of Governance

Harvard Business Scholl
Executive Education Program
Telephone: 800-HBS-5577
Website:

www.exed.hbs.edu/programs/finder.html?level=Board+Leader&topic=&type=

This program is RiskMetrics Group - ISS Governance Services accredited

November 18 - 19, 2009 See Agenda

New York
ODX -Outstanding Directors
exchange
Website: www.theodx.com/

This program is RiskMetrics Group - ISS Governance Services accredited

November 18 -20, 2009 Committee Compensation

Harvard Business Scholl
Executive Education Program
Telephone: 800-HBS-5577
Website:

www.exed.hbs.edu/programs/finder.html?level=Board+Leader&topic=&type=

This program is RiskMetrics Group -

ISS Governance Services accredited

December 6 - 9, 2009

Corporate Governance: Effectiveness and Accountability in the Boardroom

Kellogg School of Management

Website:

www.kellogg.northwestern.edu/execute/programs/governance.htm

Provides a comprehensive understanding of the responsibilities of board members and governance, equipping you with the tools, concepts, and strategies needed to become a more effective director. In this course you will gain insight into committee functions, compensation issues, accounting problems, and boardroom dynamics.

Customized Programs

- Ethics and the Role of Directors and Boards
- Developing an Enterprise Approach to Ethics
- Embedding Ethics in the Corporate Culture
- Creating an Ethical Framework

Business Roundtable
Institute for Corporate Ethics
Contact: Dean Krehmeyer, Executive Director
Telephone: (434) 924-6060
Website: www.corporate-ethics.org

This program is RiskMetrics Group - ISS Governance Services accredited

Executive Liability Practices
22- one-hour modules available through Top Boards cover topics:

- Corporate Governance
- Mergers and Acquisitions
- Crisis Management
- D&O Liability
- Compensation
- Succession Planning
- Branding & Crisis Communications
- Intellectual property
- Financial Reporting
- Global Issues

Beecher Carlson's Executive Liability Practice
Contact Tracy H. McAllister
E-mail: tmcallister@beechercarlson.com
Telephone: (404)460-1427
Website: www.beechercarlson.com

This program is RiskMetrics Group - ISS Governance Services accredited

In-House Program – Tailored to the company's need.

The Conference Board's Directors' Institute

The Directors' Institute's practical, time-efficient programs allow your directors to stay abreast of trends in governance and meet the challenges of their unprecedented responsibility and accountability. Our sessions provide a highly interactive forum for candid, off-the-record dialogue about directors' real-world business challenges. We bring in expert practitioners and keynote guests from the business, regulatory, and judicial sectors to supplement the core director faculty.

In collaboration with: The Society of Corporate Secretaries & Governance Professionals

Contact: Irene Sobol

Telephone: (212) 339-0392

E-mail: diane.insolia@conference-board.org

Website: www.conference-board.org/knowledge/govern/govInstitute.cfm

This program is RiskMetrics Group - ISS Governance Services accredited

Program Customized to your Company's Needs

Topics:

- Board Fiduciary Duties
- Board Form and Function
- Takeover Defenses and How Shareholders Perceive Them
- Executive Development and Succession Strategies
- Executive and Director Compensation
- Ethics and Compliance Programs
- The View of the Institutional Shareholder—Does Good Governance Matter?
- Assessing Fraud Risk and Setting the Tone at the Top
- Developing a Value-Driven Board Evaluation Program
- The Audit Committee as an Impediment to Liability
- Crisis Management
- Corporate Governance Ratings
- Creating the Risk Intelligent Organization

The Directors' Network Inc. and Deloitte & Touche

Contact: Stephanie Joseph

E-mail:

sjoseph@directorsnetwork.com

Telephone: (212) 754-3086

Website: www.directorsnetwork.com

This program is RiskMetrics Group - ISS Governance Services accredited

Customized to your company's Needs

- Board of Directors Self- Evaluation
- Financial Literacy

The Directors' Network Inc. and Deloitte & Touche

Contact: Stephanie Joseph

E-mail:

sjoseph@directorsnetwork.com

Telephone: (212) 754-3086

Website: www.directorsnetwork.com

*This program is RiskMetrics Group -
ISS Governance Services accredited*

- Board Effectiveness/Assessment
- Succession Planning

Boardroom Consultants

Contact: Peter A. Kindler
(212) 328-0440

Te

Website:

www.boardroomconsultants.com

*This program is RiskMetrics Group -
ISS Governance Services accredited*

Custom Program on Date/Site of your Choice

- Directors' Responsibilities and Liabilities -- Duty of Care and Loyalty, Legal, Fiduciary, and Ethical Responsibilities.
- Governance under Sarbanes-Oxley, Stock Exchange Guidelines, and the Justice Department
- Shareholder & Institutional Activism.
- Governance "Philosophy" -- Enhance Shareholder Value by Adherence to Legal Guidelines, or exceed that standard (Governance Beyond Regulatory Requirements)
- Leadership of the Board -- Chairperson, Lead Director, Presiding Director(s), Executive Sessions
- Distinctions between the Duties and Decisions of Senior Management and the Board of Directors
- The Reconciliation of Transparency to Shareholders with Board Effectiveness; Why Board Transparency is Rarely Transparent
- Director by any Other Name is Not the Same -- Inside, Outside, Affiliated (SEC 6b), and Emeritus Directors; "Oversight" vs. "Resource" Directors.
- Focused Evaluation -- CEO

Institute for Corporate Governance
Kelley School of Business
Indiana University

Telephone: (812) 855-5271

Website: www.kelley.iu.edu/icg

*This program is RiskMetrics Group -
ISS Governance Services accredited*

Performance, Enterprise Performance, Board Performance; How Good is it Really? How do you Know? How will you Know?

- Board Independence at the Leading Edge Independent Budget Independent Access to Top Management Team Independent Access to Outside Counsel and Consultants

- Issues for the Board and the Audit Committee Financial Literacy and Independence of Committee Members Qualifications, Independence, & Performance of Independent Auditors Company's System of Internal Controls, including the Qualifications, Independence, and Performance of the Internal

Audit Function Finance, Audit, & Risk Issues including Risk at the Enterprise Level Company's Disclosure Policies and Practices

Compliance with the Company's Ethics Policies and Applicable Legal and Regulatory Requirements

- Issues for the Board and Compensation Committee CEO Compensation CEO Succession Board Compensation Equity Requirements Stock Options, Restricted Stock, Expensing, Indexing Are Compensation Packages Fair, Transparent, and Performance-Based?

- Issues for the Board and the Corporate Governance Committee Performance of Incumbent Directors Evaluation of the Board (Internal vs. External)

Facilitate Director Development and Education Conflicts of Interest Oversee the Company's Commitment to Effective Corporate Governance Monitor Developments in Best Corporate Governance Practices and Recommend their Implementation on a Company-Wide Basis

- Issues for the Board and the Nomination Committee Core Competencies of Directors and Boards

Mandatory Retirement Age for
Directors? The Search Process for New
Board Members
Shareholder Access
Appointment of Lead Director/Presiding
Director
• A Company in Crisis

Customized, In-Boardroom Programs

National Association of Corporate
Directors
Washington, DC
Telephone: (202) 775-0509
Website:
www.nacdonline.org/services

*This program is RiskMetrics Group -
ISS Governance Services accredited*

These seminars are offered in an "open-
enrollment" format.

Directors College

An essential half-day program co-
sponsored with the law firm of Polsinelli
Shalton Welte Suelthaus that provides a
timely and comprehensive review of
issues facing corporate boards. This
unique seminar is centered around a
film, "The Directors' Dilemmas," that
illustrates the interactions among
members of a board of directors in real
life situations. A panel of experienced
directors and attorneys discuss these
points with the audience. In addition,
corporate and community leaders offer
their insights via video. Charles F.
Knight, Chairman Emeritus of Emerson,
offers a keynote presentation.

The Olin Business School is part of
Washington University in St. Louis
Website:
[www.olin.wustl.edu/execed/execprog/
dirprog.cfm](http://www.olin.wustl.edu/execed/execprog/dirprog.cfm)

*This program is RiskMetrics Group -
ISS Governance Services accredited*

Customized Directors' College Will Come to Your Board

The Terry College of Business has
become a key source for boardroom

Terry College of Business at the
University of Georgia

Website:
[www.terry.uga.edu/exec_ed/programs/
directors/pages/CustomDirectorTraini](http://www.terry.uga.edu/exec_ed/programs/directors/pages/CustomDirectorTraini)

education in the Southeast over the past five years and has earned accreditation through Institutional Shareholder Services (ISS). ISS is the leading provider of proxy voting and corporate governance services, recommending votes for 20,000 shareholder meetings each year. Our customized Directors' College program is designed to address the most current issues facing your board of directors and senior executives. Participants will learn how to develop a framework for making informed board decisions and exercising sound business judgment.

Recent reforms resulting from questionable board and audit committee practices have raised the stakes for corporate directors, who are anxious to learn how these changes will affect their boards, organizations, and their liability. Instructors at the Directors' College include Terry College faculty and industry experts on corporate governance.

Customized on-site board Modules,
Enables company to target the topic of great concern and in greater depth.

[ng](#)

This program is RiskMetrics Group - ISS Governance Services accredited

Los Angeles, CA
UCLA Anderson School of Management
Website:
www.anderson.ucla.edu/EEPdtp.xml?code=ntp

This program is RiskMetrics Group - ISS Governance Services accredited

Please give the National Office any feedback you get from directors attending any program. Also information about other Director Education programs of which you become aware, E-mail to Olga Holmes at oholmes@governanceprofessionals.org.

Type: Financial Insurance
Sales: \$5.0 – 15.0 billion

DIRECTOR EDUCATION POLICY

The Board of Directors (the “Board”) _____ (the “Company”) believes that the shareholders of the Company are best served by a board of directors comprised of individuals who are well versed in modern principles of corporate governance and other subject matters relevant to board service, including matters related to the reinsurance and insurance industry, and who thoroughly comprehend the role and responsibilities of an effective board in the oversight and management of the Company.

To this end, all members of the Board are encouraged to attend such director education programs as they deem appropriate (given their individual backgrounds) to stay abreast of developments in corporate governance, the industry in which the Company participates and “best practices” relevant to their contribution to the Board generally as well as to their responsibilities in their specific committee assignments and other roles.

The extent and subject matter of director education will vary for each director and is left to each director’s individual discretion based on the totality of relevant factors including those set forth below.

- The director’s specific responsibilities on the Board, including the various substantive committees to which the director is assigned and the role of the director within each committee. For example, a director serving on the Compensation Committee may elect to pursue director education emphasizing executive compensation issues, in addition to matters of general import in corporate governance.
- The director’s individual background and exposure to current developments in corporate governance, the reinsurance and insurance industry and corporate administration through their professional endeavors, service on other boards of directors, or independent research or reading. For example, an individual from the reinsurance and insurance profession may keep abreast of developments in the industry through the ordinary course of their professional activities without supplemental director education.
- The pace and materiality of regulatory and other developments relating to corporate governance and corporate management. For example, a director may determine that supplemental director education is required to stay informed of rapidly developing new regulations such as the new executive compensation disclosure rules promulgated by the Securities and Exchange Commission.

Appropriate areas of director education need not be confined to corporate governance or reinsurance/insurance topics *per se* and may include such broader topics as accounting, finance,

general business, environmental, health and safety and human resource management, as each director deems appropriate to enhance his or her effectiveness.

In order to encourage continuing director education, the Company will reimburse directors for the reasonable costs of attending director education programs under this policy. Amounts reimbursed include all reasonable costs associated with attending each program, including travel, lodging and meals. Directors serving on multiple boards are encouraged to obtain pro rata reimbursement of their director education expenses from each corporation that they serve, but the Company will nonetheless reimburse 100% of the costs if this is not practicable. Directors are particularly encouraged to participate in director education programs accredited by Institutional Shareholder Services.

Nothing in this policy shall be construed to require any director to attend or participate in any director education program nor shall the failure of any director to attend or participate in any such program be construed to suggest that such director has failed to fully carry out his or her duties and responsibilities or is not well versed in matters relating to the role and responsibilities of an effective board of directors.

Nothing in this policy shall be construed to require any director to undertake to gain, possess or exercise any independent knowledge of, or expertise in, any specific law, regulation or professional discipline. All directors are entitled to rely on advice of Company management, legal counsel, internal auditors, independent accountants and other employed professionals on all matters relating to the Company's operations, financial performance and regulatory obligations.

* * * * *

QUESTIONNAIRE FOR EXECUTIVE OFFICERS

This questionnaire seeks information that will be used in the preparation of the 2008 Proxy Statement and Forms 10-K for the year 2007. Answers should be given as of the date you complete the questionnaire unless otherwise provided. **Please respond no later than January 28, 2008.** Should the information provided in your responses change after you complete the questionnaire and before February 15, 2008 please notify us promptly.

GENERAL INSTRUCTIONS:

- A. “Executive Officer” means an organization's chief executive officer; president; vice president in charge of a principal business unit, division, or function; chief financial officer; chief accounting officer or any other person who performs similar policy-making functions.
- B. “Immediate Family Member” means your spouse, parents, stepparents, children, stepchildren, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who resides in your home, except a tenant or employee, unless otherwise defined in a specific question.
- C. “Family Relationship” means any relationship by blood, marriage, or adoption, not more remote than first cousin.
- D. Please answer every question: “YES,” “NO,” or “N/A.” **Questions answered affirmatively require a description of the matter.** Please attach a separate sheet if necessary.
- E. For disclosures involving companies (other than (**Company**) companies), partnerships, relationships, etc., you are expected to make a reasonable inquiry as to the existence of the facts of which disclosure is required.
- F. The (**Company**) Company is referred to in this questionnaire as (**Company**). A company in the “(**Company**)” means any of the companies listed on Attachment A.
- G. Please specify (wherever appropriate) the (**Company**) company to which a response relates.

QUESTIONS:

1. **Your name** _____

Principal business address _____

2. **Birth date** _____

3. **Selection Arrangements**

Has there been any arrangement or understanding between you and any other person (other than directors or officers of the (**Company**) companies acting solely in their capacities as such) concerning your selection as a director, nominee, or officer?

Yes No

If "Yes," briefly describe the arrangement or understanding and identify the other person (or persons).

4. **Family Relationships**

Has a Family Relationship existed between you and any person who has served as a director, officer, nominee, or employee of any (**Company**) company at any time since January 1, 2005?

Yes No

If "Yes," describe the relationship and identify the relative.

5. **Business Experience**

Briefly describe your business experience during the past five years, including your principal occupations and employment. If you answered this question last year, you may answer by updating and supplementing the information with any further details you consider pertinent.

6. Involvement in Certain Legal Proceedings

In the past five years, have you, or any entity which you owned or of which you were a general partner or Executive Officer, been:

- A. In bankruptcy (Answer "Yes" only if you were in such position within two years before filing of the applicable bankruptcy petition.);

Yes No

- B. Convicted of a crime or are a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

Yes No

- C. Enjoined or legally restricted from engaging in, or being associated with persons engaged in, any type of business; or

Yes No

- D. Adjudged to have violated any Federal or State securities law or Federal commodities law.

Yes No

7. Adverse Interest

Are you, or any "associate" of yours, a party to any material pending legal proceedings with a position or a material interest that is adverse to any (**Company**) company?

The term "associate" includes any corporation or organization of which you are an officer or partner; are, directly or indirectly, the beneficial owner of ten percent or more of any class of equity securities; any trust or other estate in which you have a substantial beneficial interest or for which you serve as trustee or in a similar capacity; or any of your Immediate Family Members.

Yes No

If "Yes," briefly describe the proceedings.

8. **Immediate Family Member Positions with Other Entities**

Have any Immediate Family Members served as an officer of any company, other than a **(Company)** company at any time since January 1, 2005?

Yes No

If "Yes" identify the name of the company and the person's position with the company. Also, indicate if the person is designated an Executive Officer of the company.

9. **Perquisites**

During 2007, did you receive any direct or indirect "personal benefits" from any **(Company)** company, or has anyone received such a benefit that indirectly

benefited you, which were not accurately reflected as compensation to you in company records?

Yes No

If "Yes," describe each personal benefit to allow a determination of its actual incremental cost.

10. **Interests in Matters to Be Acted Upon**

Do you or any of your associates (as defined in Question 7) have any substantial interest, by security holdings or otherwise, in any matter (other than elections to office) to be acted upon at the 2008 annual meeting?

Yes No

If "Yes," briefly describe the interest.

11. **Ownership of Securities**

Do you own equity securities of any (**Company**) company other than shares held in a (**Company**) benefit plan or the (**Company**) Investment Plan?

Yes No

If "Yes," describe the equity securities held using Attachment C.

On Attachment C, list the number of equity securities of each (**Company**) company "beneficially" owned by you on December 31, 2007, giving a separate total for each class of securities. **Do not list securities held in a (Company) benefit plan or the (Company) Investment Plan (formerly known as the dividend reinvestment plan).**

"Beneficial ownership" is defined to include a number of interests in securities. As a result, there may be more than one beneficial owner of a single security. The term includes anyone who, directly or indirectly, has or shares voting power or

investment power, including the power to dispose of such security. You also are considered the “beneficial owner” of securities if you have a contractual right to acquire “beneficial ownership” within 60 days.

This definition requires that you report securities held by a corporation you control, and those held in the name of your spouse and other relatives who reside with you if you have either investment power or voting power with respect to them. Because of this broad definition of “beneficial ownership”, you may disclaim beneficial ownership (for tax or other purposes) of the securities shown in the chart. If you wish to do so, mark those shares in Column C with an asterisk and on an attachment explain the basis for the disclaimer and identify the beneficial owner.

If you are not the sole owner of any shares you “beneficially” own, separately state the number of shares as to which you have (1) sole voting power, (2) shared voting power, (3) sole investment power, and (4) shared investment power in Column E. Use these numbers to designate such securities.

12. **Agreements Regarding Termination of Employment**

Do you have any plan or arrangement with any (**Company**) company that provides or will provide compensation to you upon your resignation, retirement, or any other termination of employment with the company, other than under any pension, savings, or similar plan provided by a (**Company**) company?

Yes No

If “Yes,” briefly describe the arrangement.

13. **Other Relationships**

Are there any other relationships between you and a (**Company**) company not described in response to any previous question in this questionnaire.

Yes No

14. **Indebtedness to the Company**

At any time since January 1, 2007, have you; an Immediate Family Member; any corporation or organization outside the (**Company**) of which you are an Executive Officer or partner or are, directly or indirectly, the beneficial owner of 10 percent or more of any class of equity securities; or any trust or other estate in which you have a substantial beneficial interest or for which you serve as a trustee or in a similar capacity, been indebted to any (**Company**) company or has any such company directly or indirectly assumed or guaranteed an indebtedness of any such person or entity?

Yes No

If "Yes" provide the name of the person or entity, (**Company**) company, nature of the indebtedness, date and most recent modification of the transaction, and largest amount outstanding since January 1, 2007.

15. **Affiliations with Other Businesses**

Other than offices held with (**Company**) companies, list each office, including directorships and public company committee memberships, you hold or have held in any of the following entities at any time since January 1, 2005:

A. Publicly-held companies.

B. Non-public companies, partnerships, or limited liability companies.

If you listed an affiliation with a non- entity in response to question 15, please answer questions 16 through 19. Otherwise, skip to question 20.

16. **Majority-Owned Subsidiaries**

For each company other than a (**Company**) company that you serve as an executive officer, list the company's majority-owned affiliates.

17. **Compensation Committee Service**

Regarding "for profit" organizations, have you or an Immediate Family Member served on any board of director's compensation committee or other board committee performing similar functions, or have you or an Immediate Family Member served on any board of directors that does not have a compensation committee or other committee performing similar functions at any time since January 1, 2005?

Yes No

If "Yes," provide the name of the entity and the committee as applicable.

18. **Outside Business Affiliations Relative to Disclosures Under the Federal Power Act**

During any portion of 2007, did you serve as an officer or director or perform any similar duties or functions, or serve as a partner, appointee, or representative of any of the following entities?

- (a) banking or securities firm;
- (b) insurance company;
- (c) electrical equipment producer or supplier;
- (d) producer or supplier of fuel for the use of any public utility;
- (e) retail purchaser of electricity shown on Attachment B;

- (f) public utility outside the **(Company)** ;
- (g) any entity that is controlled by or controls any entity referred to in subsections (a) through (f)?

Yes No

If "Yes," provide the name and address of each such entity and the position held.

19. Investment Banking Firm Affiliations

If you answered Question 18 "Yes" with respect to a banking firm that provides investment services, has the firm performed services for any **(Company)** company (other than as a participating underwriter in a syndicate) in 2007 or, to the best of your knowledge, does a **(Company)** company propose having the firm perform services in 2008?

Yes No

If "Yes," name the investment banking firm, briefly describe the services, and if the amount received by the firm is more than five percent of its consolidated gross revenues for its last full fiscal year, state the amount received.

20. Affiliations with Charitable Organizations

List any charitable organization with which you or any Immediate Family Member served as a director, trustee, advisory board member, executive officer or other similar position at any time since January 1, 2005.

21. **Transactions with the Company**

At any time since January 1, 2007, have you or an Immediate Family Member; any corporation or organization outside the (**Company**) of which you are an Executive Officer or partner or are, directly or indirectly, the beneficial owner of 10 percent or more of any class of equity securities; or any trust or other estate in which you have a substantial beneficial interest or for which you serve as a trustee or in a similar capacity or any of the entities identified in response to Question numbers 8 and 15 above had a direct or indirect material interest in any transaction, or proposed transaction, involving any (**Company**) company that exceeded \$120,000?

It is necessary to provide information about any transaction where the charges involved are determined by competitive bids, or the transaction involves services as a common or contract carrier, or public utility, at rates fixed in conformity with law; or the transaction involves services as a bank depository, transfer agent, registrar, trustee, or similar services. It is not necessary to provide information about any transaction where the interest of the person arises solely as a (COMPANY) Company stockholder.

A series of similar transactions may be treated as one transaction (and for purposes of determining if the amount involved exceeded \$120,000 should be treated as one transaction). The amount of the interest should be computed without regard to the amount of the profit or loss involved in the transaction.

Yes No

If "Yes," describe the transaction and provide the name of the persons or entities, the relationship, and the nature and amount of the transaction or series of transactions. Also, indicate any for which the amount of the transaction or series of transactions exceeds two percent of the applicable entity's gross revenues for 2007.

22. **Charitable Contributions Received**

Did any charitable organization identified in response to any relationship identified in Question 20 above receive contributions in 2007 from any (**Company**) company or any charitable foundation of any (**Company**) company that

exceeded the greater of \$1,000,000 or two percent of the applicable charitable organization's consolidated gross revenues for 2007?

Yes No

If "Yes," please identify the organization and the amount received.

The foregoing answers are accurate to the best of my knowledge, information, and belief. I will promptly notify _____ Assistant Secretary, (**Company**) Company, if any change occurs before February 15, 2008.

Date: _____

Signature: _____

Note: (**Company**) name of company.

GENERAL PROCEDURE FOR OUT-OF-ORDER MOTION

CHAIRMAN:

“Your motion is out of order. It does not meet our advance notice requirements set forth in our By-Laws and our proxy statement. Because all of our shareholders are not able to consider your motion, a vote taken at this meeting would not reflect such consideration. Therefore, your motion is hereby ruled out of order.”

If the shareholder persists:

CHAIRMAN:

“I am going to ask the Secretary of the Meeting, to address your issue. Thank you, [Secretary].”

PROCEDURE FOR MOTION TO INTRODUCE PROPOSAL NOT IN PROXY

SECRETARY OF MEETING:

“Your motion is out of order. Our By-Laws have an advance notice provision for submission of a proposal to be included in our proxy statement and voted on at this meeting. Our advance notice requirement for submission of shareholder proposals is explained in detail in our proxy statement. Since your motion did not meet these advance notice requirements, and therefore was not included in our proxy statement for consideration by all of our shareholders, a vote taken at this meeting would not reflect such consideration. Therefore, your motion is hereby ruled out of order.”

If the shareholder persists, see EMERGENCY PROCEDURES FOR DISRUPTIVE SHAREHOLDER.

PROCEDURE FOR MOTION TO INTRODUCE PROPOSAL NOT IN PROXY (Improper Motion)

SECRETARY OF MEETING:

“Your motion is out of order. As you were previously informed, even though we received this proposal in a timely manner and such proposal met our advance notice requirement, your motion is still improper at this time and may not be considered or voted upon at this meeting. We properly excluded this proposal from our proxy statement this year. The Securities and Exchange Commission agreed with our action to exclude this proposal. Since this proposal was properly excluded from our proxy statement, a vote taken at this meeting would not reflect the consideration of all of our shareholders. Therefore, your motion is hereby ruled out of order.”

If the shareholder persists, see EMERGENCY PROCEDURES FOR DISRUPTIVE SHAREHOLDER.

**PROCEDURE FOR MOTION TO INTRODUCE PROPOSAL IN
PROXY BUT WITHDRAWN BY PROPONENT PRIOR TO
MEETING**

SECRETARY OF MEETING:

“Your motion is out of order. Even though we received this proposal in a timely manner and such proposal met our advance notice requirement, your motion is still improper at this time and may not be considered or voted upon at this meeting. We properly excluded this proposal from our proxy statement this year. This proposal was withdrawn by its proponent prior to today’s meeting. Therefore, your motion is hereby ruled out of order.”

If the shareholder persists, see EMERGENCY PROCEDURES FOR DISRUPTIVE SHAREHOLDER.

PROCEDURE FOR MOTION TO NOMINATE DIRECTOR NOT IN PROXY

SECRETARY OF MEETING:

“Your motion is out of order. Our By-Laws have an advance notice provision for shareholder nominations for directors to be elected at this meeting. Our advance notice requirement for nominations for director is explained in our proxy statement. Since your nomination did not meet this requirement, it was not included in our proxy statement, and a vote taken at this meeting would not reflect the consideration of all of our shareholders. Therefore, your motion is hereby ruled out of order.

However, the Company has published procedures for the nomination of a director in its proxy statement. You may send the name of your candidate, together with background information, to our Governance and Nominating Committee for consideration.”

If the shareholder persists, see EMERGENCY PROCEDURES FOR DISRUPTIVE SHAREHOLDER.

**PROCEDURE FOR MOTION TO CONSIDER OTHER
BUSINESS NOT SET FORTH IN NOTICE OF MEETING**

SECRETARY OF MEETING:

“Your motion is out of order. Our By-Laws have provisions regarding the proposal of business to be considered by the shareholder at this meeting. In order for business to be considered at this meeting, it must be set forth in the Company’s Notice of Meeting delivered to shareholders with our proxy statement. Otherwise, it must comply with our advance notice requirement in our By-Laws and explained in our proxy statement. Since your proposal did not meet this requirement, it was not included in our proxy statement, and a vote taken at this meeting would not reflect the consideration of all of our shareholders. Therefore, your motion is hereby ruled out of order.”

If the shareholder persists, see EMERGENCY PROCEDURES FOR DISRUPTIVE SHAREHOLDER.

Position Description

Lead Independent Director

Mandate

The Lead Independent Director (the "Lead Director") shall report to and assist the Board of Directors (the "Board") the "Company"). The role of the Lead Director shall be to aid and assist the Chair and the remainder of the Board in assuring effective corporate governance in managing the affairs of the Board and the Company.

Appointment

The Lead Director will be *independent*¹ and will be appointed and may be removed by the Board.

The Nominating & Corporate Governance Committee will review annually this position description and recommend to the Board any changes that it considers appropriate.

Duties and Responsibilities

In addition to the duties of all Board members as set forth in the Company's Board Mandate, the specific responsibilities of the Lead Director are as follows:

Enhancing Board Effectiveness

- Working with the Board Chair/CEO and Corporate Secretary to ensure the Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements.
- Providing input to the Board Chair/CEO and Corporate Secretary on the preparation of agendas for Board meetings.
- Chairing Board meetings when the Board Chair/CEO is unavailable or when there is any potential conflict.
- Together with the Chairman of the Board, the Lead Director shall review annually the purpose of the Committees of the Board, and through the Nominating & Corporate Governance Committee, recommend to the Board any changes deemed necessary or desirable to the purpose of the Committees and whether any Committees should be created or discontinued.
- The Lead Director shall be available as a resource to consult with the Company's Chairman/CEO and Corporate Secretary and other Board members on corporate governance practices and policies, and shall assume the primary leadership role in addressing issues of this nature if under the circumstances it is inappropriate for the Chairman/CEO to assume such leadership.
- In the event of the absence or the incapacity of the Chairman/CEO, the Lead

Director will act as the spokesperson for the Company.

- The Lead Director shall consider questions of possible conflicts of interest or breaches of the Code of Business Conduct of Board members, as such questions arise. The Lead Director shall consider questions of possible conflicts of interest or breaches of the Code of Business Conduct of the company's Chair/CEO.

Liaison Between Board and Management and Among Directors

- In association with regularly scheduled Board meetings, the Lead Director shall chair meetings of independent directors to discuss issues relating to the Company's business without the presence of management or the Board Chair/CEO.
- The Lead Director will communicate with the Board Chair/CEO and the entire Board, as appropriate, the results of private discussions among outside directors or the results of meetings of the independent directors.
- The Lead Director shall act as a communication channel among the directors and between directors and the Board Chair/CEO in respect of issues not readily or easily discussed in a formal setting.
- The Lead Director shall coordinate the performance evaluation of the Chair.

The Nominating & Corporate Governance Committee is responsible for developing and recommending improvements to the Board with respect to this position description for the Chairman and Chief Executive Officer.

Approved by the Nominating & Corporate Governance Committee:
October 30, 2006

Approved by the Board of Directors: December 12 2006

¹ Definition is consistent with MI 52-110 independence.

Industry: Building Materials

Sales: 5 – 15 Billion

CHARTER OF LEAD INDEPENDENT DIRECTOR FOR

Background: The Board of Directors considers it to be useful and appropriate to designate a non-employee Director to serve in a lead capacity to coordinate the activities of the other non-employee Directors and to perform such other duties and responsibilities as the Board of Directors may determine.

Responsibilities: The specific responsibilities of the Lead Director are:

- 1) Preside at meetings of the Board in the absence of, or upon the request of, the Chairman.
- 2) Serve as designated member of the Executive Committee.
- 3) Preside over all executive meetings of non-employee Directors and independent Directors and report to the Board, as appropriate, concerning such meetings.
- 4) Review board meeting agendas in collaboration with the Chairman and recommend matters for the Board to consider and information to be provided to the Board.
- 5) Serve as a liaison and supplemental channel of communication between non-employee/independent Directors and the Chairman without inhibiting direct communications between the Chairman and other Directors.
- 6) Serve as the principal liaison for consultation and communication between the non-employee/independent Directors and stockholders.
- 7) Advise the Chairman concerning the retention of advisors and consultants who report directly to the Board.

Appointment of Lead Director: The Lead Director shall be elected by a majority of the independent Directors of the Board for a renewable term of two years (and until such time as her or his successor is elected) or until such earlier time as she or he ceases to be a Director, resigns as Lead Director, or is replaced as Lead Director by a majority of the independent Directors.

Qualifications of Lead Director: The Lead Director must:

- 1) qualify as an independent Director under applicable securities laws, rules or guidelines, and applicable stock exchange requirements or guidelines and any other regulatory rules;

Adopted 4/12/2007

- 2) be available to effectively work closely with and in an advisory capacity to the Chairman;
- 3) be available to effectively discuss with other Directors any concerns about the Board or the Corporation and to relay those concerns, where appropriate, to the Chairman or the Board;
- 4) help optimize the effectiveness of the Board and ensure that it operates independently of management; and
- 5) be familiar with Board governance and related procedures through experience as an independent Director or at another Company that presents a breadth and level of complexity comparable to with a preference for experience as a Committee Chair.

Absence of Lead Director: If the Lead Director is not present at any meeting of the Board, a majority of the independent Directors present shall select a Director to act as Lead Director for the purpose and duration of such meeting.

Industry: Semiconductor

Sales: Over 15 Billion

CHARTER OF THE LEAD INDEPENDENT DIRECTOR

The Board of Directors considers it to be useful and appropriate to designate a non-employee director to serve in a lead capacity to coordinate the activities of the other non-employee directors and to perform such other duties and responsibilities as the Board of Directors may determine. The specific responsibilities of the Lead Independent Director when acting as such shall be as follows:

- 1.1. Advise the Chairman as to an appropriate schedule of Board meetings, seeking to ensure that the non-employee directors can perform their duties responsibly while not interfering with on-going company operations;
- 1.2. Approve with the Chairman the information, agenda and meeting schedules for the Board of Directors' and Board Committee meetings;
- 1.3. Advise the Chairman as to the quality, quantity and timeliness of the information submitted by the company's management that is necessary or appropriate for the non-employee directors to effectively and responsibly perform their duties;
- 1.4. Recommend to the Chairman the retention of advisers and consultants who report directly to the Board of Directors;
- 1.5. Serve as Chairman of the Executive Committee and as Chairman or co-Chairman of the Corporate Governance and Nominating Committee of the Board of Directors;
- 1.6. Assist the Board of Directors, the Board's Corporate Governance and Nominating Committee and the officers of the company in better ensuring compliance with and implementation of the Board's Guidelines on Significant Corporate Governance Issues;
- 1.7. Calling meetings of the non-employee directors;
- 1.8. Develop the agendas for and serve as Chairman of the executive sessions of the Board's non-employee directors;
- 1.9. Serve as principal liaison between the non-employee directors and the Chairman on sensitive issues;
- 1.10. Recommend to the Corporate Governance and Nominating Committee and to the Chairman the membership of the various Board Committees, as well as the selection of Committee chairmen;
- 1.11. Serve as Chairman of the Board when the Chairman is not present; and
- 1.12. Serve as a liaison for consultation and communication with stockholders.

The Director of Corporate Affairs in the Legal Department shall serve as the primary contact to the Lead Independent Director and the other non-employee directors with regards to advice and counsel as requested by non-employee directors, the engagement of outside advisers, and otherwise as requested; it, nevertheless, remaining the case that each director has complete access to any Intel employee in accord with the Board's Guidelines on Significant Corporate Governance Issues.

Industry: Insurance

Sales: Unknown

Role of the Lead Independent Director

The Board of Directors considers it to be useful and appropriate to designate a non-management director to serve in a lead capacity to coordinate the activities of the other non-management directors, and to perform such other duties and responsibilities as the Board of Directors may determine. The specific responsibilities of the Lead Independent Director will be as follows:

Board Leadership

- Presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors, and takes the lead role in communicating to the Chairman any feedback, as appropriate.
- Assists in the recruitment of Board candidates.
- Has active involvement with Corporate Governance Committee in Board evaluations.
- Has active involvement with Corporate Governance Committee in establishing Committee membership and Committee Chairs.
- Works with Committee Chairs to ensure Committee work is conducted at the Committee level and succinctly reported to the Board.
- Communicates with independent directors between meetings when appropriate.
- Serves as Chairman in the event of unforeseen vacancy.

Call Meetings of Independent Directors and Committee Attendance

- Has the authority to request that the Chairman call meetings of the independent directors.
- Is encouraged to attend Committee meetings of Committees on which the Lead Director is not a member.

Function as Liaison with the Chairman

- Serves as principal liaison on Board-wide issues between the independent directors and the Chairman.
- Participates with at least one other Director in providing the Board performance feedback to the Chairman.

Participate in Flow of Information to the Board Such as Board Meeting Agendas and Schedules

- In conjunction with the Chairman, develops an annual Board agenda with a focus on the areas of Board responsibility.
- In conjunction with Chairman, develops Board meeting agendas and ensures critical issues are included.
- Advises Chairman on the quality, quantity, appropriateness and timeliness of information provided to the Board.
- Reviews meeting schedules in advance to assure that there is sufficient time for discussion of all agenda items.

Recommend Outside Advisors and Consultants

- Recommends to the Board the retention of outside advisors and consultants who report directly to the Board of Directors on board-wide issues.

External Communication

- Is available, when appropriate, for consultation and direct communication with rating, agencies, regulators and other external constituencies, as needed.
- Attends annual meeting of Policyholders.
- Serves as a contact for policyholders wishing to communicate with the Board of Directors other than through the Chairman.

Appointment and Term

- The Corporate Governance Committee, in conjunction with the Chairman, shall be responsible for recommending a candidate for the position of Lead Director from among the independent, unrelated members of the Board.
- The Lead Director shall serve in that position until a successor shall have been duly elected or appointed by the Board or until the Lead Director resigns, or is otherwise removed from or replaced in that office by the Board.

Industry: Construction
Sales: 2.5 – 5 Billion

LEAD INDEPENDENT DIRECTOR CHARTER
(as adopted March 2, 2007)

Lead Independent Director

In circumstances where the Chairman of the Board of Directors is not independent, the Board of Directors considers it to be useful and appropriate to designate a Lead Independent Director to coordinate the activities of the other independent directors and to perform such other duties and responsibilities as the Board of Directors may determine. The general authority and responsibilities of the Lead independent Director are established in this charter adopted by the Board and reviewed annually by the Nominating and Corporate Governance Committee. Service as Lead Independent Director generally should not exceed five consecutive years but subject to the Board's discretion to set other guidelines in specific instances.

The General Counsel and the Corporate Secretary will provide support to the Lead Independent Director in fulfilling the Lead Independent Director's role, including with regard to advice and counsel as may be requested by the Lead Independent Director or the non-employee directors, the engagement of outside advisers and consultants who report directly to the Board of Directors, and otherwise as requested. The Lead Independent Director may consult with outside counsel and other advisors as he or she deems appropriate in fulfilling the Lead Independent Director role.

Responsibilities and Duties:

The specific responsibilities of the Lead independent Director when acting as such shall be as follows:

1. In consultation with the other non-employee directors, advise the Chief Executive Officer as to an appropriate schedule of Board meetings, seeking to ensure that the independent and the other non-employee directors can perform their duties responsibly while not interfering with ongoing company operations.
2. Consult with the Chief Executive Officer regarding the information, agenda and schedules of the meetings of the Board of Directors and Board Committee.
3. Advise the Chief Executive Officer as to the quality, quantity and timeliness of the information submitted by the company's management that is necessary or appropriate for the independent and the other non-employee directors to effectively and responsibly perform their duties.
4. Recommend to the Board of Directors and the Board Committees the retention of advisers and consultants who report directly to the Board of Directors.
5. Serve on the Executive Committee and on the Corporate Governance and Nominating Committee of the Board of Directors.
6. Call meetings of the independent directors and the non-employee directors, as appropriate.
7. Serve as Chairman of the executive sessions of the Board's independent directors and its non-employee directors.

LEAD INDEPENDENT DIRECTOR CHARTER
(as adopted March 2, 2007)

8. Serve as principal liaison between the independent and the non-employee directors and the Chief Executive Officer of the Company.
9. Chair the meetings of the Board when the Chairman is not present.
10. Respond directly to stockholder and other stakeholder questions and comments that are directed to the Lead Independent Director or to the independent directors as a group, with such consultation with the Chief Executive Officer and other directors as the Lead Independent Director may deem appropriate.

Type: Nonferrous Metal
Sale: 2.5 - 5.0 billion

LEAD DIRECTOR OF POSITION DUTY STATEMENT

- The lead independent director is responsible for:
 - * Coordinating the activities of the independent directors.
- In addition to the duties of all board members as set forth in the company's governance guidelines, the specific responsibilities of the lead independent director are as follows:
 - * Advise the chair as to an appropriate schedule of board meetings, seeking to ensure that the independent directors can perform their duties responsibly while not interfering with the flow of company operations.
 - * Provide the chair with input as to the preparation of the agendas for the board and committee meetings and approve board agendas and information sent to the board.
 - * Advise the chair as to the quality, quantity, and timeliness of the flow of information from company management that is necessary for the independent directors to effectively and responsibly perform their duties; although company management is responsible for the preparation of materials for the board, the lead independent director may specifically request the inclusion of certain material.
 - * Recommend to the chair the retention of consultants who report directly to the board.
 - * Interview, along with the chair of the Directors and Corporate Governance Committee, all board candidates, and make recommendations to the Directors and Corporate Governance Committee and the board.
 - * Coordinate, develop the agenda for and moderate executive sessions of the board's independent directors as well as sessions where the chairman is not present; act as principal liaison between the independent directors and the chair on sensitive issues.
 - * Recommend to the chair the membership of the various board committees, as well as selection of the committee chairs.
 - * May call meetings of the independent directors.
 - * Is available for consultation and direct communication if requested by major shareholders and after consultation with the Chairman of the Board.

[Company]
Annual Meeting

<u>Tab</u>	<u>Description</u>
1	Script
2	Affidavit of Shareholder List
3	Affidavit of Mailing – includes AGM materials (Inspector of Election)
4	Affidavit of Mailing (Inspector of Election)
5	Proxy Ballot
6	Meeting Ballot
7	Proxy Appointment
8	Report of Inspectors of election
9	Judge and Inspector Oaths
10	Shareholder List
11	Affidavit of Broker Search Mailing
12	Vote Results
13	Duties and Powers of Chairman of Annual Meeting (legal memo)
15	Memorandum of Association
16	Bye-Laws

ANNUAL MEETING OF STOCKHOLDERS
INDEX

1. Agenda
2. Annual Meeting Detail
3. BOD /LT Dinner Script
4. Annual Meeting Script and State of Company Speech
5. Talking Points
6. Litigation Backup
7. Emergency Procedures
 - a. General Procedure for Out-of-Order Motion
 - b. Proposal not in Proxy
 - c. Excluded Proposal not in Proxy
 - d. Withdrawn Proposal not in Proxy
 - e. Director Nomination
 - f. Other Business
 - g. Disruptive Stockholder
8. Voting
 - a. Vote Totals
 - b. Quorum (Required/Actual)
 - c. Voting History – Stockholder Proposals
9. Corporate Governance Ratings and Proxy Analysis Memorandum
 - a. ISS Analysis
 - b. Glass Lewis Analysis
 - c. Proxy Governance Inc.
 - d. The Corporate Library Analysis
10. Attendee List (Proponents/Representatives)
11. Certificate of Incorporation
12. By-Laws
13. Proxy Statement
14. Secretary's Certificate Appointing Inspector of Election/Certificate of Mailing
15. Governance Principles

Resolution from Board Minutes:

Super-Majority Voting Requirements

RESOLVED, that the Board of Directors of the Corporation hereby approves and declares it advisable that Article VIII of the Restated Certificate of Incorporation of the Corporation be amended to read in its entirety as follows:

“ARTICLE VIII

In addition to any requirements of law and any other provisions of this Restated Certificate of Incorporation or any resolution or resolutions of the Board of Directors adopted pursuant to Article IV of this Restated Certificate of Incorporation (and notwithstanding the fact that a lesser percentage may be specified by law, this Restated Certificate of Incorporation or any such resolution or resolutions), the affirmative vote of the holders of a majority or more of the combined voting power of the then outstanding shares of Voting Stock, voting together as a single class, shall be required to amend, alter or repeal, or adopt any provision inconsistent with, this Article VIII, Article IX, or Section 5 of Article IV, of this Restated Certificate of Incorporation. Subject to the foregoing provisions of this Article VIII, the Corporation reserves the right to amend, alter or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are subject to this reservation.”

RESOLVED, FURTHER, that the proposed amendment to the Corporation's Restated Certificate of Incorporation be submitted to the stockholders entitled to vote thereon for consideration at the 2008 annual meeting of stockholders, and the amendment is hereby recommended to the stockholders for approval;

RESOLVED, FURTHER, that the Board of Directors may abandon such proposed amendment, before or after stockholder approval thereof, without further action by stockholders at any time prior to the effectiveness of the amendment;

RESOLVED, FURTHER, that upon receipt of stockholder approval of the proposed amendment, the officers of the Corporation be, and each of them hereby is, authorized, empowered and directed, for and on behalf of the Corporation, to take any and all actions, to perform all such acts and things, to execute, file, deliver or record in the name and on

behalf of the Corporation, all such certificates, instruments, agreements or other documents, including without limitation, a Certificate of Amendment substantially in the form set forth in Attachment B, and to make all such payments as they, in their judgment, or in the judgment of any one or more of them, may deem necessary, advisable or appropriate in order to carry out the purpose and intent of the foregoing resolutions, the authorization therefore to be conclusively evidenced by the taking of such action or the execution and delivery of such certificates, instruments, agreements or documents.

Time Warner

Time Warner Inc.
One Time Warner Center
New York, NY 10019-8016

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting (the "Annual Meeting") of Stockholders of Time Warner Inc. (the "Company") will be held on Friday, May 18, 2007 at 10:00 am (local time). The meeting will take place at:

Steven J. Ross Theater
Warner Bros. Studios
4000 Warner Boulevard
Burbank, California 91522

(see directions on back cover)

The purposes of the meeting are:

1. To elect 13 directors for a term of one year, and until their successors are duly elected and qualified;
2. To ratify the appointment of the firm of Ernst & Young LLP as independent auditors of the Company for 2007;
3. To consider and approve the Company's proposal to amend the Company's Restated Certificate of Incorporation to eliminate certain super-majority voting requirements for stockholders to amend the Company's By-laws;
4. To consider and vote on the stockholder proposals described in the attached Proxy Statement, if properly presented at the Annual Meeting; and
5. To transact such other business as may properly come before the Annual Meeting.

The close of business on March 30, 2007 is the record date for determining stockholders entitled to vote at the Annual Meeting. Only holders of the Company's common stock and series common stock as of the record date are entitled to vote on some or all of the matters listed in this Notice of Annual Meeting.

Whether or not you plan to attend the Annual Meeting in person, please sign and date the enclosed proxy and return it promptly in the enclosed pre-addressed reply envelope, or submit your proxy by telephone or the Internet. Any stockholder of record who is present at the meeting may vote in person instead of by proxy, thereby canceling any previous proxy. You may not appoint more than three persons to act as your proxy at the meeting.

Please note that, if you plan to attend the Annual Meeting in person, you will need to register in advance to be admitted. You may register in advance by telephone at (866) 458-6127 or by Internet at www.timewarner.com/registration2007. The Annual Meeting will start promptly at 10:00 am. To avoid disruption, admission may be limited once the meeting begins.

TIME WARNER INC.
PAUL F. WASHINGTON
Secretary

April 9, 2007

Proposed Amendments to Articles VII and VIII of the Company's Restated Certificate of Incorporation

[Deletions indicated by strike-out; additions indicated by underline]

ARTICLE VII

In furtherance and not in limitation of the powers conferred upon it by law, the Board of Directors is expressly authorized to adopt, repeal, alter or amend the By-laws of the Corporation by the vote of a majority of the entire Board of Directors or such greater vote as shall be specified in the By-laws of the Corporation. In addition to any requirements of law and any other provision of this Restated Certificate of Incorporation or any resolution or resolutions of the Board of Directors adopted pursuant to Article IV of this Restated Certificate of Incorporation (and notwithstanding the fact that a lesser percentage may be specified by law, this Restated Certificate of Incorporation or any such resolution or resolutions), the affirmative vote of the holders of ~~80%~~ a majority or more of the combined voting power of the then outstanding shares of all classes and series of capital stock of the Corporation entitled generally to vote in the election of directors of the Corporation ("Voting Stock"), voting together as a single class, shall be required for stockholders to adopt, amend, alter or repeal any provision of the By-laws of the Corporation.

ARTICLE VIII

In addition to any requirements of law and any other provisions of this Restated Certificate of Incorporation or any resolution or resolutions of the Board of Directors adopted pursuant to Article IV of this Restated Certificate of Incorporation (and notwithstanding the fact that a lesser percentage may be specified by law, this Restated Certificate of Incorporation or any such resolution or resolutions), the affirmative vote of the holders of 80% or more of the combined voting power of the then outstanding shares of Voting Stock, voting together as a single class, shall be required to amend, alter or repeal, or adopt any provision inconsistent with, this Article VIII, Article IX, ~~or Article VII~~ or Section 5 of Article IV, of this Restated Certificate of Incorporation. Subject to the foregoing provisions of this Article VIII, the Corporation reserves the right to amend, alter or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are subject to this reservation.

A-1

Instructions to Vote on Directors

1. Election of Directors

Nominees:

- | | |
|----------------------------|------------------------------|
| (01) James L. Barksdale | (08) Reuben Mark |
| (02) Jeffrey L. Bewkes | (09) Michael A. Miles |
| (03) Stephen F. Bollenbach | (10) Kenneth J. Novack |
| (04) Frank J. Caufield | (11) Richard D. Parsons |
| (05) Robert C. Clark | (12) Francis T. Vincent, Jr. |
| (06) Mathias Döpfner | (13) Deborah C. Wright |
| (07) Jessica P. Einhorn | |

For All **Withhold All** **For All Except**

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the nominee's name on the line below:

Instructions to Vote On Proposals

For **Against** **Abstain**

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 2. Ratification of Auditors. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Company Proposal to Amend the Company's Restated Certificate of Incorporation to Eliminate Certain Super-Majority Vote Requirements. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Stockholder Proposal regarding Advisory Resolution to Ratify Compensation of Named Executive Officers. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Stockholder Proposal regarding Separation of Roles of Chairman and CEO. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Stockholder Proposal regarding Simple Majority Vote. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Stockholder Proposal regarding Special Shareholder Meetings. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Stockholder Proposal regarding Stockholder Ratification of Director Compensation When a Stockholder Rights Plan Has Been Adopted. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. To grant discretionary voting authority to management persons regarding such other matters as may properly come before the meeting. | | | |

Yes No

Please indicate if you plan to attend this meeting.

This instruction card must be signed exactly as name appears hereon.

Signature [PLEASE SIGN WITHIN BOX]	Date

Signature (Joint Owners)	

Corporate Responsibility

January 24, 2006

Corporate Minute-Taking: A General Counsel's Guide

The post-Sarbanes-Oxley environment calls upon governing boards to place renewed emphasis on the proper role of corporate minutes as a record of organizational and board conduct. Indeed, the recently concluded *Disney* shareholder derivative litigation is the latest in a series of [Delaware] cases in which the state of corporate minutes played an important role in the court's decision.

While experts may disagree on the most appropriate style for minutes (*e.g.*, "comprehensive" v. "minimalist"), there is virtually no disagreement on the importance attributed to an effective minute-taking process. It is becoming increasingly clear that properly prepared corporate minutes can provide the organization and its board members with meaningful protection against certain liabilities, while inadequate minutes increase legal exposure. Given the regulatory pressures of corporate responsibility, traditional approaches to minute-taking may no longer be sufficient to serve the interests of the organization and the board.

Specifically, this renewed emphasis is likely to require a substantially increased role for both the general counsel in the minute-taking process and individual board members in the review and approval of draft minutes.

The goal of this discussion is to guide corporate general counsel as they advise executive leadership and the board on an updated, effective minute-taking process.

The Role of Minutes

How Minutes Can Help

The fundamental role of corporate minutes is to preserve an accurate and official record of the proceedings of a board or committee meeting. Well-kept corporate minutes serve as a record of corporate decisions, reflect director dissent where appropriate, offer guidance for future board action, serve as a valuable source of contemporaneous evidence in regulatory

or judicial proceedings and reduce misunderstanding as to the intent of the board. Corporate minutes can document compliance by board and committee members with their fiduciary obligations. Furthermore, the maintenance of accurate, thorough corporate minutes is consistent with the Sarbanes-Oxley emphasis on greater accountability and disclosure.

How Minutes Can Hurt

Poorly kept corporate minutes deny the board a potentially dispositive resource from which to defend their conduct or to explain the full nature of a board decision. In addition, regulators and other plaintiffs will seek access to corporate minutes to bolster their arguments, and courts themselves will give substantial credence to the contents of minutes. Recent developments offer painful examples of the cost attributed to potential consequences of incomplete or insufficiently prepared minutes.

For example, the perceived limitations of the Disney Compensation Committee minutes (*e.g.*, brevity, inconsistency with the subsequent recollection of Disney officers) played a major role in the ability of the plaintiffs to withstand a motion to dismiss and to proceed to trial. In addition, in the New York attorney general's challenge to the compensation of the former New York Stock Exchange, Inc.'s chief executive officer (CEO), a close review of board and compensation committee minutes served as a primary basis for the breach of fiduciary duty allegations. Similarly, much of the bankruptcy examiner's criticism of the WorldCom board of directors and its inattentiveness concerning corporate affairs was based upon its review of corporate minutes and similar records. In these and other high-profile cases, corporate minutes have provided damaging evidence of (or created unfavorable inferences concerning) breach of fiduciary duty and/or created confusion or misunderstanding concerning the intentions of the board.

Suggested Approach

In re-evaluating the sufficiency of its minute-taking process, the corporation's board and its general counsel may wish to consider the following approach.

Remember the Purpose

Well-prepared corporate minutes record principal actions taken at board and committee meetings. When well prepared, minutes can achieve the collateral purposes of reducing the board's liability profile and assisting director recruitment and retention efforts.

Practice Suggestion: Schedule a special educational session at an upcoming meeting to brief the board on the renewed importance of the minute-taking process and specific changes in board practices that may be required in response.

Length

While the fundamental purposes of minute-taking can be achieved by a "minimalist" approach, greater benefits are likely to be achieved by means of detail and elaboration. This does not mean minutes should be a "virtual transcript," but rather an elongated approach is more likely to establish the prudence and clarity of the decision-making process. After all, the very meaning of "minutes" infers a document that is a summarized record of actual events. A willingness to be expansive allows the scrivener to better reflect both the "flow" and "spirit" of the meeting, spending more time describing the discussion of more significant agenda items.

Practice Suggestion: Avoid artificial, officer-mandated limitations on the length of minutes, adopted primarily to facilitate "easy" director review. The length of the minutes should bear a direct relationship to the importance of the meeting agenda.

Reflecting Business Judgment

Demonstrate compliance with fiduciary obligations within the minutes by incorporating (i) the substance and tenor of the deliberations, (ii) an identification of the general amount of time spent on a particular issue in order to reflect the related level of attention provided by the board, (iii) a recitation of the material presented to the board for its review and (iv) confirmation (where accurate) the board received the material in advance of the meeting. Especially given the *Disney* court's focus on conduct of individual directors, each of these are matters in which each director will have an interest in establishing an adequate record.

Practice Suggestions:

- Don't attempt to reflect all of the questions raised by board members in the context of a meeting but rather emphasize broadly the involvement and "constructive skepticism" of board members.
- Note for the record where material that is the subject of discussion was distributed to the board in advance of the meeting and by what time.

Basic Features

Regardless of the subject matter discussed at a meeting, certain fundamental matters should always be reflected in the minutes: (i) the meeting date, time, duration and location; (ii) the nature (regular or special) of the meeting; (iii) a list of participants, separating officers and directors from invited staff, advisors and guests and those absent; (iv) presence (or lack of presence) of a quorum; (v) the names of all individuals making specific presentations; (vi) a list of all material distributed at the meeting; (vii) the general items of discussion, which may be satisfied by attaching a copy of the agenda and noting any deviation from it and (viii) confirmation of all action taken, including adoption of resolutions.

Practice Suggestions:

- Be careful to explicitly reference (in the text or by footnote) the title of written and audio/visual (*e.g.*, PowerPoint) presentations made during the meeting, particularly as they may relate to a decision upon which the board is expected to render.
- Regardless of whether they are actually in attendance at the meeting, the minutes should reflect the names of all professionals and consultants who provided advice to the corporation on a matter presented to the board for consideration, including the nature and form of that advice.

Specific Decisions

Minutes should reflect the specific decisions taken at the meeting, whether they involved a decision to take action or not to take action. If necessary for compliance or fiduciary duty purposes, the minutes should reflect those specific factors that were material to the board's decision. In this regard, it may often be useful to record the board's consideration of advantages and disadvantages of, and alternatives to, a specific proposal.

Practice Suggestion: In relating specific decisions, be sure to acknowledge debate, *e.g.*, "The chief financial officer identified the various assumptions on which her projections were based, and a discussion followed."

Recording Conflicts, Dissents and Abstentions

Minutes should reflect those directors who refrain from voting or participating in the discussion due to identified conflicts of interest, as it is vitally important to establish the disinterested nature of any board action. In addition, the current liability environment suggests accommodating the interests of individual directors who wish their dissenting vote or abstention be reflected for the record.

Practice Suggestion: An example of identifying disinterest or dissent is "Director X was excused from participating in both

the discussion of, and vote on, the matter. Directors Y and Z voted against the motion.”

Attorney-Client Privilege

Those portions of board meetings devoted to discussion of attorney-client privileged matters should be noted as such in the minutes without further elaboration, other than confirmation that the privileged discussion was conducted in the presence of counsel. If more elaborate minutes of privileged discussions are needed, they should be memorialized in separate minutes marked “Confidential-Attorney-Client Privileged,” and kept apart from other minutes in a secure and confidential location.

Practice Suggestion: In referencing attorney-client privilege, specific language should be used, *e.g.*, “Legal counsel for the corporation, John Doe, Esq., provided legal advice to the board concerning the proposal followed by a discussion between the board and counsel. Counsel informed the board that this portion of the meeting was subject to the attorney-client privilege” or, alternatively, “A privileged discussion between the board and legal counsel for the corporation, John Doe, Esq., then occurred and for which separate privileged minutes were taken.”

Key Committees

Particular attention to accurate minute-taking should be made for proceedings of committees with specific regulatory importance, such as audit, compliance and executive compensation. Minutes provide an opportunity to confirm, where appropriate, the consistency of committee action with “best practices” and satisfaction of regulatory “safe harbors” (*e.g.*, the compensation committee and the “rebuttable presumption of reasonableness”).

Practice Suggestions:

- Committee charters should specify that meeting minutes are to be taken.
- A process should be adopted for distribution of minutes outside of the committee upon request.

Executive Session

Increasingly popular as a “best practice,” it may be unnecessary to take detailed minutes of executive sessions as long as some written record is kept confirming the session was held, its participants and the date, time, location and duration of the meeting.

Practice Suggestion: The general counsel or, if not invited, the board chair/lead independent director may choose to take notes of discussion topics, an oral summary (or portions) of which may subsequently be shared with the chief executive officer.

Secretary and Directors' Notes

Ideally, the minutes should be the only record of the board or committee meeting. While directors may wish to take notes regarding the meeting to which they can refer when subsequently reviewing the draft minutes, there are liability risks associated with such practice. Rather, the director may prudently choose to rely on minutes taken by a neutral, trained party, which are more likely to represent an accurate and complete record of meeting activity.

Practice Suggestions:

- Directors need not retain any meeting notes after reviewing and approving the formal minutes of that meeting.
- Avoid tape recording meetings as a means of facilitating the drafting of minutes.

The Review Process

The Board must make a *bona fide* effort to promptly review and approve draft minutes. This is likely to require a change in practice by many directors. Excessive editing by management should be discouraged to avoid any suggestion of a lack of integrity in the minutes.

Practice Suggestion: The CEO should join with the general counsel in explaining to the board the benefits to the corporation and to the individual directors of ascribing greater attention to the review and approval of draft minutes.

The Role of the Scrivener

Minute-taking has evolved from a ministerial practice to more of an “art form.” Given the significance attributed to minutes by all of the participants in the governance process, it is important the process is overseen by an individual with strong familiarity with applicable governance practices and legal principles. This person must have the expertise to recognize nuances of the discussion, the credibility to suspend a particular discussion to ask for clarification and the authority to assure the accuracy of the final minutes and their consistency with related corporate disclosures. This suggests a much more active role for the general counsel in the minute-taking process.

Practice Suggestion: Oversight of the minute-taking process offers yet another powerful argument for always inviting the general counsel to attend board and key committee meetings.

In the post-Sarbanes environment, a thorough, accurate corporate minute-taking process provides substantial benefits to the corporation and its governing board. Corporate minutes cannot compensate for improper, inattentive or deficient board behavior; therefore, a close review and refinement of existing board processes is highly recommended.

For more information, please contact your regular McDermott lawyer, or:

Russell Hayman: 310.551.9334 rhayman@mwe.com

Mark J. Mihanovic: 650.813.5138 mmihanovic@mwe.com

Michael W. Peregrine: 312.984.6933 mperegrine@mwe.com

© 2006 McDermott Will & Emery. The Firm conducts its practice through McDermott Will & Emery LLP; McDermott Will & Emery/Carnelutti Studio Legale Associato; McDermott Will & Emery Rechtsanwälte LLP; MWE Steuerberatungsgesellschaft mbH; McDermott Will & Emery UK LLP and McDermott Will & Emery/Stanbrook LLP. These entities coordinate their activities through service agreements. This communication may be considered advertising under the rules regulating the legal profession.

For more information about McDermott Will & Emery visit:

www.mwe.com

The material in this publication may not be reproduced, in whole or part without acknowledgement of its source and copyright. *On the Subject* is intended to provide information of general interest in a summary manner and should not be construed as individual legal advice. Readers should consult with their McDermott Will & Emery lawyer or other professional counsel before acting on the information contained in this publication.

Inside Front Cover:

Agenda

Preliminary Matters

- Welcome and Opening Remarks
- Introductions

Business Meeting

- Voting on the Following Ballot Items:
 - Election of directors
 - Ratify selection of independent auditors
 - Stockholder Proposals:

State of the Company Remarks

Results of the Voting

Questions and Answers

Adjournment

Inside Back Cover:

Annual Meeting Procedures

In order to conduct a fair and informative Annual Meeting, please observe the following general procedures.

- The use of audio- or video-taping equipment, cell phones, “blackberrys” and cameras or recording equipment of any kind is prohibited.
- Stockholders may address the Meeting only when recognized by the Chairman. Stockholder remarks must be limited to the matters properly before the Meeting.
- If a stockholder has a comment directly related to one of the ballot items, please go to a stand-up microphone after the item has been presented, and wait to be recognized by the Chairman. Please state your name and that you are a stockholder, or that you represent a stockholder, and offer your comment.
- Stockholder questions and comments not directly related to one of the ballot items but relevant to the Company and the Meeting should be held until the Question and Answer session of the Meeting.
- To be respectful of everyone’s time, each stockholder comment on a ballot item, or question or remark during the Question and Answer session, will be limited to 2 minutes.
- We welcome stockholders’ views and comments. However, the purpose of the Meeting will be observed, and the Chairman may stop discussions that are, for example:
 - Irrelevant to the Meeting or the business of the Company
 - Derogatory references that are not in good taste
 - Substantially repetitious of statements made by others
 - Matters of individual concern to a stockholder, such as individual employee relations complaints, individual customer complaints, or vendor complaints
- A hand-held microphone is available if you are unable to use the stand-up mikes. Just raise your hand, and a Company representative will help you.
- Failure to comply with these procedures is grounds for ejection from the Meeting.

EMERGENCY PROCEDURES FOR DISRUPTIVE SHAREHOLDER

1. First and Informal Warning

CHAIRMAN:

“Thank you for your comments. We appreciate your input. However, we have established procedures for the orderly conduct of this meeting. You should have received a copy of these procedures when you entered the meeting. As you can see, your conduct is violating these procedures and substantially interfering with the orderly processes of this meeting. Please observe the procedures and cease and desist from this conduct. You will have an opportunity to be heard later in this meeting.”

[Mr. _____ persists]

2. Second and Formal Warning

SECRETARY:

“In my capacity as General Counsel of the Company and as Secretary of this meeting, and pursuant to the Company’s By-Laws, it is my responsibility to help ensure that an organized meeting for all shareholders of [Company] is held on these premises.

Your conduct is substantially impairing the orderly processes of this meeting. By your actions, you have demonstrated that you have come here to obstruct and interfere with the orderly conduct of this meeting. As I indicated, you will have an opportunity to be heard later in the meeting at the appropriate time.

If you do not cease and desist from this conduct immediately, you will be removed from the meeting.”

[NOTE: Can also shut off speaker’s microphone.]

[Mr. _____ persists]

3. Removal and Arrest

SECRETARY:

“I previously advised you of my responsibility to help ensure that an organized meeting for all shareholders of [Company] is held on these premises.

You have persisted with your conduct which continues to impair the orderly processes of this meeting. Again, you have demonstrated that you have come here to obstruct and interfere with the orderly conduct of this meeting.”

Call on [Corporate Security] to proceed with the removal.

NOTE: If feasible, [Corporate Security] should escort the shareholder out of the meeting and/or arrest the shareholder. Depending upon circumstances, other individuals may also do so.

ARREST PROCEDURE.

“My name is _____ and I am acting on behalf of [Company]. You are interfering with business and therefore are here without the consent of [Company]. You must leave immediately or you will be subject to arrest.”

[Wait a moment, then ask Security to arrest the individual.]

Basis for Arrest: Cite to local statutes governing Disorderly Conduct, Trespass, Designation of police to enforce trespass violations, and Peace and Good Order/Loitering.

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

EXECUTIVE SPONSOR:	Senior Vice President,General Counsel & Corporate Secretary	PROXY TEAM MEMBERS:
CHAMPION:	Associate General Counsel, Assistant Secretary	
OPERATING OWNERS:		Corporate Secretary Specialist, Legal
COMPENSATION & BENEFITS:	HR Leader, Compensation	Group Leader, Finance (Controller/Principal Accounting Officer's organization)
LEGAL:	Senior Attorney	Senior Attorney
	Corporate Secretary Specialist, Legal	HR Leader, Compensation
CONTROLLER'S GROUP:	Group Leader, Finance (Controller/Principal Accounting Officer's organization)	HR, Qualified Plans
SOX:	Program Manager, Corporate Risk Management	Finance (SOX Control)
		Associate General Counsel, Assistant Secretary
		Process Leader, Finance (Controller/Principal Accounting Officer's organization)
		HR, Compensation
		HR Benefits
		HR Leader, Compensation & Benefits
		Program Manager, Corporate Risk Management

ACTION	DATE	OWNER(S)	STATUS
Proxy Team Kick-Off Meeting	09/25/07	Corporate Secretary Specialist, Legal	COMPLETED
Webcast - Tackling Your 2008 Compensation Disclosures: 2nd Annual Proxy Disclosure Conference	10/09/07	Corporate Secretary Specialist, Legal	COMPLETED

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Webcast - Hot Topics and Practical Guidance: <i>The Corporate Counsel</i> Speaks	10/10/07	Corporate Secretary Specialist, Legal	COMPLETED
Webcast - 4th Annual Executive Compensation Conference	10/11/07	Corporate Secretary Specialist, Legal	COMPLETED
Confirm PwC performance of "agreed upon procedures" on comp tables and dates of service	10/15/07	HR, Benefits / Group Leader, Finance (Controller/Principal Accounting Officer's organization)	COMPLETED
Work with Group Leader, Finance (Controller/Principal Accounting Officer's organization) to include PwC "agreed upon procedures" as part of the Audit Committee pre-approval request at the 1/29/08 Audit Committee meeting	10/15/07	HR, Benefits	COMPLETED
Review process changes for CEO, CFO and Disclosure Committee	10/16/07	Group Leader, Finance (Controller/Principal Accounting Officer's organization)	
Proxy Team Meeting	10/16/07	Corporate Secretary Specialist, Legal	10:00-11:00 a.m. (ET), People 4
Broadridge Notice and Access Online Seminar	10/16/07	Senior Attorney / Corporate Secretary Specialist, Legal	2:00-3:00 p.m. (ET); COMPLETED - CMC ATTENDED
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues; By this date, confirm that no management proposals are necessary	10/17/07	Corporate Secretary Specialist, Legal	2:00-2:30 p.m. (ET), Integrity 4; CANCELLED DUE TO LACK OF AGENDA ITEMS
Validate process flows and key controls with HR Leader, Compensation & Benefits, HR Leader Compensation and HR Benefits	10/18/07	Program Manager, Corporate Risk Management	

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
If any changes from previous year, draft process flows and key controls; Define evidential matter and test strategies	10/20/07	Program Manager, Corporate Risk Management	
Develop detailed testing calendar and delivery dates	10/23/07	Program Manager, Corporate Risk Management	
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	10/24/07	Corporate Secretary Specialist, Legal	3:30-4:00 p.m. (ET), Integrity 4; CANCELLED DUE TO LACK OF AGENDA ITEMS
Proxy Team Meeting	10/25/07	Corporate Secretary Specialist, Legal	11:00 a.m.-12:00 p.m. (ET), Customers 4; CANCELLED DUE TO LACK OF AGENDA ITEMS
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	10/30/07	Corporate Secretary Specialist, Legal	2:30-3:00 p.m. (ET), Integrity 4; CANCELLED DUE TO LACK OF AGENDA ITEMS
Validate SOX process flows and key controls with PwC; Align detailed testing calendar and delivery dates with Program Manager, Corporate Risk Management; Align detailed testing calendar and delivery dates with HR Leader, Compensation & Benefits, HR Leader Compensation and HR Benefits	10/31/07	Program Manager, Corporate Risk Management	
Determine requirements for any additional SAS 70 reports from key service providers based on provision of services significant to the process; Assess impact on representation letters; Assess impact on ELCA; Align detailed testing calendar and delivery dates with Sr. VP & CFO	11/01/07	Program Manager, Corporate Risk Management	

Type:Service Business

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

Sales: 1.0-2.5 billion

ACTION	DATE	OWNER(S)	STATUS
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	11/07/07	Corporate Secretary Specialist, Legal	COMPLETED
Proxy Team Meeting	11/08/07	Corporate Secretary Specialist, Legal	11:00 a.m.-12:00 p.m. (ET), Customers 4; CANCELLED DUE TO LACK OF AGENDA ITEMS
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	11/14/07	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED DUE TO LACK OF AGENDA ITEMS
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	11/21/07	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED DUE TO LACK OF AGENDA ITEMS
Deadline for receipt of shareholder proposals (deadline included in prior year proxy statement per Rule 14a-8)	11/23/07	Senior Attorney	NONE RECEIVED
Send form of D&O Questionnaire to outside counsel for review	11/26/07	Corporate Secretary Specialist, Legal	DONE 11/14
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	11/28/07	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED DUE TO LACK OF AGENDA ITEMS
Proxy Team Meeting	11/29/07	Corporate Secretary Specialist, Legal	11:00 a.m.-12:00 p.m. (ET), People 4
Confirm 1) the need for a proxy solicitor and 2) the use of Morrow & Co. as proxy solicitor	11/30/07	Corporate Secretary Specialist, Legal	COMPLETED

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
<p>Send out e-mails requesting the following info for the D&O Questionnaires:</p> <ul style="list-style-type: none"> - Estimated rights to acquire w/in 60 days of fiscal year end for officers and directors (HR, Benefits); due by 12/19/07 - Estimated fiscal year-end gross revenue and total assets (Group Leader, Finance (Controller/Principal Accounting Officer's organization)/Principal Accounting Officer); due by 12/14/07 - Draft subsidiary list to VP-Tax Dept.; feedback due by 12/17/07 	12/03/07	Corporate Secretary Specialist, Legal	<p>COMPLETED</p> <p>Request sent on 12/10/07</p> <p>Request sent on 12/10/07</p> <p>Request sent on 12/10/07</p>
<p>Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues</p>	12/05/07	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED DUE TO LACK OF AGENDA ITEMS
<p>Comments on form of D&O Questionnaire due from outside counsel</p>	12/06/07	Corporate Secretary Specialist, Legal	RECEIVED ON 11/21; asked for additional clarity on 11/26
<p>Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues</p>	12/12/07	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; COMPLETED
<p>Board, C&BC and BAC meetings (approval of Annual Meeting actions and nominate directors)</p>	12/13-12/14/07	Senior Attorney	COMPLETED
<p>Receive from Group Leader, Finance (Controller/Principal Accounting Officer's organization)/Principal Accounting Officer the estimated fiscal year-end gross revenue and total assets (for ODQ)</p>	12/14/07	Corporate Secretary Specialist, Legal	COMPLETED
<p>Receive from VP-Tax Dept. feedback on the subsidiary list (for ODQ)</p>	12/17/07	Corporate Secretary Specialist, Legal	COMPLETED

Type:Service Business

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

Sales:1.0-2.5 billion

ACTION	DATE	OWNER(S)	STATUS
Ensure "The Company" registration is updated on The Depository Trust Co. (DTC) website (https://portal.dtcc.com/), in order to receive Security Position Listing as of annual meeting record date.	12/17/07	Corporate Secretary Specialist, Legal	COMPLETED
Proxy Team Meeting	12/17/07	Corporate Secretary Specialist, Legal	11:00 a.m.-12:00 p.m. (ET), People 4
<p>In connection with Board approval of the 2008 Annual Meeting actions, advise Broadridge via e-mail (cc'ing Morrow & Co.) of:</p> <ul style="list-style-type: none"> - the date, time and location of our 2008 Annual Shareholders' meeting - Annual Meeting record date - Our intention to use their services for proxy materials delivery (e-proxy, hard copy, etc.) - Our intention to use their services for as vote tabulator, inspectors of election, and internet and phone voting - Our intention to use their services for as vote tabulator, inspectors of election, and internet and phone voting 	12/18/07	Corporate Secretary Specialist, Legal	COMPLETED
Notify NYSE of record date and date and location of Annual Meeting through the NYSE's egovdirect.com website. [Minimum 10 days notice of record date; NYSE Listing Agreement]	12/18/07	Corporate Secretary Specialist, Legal	COMPLETED
<ul style="list-style-type: none"> ➤ Cover Page for SEC Filing, Letter to Shareholders and Notice of Annual Meeting ➤ General Information section: <ul style="list-style-type: none"> - Annual Meeting Admission - Who Can Vote - List of Shareholders - How to Vote - Revocation of Proxies - Voting Shares in "The Company" Plans - Householding Information - Proxy Solicitation 	12/18/07	Corporate Secretary Specialist, Legal	NOTE: Sections to be updated with ODQs and year-end information by 1/30/08

Type: Service Business
 Sales: 1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
<ul style="list-style-type: none"> - Quorum and Voting Requirements - Shareholder Account Maintenance ➤ Corporate Governance section: <ul style="list-style-type: none"> - Board of Directors - Independence of the Board and Committees - Board Meetings - Committees and Meetings - Communicating w/Board and Audit Committee - Attendance at Annual Meetings - Service on Multiple Audit Ctes. - Transactions with Related Persons - Procedures for Approval of Related Person Transactions - Promoters and Control Persons - Comp. Cte. Interlocks and Insider Participation - Code of Conduct ➤ Audit Committee Information: <ul style="list-style-type: none"> - Report of the Audit Committee - Audit Committee Pre-approval Policy - Fees Paid to Auditor ➤ Proposals 1 and 2: Election of Directors and Independent Auditors ➤ Security Ownership ➤ Executive Officers ➤ Executive Officers Comp section: <ul style="list-style-type: none"> - Section 16 Reporting Compliance ➤ Other Matters ➤ Information in the Proxy Statement ➤ Shareholder Proposals ➤ Appendix - Audit Committee Charter (required every 3 years) <p>Proxy Card</p>			

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
<ul style="list-style-type: none"> ➤ Compensation of Directors section ➤ CD&A ➤ Executive Officers Comp section: <ul style="list-style-type: none"> - Detrimental Conduct Program 	12/19/07 2:00pm EST	HR Leader, Compensation	NOTE: Sections to be included in 1/23/08 C&BC mailout; sections to be updated with year-end information by 1/30/08
<ul style="list-style-type: none"> ➤ Executive Officers Comp section: <ul style="list-style-type: none"> - Summary Compensation Table - Employment/CIC/Severance Arrangements 	12/19/07 2:00pm EST	HR Leader, Compensation / HR, Compensation / HR,	
<ul style="list-style-type: none"> ➤ Executive Officers Comp section: <ul style="list-style-type: none"> - Grants of Plan-Based Awards Table - Outstanding Equity Awards at Fiscal Year-End Table - Option Exercises and Stock Vested Table 	12/19/07 2:00pm EST	HR Leader, Compensation / HR, Compensation	
<ul style="list-style-type: none"> ➤ Executive Officers Comp section: <ul style="list-style-type: none"> - Pension Benefits Table - Nonqualified Deferred Compensation Table - Potential Post Employment Compensation Table 	12/19/07 2:00pm EST	HR, Qualified Plans	
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	12/19/07	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4
Receive from HR, Benefits the estimated rights to acquire w/in 60 days of fiscal year-end for officers and directors (for ODQ)	12/19/07	Corporate Secretary Specialist, Legal	COMPLETED
Send draft proxy statement to outside counsel and Proxy Team for review	12/20/07	Corporate Secretary Specialist, Legal	COMPLETED

Type:Service Business

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

Sales:1.0-2.5 billion

ACTION	DATE	OWNER(S)	STATUS
Send draft proxy statement to PwC for review, if applicable (Group Leader, Finance (Controller/Principal Accounting Officer's organization) to confirm if PwC wants an early review)	12/20/07	Group Leader, Finance (Controller/Principal Accounting Officer's organization)	N/A; was sent to PwC as an FYI only
Send draft proxy statement to Comp. Consultant for review	12/20/07	HR Leader, Compensation	COMPLETED
Comments on draft proxy statement due from outside counsel and Proxy Team	12/28/07	Senior Attorney	CMC on vacation 12/24-12/31
Comments on draft proxy statement due from PwC, if applicable	12/28/07	Group Leader, Finance (Controller/Principal Accounting Officer's organization)	N/A; was sent to PwC as an FYI only
Comments on draft proxy statement due from Comp. Consultant	12/28/07	HR Leader, Compensation	COMPLETED
Send ODQs to officers and directors	01/02/08	Senior Attorney	COMPLETED
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	01/02/08	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED
Send draft proxy statement to the Disclosure Committee (Corporate Secretary Specialist, Legal will forward latest draft to CD)	01/02/08	Group Leader, Finance (Controller/Principal Accounting Officer's organization)	COMPLETED BY Senior Attorney
Begin date - shareholder proposals at the Annual Meeting that are not intended to be included in the proxy statement	01/03/08	Senior Attorney	
Disclosure Committee meeting regarding draft proxy statement	01/04/08	Associate General Counsel, Assistant Secretary / Group Leader, Finance (Controller/Principal Accounting Officer's organization)	COMPLETED

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Send draft proxy statement to Sr. VP-HR and Sr. VP & CFO (after incorporating any comments from Disclosure Committee)	01/04/08	Corporate Secretary Specialist, Legal	Sent by Senior Attorney
Meet with Sr. VP-HR to review and receive feedback on draft proxy statement	01/08/08	HR Leader, Compensation / Associate General Counsel, Assistant Secretary / Senior Attorney	10:00 a.m. (ET), Sr. VP-HR office; COMPLETED
Meet with Sr. VP & CFO to review and receive feedback on draft proxy statement	01/08/08	Associate General Counsel, Assistant Secretary / Senior Attorney / HR Leader, Compensation	2:00 p.m. (ET), Sr. VP & CFO office; COMPLETED
Send letter to DTC notifying them of Annual Meeting, record date and "The Company" CUSIP number and requesting participant listings as of record date and omnibus proxies (cc: Broadridge, Morrow).	01/08/08	Corporate Secretary Specialist, Legal	COMPLETED
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	01/09/08	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; RESCHEDULED TO 1/10 @ 3:30 P.M. ET, INTEGRITY 3; THEN CANCELLED
Send draft proxy statement to Sr. VP, GC & Corp. Sec. (after incorporating any comments from Sr. VP-HR and Sr. VP & CFO)	01/09/08	Corporate Secretary Specialist, Legal	Sent by Senior Attorney
Meet with Sr. VP, GC & Corp. Sec. to review and receive feedback on draft proxy statement	01/10/08	Associate General Counsel, Assistant Secretary / Senior Attorney / HR Leader, Compensation	3:00 p.m. (ET), Jeff's office; COMPLETED
Send draft proxy statement to Chairman & CEO (after incorporating any comments from Sr. VP, GC & Corp. Sec.)	01/11/08	Corporate Secretary Specialist, Legal	sent by Senior Attorney

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Meet with Chairman & CEO, Sr. VP & CFO, Sr. VP-HR and Sr. VP, GC & Corp. Sec. to review and receive Chairman & CEO feedback on draft proxy statement	01/15/08	Associate General Counsel, Assistant Secretary / Senior Attorney / HR Leader, Compensation & Benefits / HR Leader, Compensation	1:00 p.m. (ET), 1 hour, Chairman & CEO office; COMPLETED
E-mail to Computershare (transfer agent) arranging for electronic registered shareholder file to be sent to Broadridge no later than 2 business days after the 3/10/08 record date.	01/15/08	Corporate Secretary Specialist, Legal	COMPLETED
Send e-mail requests to plan vendors re sending "The Company" ESPP (Computershare), Moody's ESPP (Fidelity) and "The Company"'s and Moody's 401(k) (Fidelity) plan holder files electronically to Broadridge no later than 2 business days after the 3/10/08 record date.	01/15/08	Corporate Secretary Specialist, Legal	COMPLETED
Send e-mail request to HR re: sending electronic HRCC employee file (to include both SSN and employee ID #) to Broadridge no later than 2 business days after the 3/10/08 record date	01/15/08	Corporate Secretary Specialist, Legal	COMPLETED
Send e-mail request to Process Leader, Finance (Controller/Principal Accounting Officer's organization) re: providing record date shares outstanding (i.e., treasury shares reconciliation) no later than 2 business days after the 3/10/08 record date	01/15/08	Corporate Secretary Specialist, Legal	COMPLETED
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	01/16/08	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED

Type:Service Business

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

Sales:1.0-2.5 billion

ACTION	DATE	OWNER(S)	STATUS
Hardcopy alignment with Chairman & CEO on revisions to draft proxy statement, if necessary (both to be included)	01/17/08 - 01/22/08 <i>(1/21 is MLK Jr. Day)</i>	Associate General Counsel, Assistant Secretary / Senior Attorney / HR Leader, Compensation & Benefits / HR Leader, Compensation	
Begin working with Broadridge on proxy card and Notice of Internet Availability (which will be included with the proxy materials in the 2/15/08 Board mailout)	01/22/08	Corporate Secretary Specialist, Legal	
Deadline for return of D&O Questionnaires	01/23/08	Senior Attorney	Deadline revised to 1/18/08
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	01/23/08	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED
Include draft CD&A and comp tables in the C&BC binders	01/23/08	HR Leader, Compensation	COMPLETED
C&BC meeting (C&BC to review draft CD&A and comp tables)	01/29/08	HR Leader, Compensation & Benefits / HR Leader, Compensation	COMPLETED
Audit Committee meeting (pre-approval request for PwC to perform "agreed upon procedures")	01/29/08	HR, Benefits	
Finalize Corporate Governance section of the proxy statement after receipt of D&O Questionnaires; begin working on Security Ownership table	01/30/08	Senior Attorney / Corporate Secretary Specialist, Legal	
Finalize CD&A, Report of the C&BC, Compensation of Directors and Detrimental Conduct Program	01/30/08	HR Leader, Compensation	
Finalize Summary Compensation Table and Employment/CIC/Severance Arrangements	01/30/08	HR Leader, Compensation / HR, Compensation / HR, Qualified Plans	
Finalize Grants of Plan-Based Awards, Outstanding Equity Awards at Fiscal Year-End and Option Exercises and Stock Vested	01/30/08	HR Leader, Compensation & HR, Compensation	

Type: Service Business
Sales: 1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Finalize Pension Benefits, Nonqualified Deferred Compensation and Potential Post Employment Compensation	01/30/08	HR, Qualified Plans	
Non-GAAP/GAAP Reconciliation	01/30/08	Group Leader, Finance (Controller/Principal Accounting Officer's organization)	
Send fees of Independent Auditor to Corporate Secretary Specialist, Legal	01/30/08	Group Leader, Finance (Controller/Principal Accounting Officer's organization)	
Proxy Team Meeting	01/30/08	Corporate Secretary Specialist, Legal	11:00 a.m.-12:00 p.m. (ET), People 4
Send final proxy statement to outside counsel and Proxy Team for review	01/30/08	Corporate Secretary Specialist, Legal	COMPLETED
Send final proxy statement to PwC for review	01/30/08	Group Leader, Finance (Controller/Principal Accounting Officer's organization)	
Send final proxy statement to Comp. Consultant for review	01/30/08	HR Leader, Compensation	N/A; previously reviewed w/Comp. Consultant
PwC engagement letter for "agreed upon procedures" signed (assuming approval received at 1/29/08 Audit Committee meeting)	01/30 - 01/31/2008	HR, Benefits	
Comments on final proxy statement due from outside counsel and Proxy Team	01/31/08	Senior Attorney / Corporate Secretary Specialist, Legal	COMPLETED
Comments on final proxy statement due from PwC	01/31/08	Group Leader, Finance (Controller/Principal Accounting Officer's organization)	
Comments on final proxy statement due from Comp. Consultant	01/31/08	HR Leader, Compensation	N/A; previously reviewed w/Comp. Consultant
PwC performs "agreed upon procedures"	01/31 - 02/15/2008	HR, Benefits	

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Send final proxy statement to the Disclosure Committee	02/01/08	Senior Attorney / Corporate Secretary Specialist, Legal	COMPLETED
Align with HR, Benefits on receiving rights to acquire as of 2/29/08 for officers and directors by 3/03/08	02/01/08	Corporate Secretary Specialist, Legal	COMPLETED - e-mail request sent on 2/19
End date - shareholder proposals at the Annual Meeting that are not intended to be included in the proxy statement	02/03/08	Senior Attorney	Nothing received
Disclosure Committee meeting regarding final proxy statement	02/04/08	Associate General Counsel, Assistant Secretary / Senior Attorney / Group Leader, Finance (Controller/Principal Accounting Officer's organization)	COMPLETED
Send draft proxy statement to Sr. VP-HR and Sr. VP & CFO (after incorporating any comments from Disclosure Committee)	02/04/08	Corporate Secretary Specialist, Legal	COMPLETED - sent by Senior Attorney
Meet with Sr. VP-HR to review and receive feedback on draft proxy statement	02/05/08	HR Leader, Compensation / Associate General Counsel, Assistant Secretary / Senior Attorney	1:00 p.m. (ET), Sr. VP-HR office
Meet with Sr. VP & CFO to review and receive feedback on draft proxy statement	02/05/08	Associate General Counsel, Assistant Secretary / Senior Attorney / HR Leader, Compensation	2:00 p.m. (ET), Sr. VP & CFO office
Send draft proxy statement to Sr. VP, GC & Corp. Sec. (after incorporating any comments from Sr. VP-HR and Sr. VP & CFO)	02/06/08	Corporate Secretary Specialist, Legal	COMPLETED - sent by Senior Attorney

Type:Service Business

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

Sales: 1.0-2.5 billion

ACTION	DATE	OWNER(S)	STATUS
Meet with Sr. VP, GC & Corp. Sec. to review and receive feedback on draft proxy statement	02/07/08	Associate General Counsel, Assistant Secretary / Senior Attorney / HR Leader, Compensation	2:30 p.m. (ET), Sr. VP, GC & Corp. Sec. office
Send draft proxy statement to Named Executive Officers (who have not otherwise reviewed the proxy statement) and ask if they would like to meet to review/discuss.	02/08/08	Corporate Secretary Specialist, Legal	NOT DONE -- DO NOT INCLUDE IN NEXT YEAR'S PROXY TIMELINE
Send draft proxy statement to Chairman & CEO by noon (after incorporating any comments from Sr. VP, GC & Corp. Sec.)	02/08/08	Corporate Secretary Specialist, Legal	COMPLETED - sent by Senior Attorney
Meet with Chairman & CEO, Sr. VP & CFO, Sr. VP-HR and Sr. VP, GC & Corp. Sec. to review and receive Chairman & CEO feedback on draft proxy statement	02/12/08	Associate General Counsel, Assistant Secretary / Senior Attorney / HR Leader, Compensation & Benefits / HR Leader, Compensation	2:00 p.m. (ET), 1/2 hour, Chairman & CEO office
Meet with Named Executive Officers, if requested, to answer any questions they may have on draft proxy statement	02/11/08 - 02/13/08	HR Leader, Compensation	NOT DONE -- DO NOT INCLUDE IN NEXT YEAR'S PROXY TIMELINE
Proxy Team Meeting	02/13/08	Corporate Secretary Specialist, Legal	11:00 a.m.-12:00 p.m. (ET), People 4; COMPLETED
Hardcopy alignment with Chairman & CEO on revisions to proxy statement, if necessary	02/13/08 - 02/14/08	Associate General Counsel, Assistant Secretary / Senior Attorney / HR Leader, Compensation & Benefits / HR Leader, Compensation	
Disclosure Committee meeting regarding certification notebook	02/14/08	Associate General Counsel, Assistant Secretary / Group Leader, Finance (Controller/Principal Accounting Officer's organization)	

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Include final proxy statement (including proxy card and Notice of Internet Availability) in the Board binders, Audit sections in the AC binders and Comp sections in the C&BC binders	02/15/08	Senior Attorney	COMPLETED; AUDIT & C&B MAILOUTS ON 2/15 AND BOARD MAILOUT ON 2/19
Commence SOX testing	02/15/08	Program Manager, Corporate Risk Management	
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	02/20/08	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED
Meet with Chairman & CEO, Sr. VP & CFO and Sr. VP, GC & Corp. Sec. to review and align on the certification notebook	02/20/08	Associate General Counsel, Assistant Secretary / Group Leader, Finance (Controller/Principal Accounting Officer's organization)	
Board, C&BC and AC meetings (C&BC to approve Comp sections, AC to approve Audit sections and Board to approve entire proxy statement); Senior Attorney to obtain necessary signatures	02/21-02/22/08	Senior Vice President,General Counsel & Corporate Secretary / Senior Attorney	
PwC to issue their report of the independent accountants to the AC upon concluding the "agreed upon procedures"	02/21/08	HR, Benefits	
Begin customization of N&A web portal	02/22/08	Corporate Secretary Specialist, Legal	
Finalize proxy card, Notice of Internet Availability and VIF with Broadridge	02/25/08	Corporate Secretary Specialist, Legal	COMPLETED 3/4/08

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Meet with Chairman & CEO, Sr. VP & CFO and Sr. VP, GC & Corp. Sec. to sign the 10-K certifications, 10-K and Notice of Annual Meeting	02/26/08	Associate General Counsel, Assistant Secretary / Group Leader, Finance (Controller/Principal Accounting Officer's organization)	
Notify NYSE of matters to be presented to Shareholders at Annual Meeting (only done once the Board has approved the proxy statement)	02/26/08	Corporate Secretary Specialist, Legal	
Proxy Team Meeting	02/26/08	Corporate Secretary Specialist, Legal	11:00 a.m.-12:00 p.m. (ET), People 4; RESCHEDULED TO 3/5/08
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	02/27/08	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED
Finalize proxy materials quantities needed	02/28/08	Corporate Secretary Specialist, Legal	COMPLETED 2/22/08; 10,500 copies; provided info to printer
Coordinate Edgarization of the proxy statement	02/29/08	Senior Attorney / Corporate Secretary Specialist, Legal	Senior Attorney sent to RRD on 3/3/08
Begin finalizing the Security Ownership table	03/03/08	Corporate Secretary Specialist, Legal	COMPLETED 3/6/08
Receive from HR, Benefits the rights to acquire as of 2/29/08 for officers and directors (for the security ownership table)	03/05/08	Corporate Secretary Specialist, Legal	RECEIVED
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	03/05/08	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CHANGED TO A FULL PROXY TEAM MEETING; COMPLETED

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Edgarize changes to the proxy statement (if necessary)	03/04/08 - 03/07/08	Senior Attorney / Corporate Secretary Specialist, Legal	Senior Attorney sent Security Ownership updates, proxy card and Notice to RRD on 3/6/08
Begin coordinating posting of Annual Meeting information to "The Company" investor relations home page	03/01/08	Corporate Secretary Specialist, Legal	E-mail sent to Thomson Financial on 2/19/08
Request the AR Cover "thumbnail" graphic (used for posting of Annual Meeting materials on "The Company" investor relations home page)	03/07/08	Corporate Secretary Specialist, Legal	COMPLETED
Begin process of getting an Annual Meeting blurb published in the "Week in Review" for the week of 3/24	03/07/08	Corporate Secretary Specialist, Legal	E-mail sent ; f/up e-mail sent on 3/14
Annual Meeting record date	03/10/08	Corporate Secretary Specialist, Legal	COMPLETED
E-mail to Broadridge 1) confirming voting URL is same as prior year, and 2) requesting a draft of the electronic delivery e-mail (with a reminder that Employee ID# is to be used for employee holders); to be finalized by 3/21/07	03/10/08	Corporate Secretary Specialist, Legal	COMPLETED
Delivery to Broadridge of: - Employee plan files (ESPP - Computershare, Moody's ESPP and "The Company" / Moody's 401(k) - Fidelity) - Employee file (HR) - Registered shareholder file (Computershare)	03/12/08	Corporate Secretary Specialist, Legal	COMPLETED
Receive record dates shares outstanding from Treasury, Process Leader, Finance (Controller/Principal Accounting Officer's organization)	03/12/08	Corporate Secretary Specialist, Legal	RECEIVED ON 3/11/08
Deliver print-ready PDFs of 10-K and proxy statement to printer	03/12/08	Corporate Secretary Specialist, Legal	COMPLETED

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Weekly touchpoint meeting with (HR Leader, Compensation), (HR, Compensation), (Associate General Counsel & Assistant Secretary), (Senior Attorney) and (Corporate Secretary Specialist, Legal) (HR Qualified Plans & HR Benefits optional) to discuss status/issues	03/12/08	Corporate Secretary Specialist, Legal	3:00-3:30 p.m. (ET), Integrity 4; CANCELLED - NOT REQUIRED SINCE PROXY WENT TO PRINTER ALREADY
Printer provides digital proof of wrap document; sign-off to print by end of day	03/13/08	Senior Attorney / Corporate Secretary Specialist, Legal	COMPLETED
Confirm w/Broadridge the final quantities of printed materials for mailing/fulfillment purposes; notify printer of any changes in original estimate	03/13/08	Corporate Secretary Specialist, Legal	COMPLETED
Provide delivery instructions for "other" distribution ("The Company" offices) to printer	03/14/08	Corporate Secretary Specialist, Legal	COMPLETED; NOTE FOR NEXT YEAR - be more overt to printer that office copies shouldn't be distributed until on or after the date of the proxy filing (materials are confidential until then!)
Printing of proxy materials begins	03/14/08	Senior Attorney / Corporate Secretary Specialist, Legal	COMPLETED
Deliver print-ready PDF of wrap document to Broadridge for EZOnline conversion	03/17/08	Corporate Secretary Specialist, Legal	COMPLETED
Wrap document quantities delivered to Broadridge by printer for 3/24 mailing and for fulfillment purposes	03/20/08	Corporate Secretary Specialist, Legal	COMPLETED
EZOnline combo document and N&A web portal finalized by Broadridge; link provided to Thomson Financial for posting on "The Company" investor relations home page	03/21/08	Corporate Secretary Specialist, Legal	COMPLETED
Overnight copies of the proxy materials as follows: NYSE - 6 paper copies of the wrap document and proxy card; SEC - 8 copies of the wrap document	03/21/08	Senior Attorney / Corporate Secretary Specialist, Legal	Proxy materials and card must be filed not later than the date on which these materials are first sent to any security holder; COMPLETED
Proxy materials go live on the Company's website	03/24/08	Corporate Secretary Specialist, Legal	COMPLETED

Type:Service Business

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

Sales:1.0-2.5 billion

ACTION	DATE	OWNER(S)	STATUS
Mailing commences - Notice of Internet Availability of Proxy Materials to beneficial holders and full set materials (including N&A informational flyer) to retail holders	03/24/08	Senior Attorney / Corporate Secretary Specialist, Legal	Per new SEC rules, the N&A mailing must be <u>completed</u> no later than 40 days (3/27/08) before the Annual Meeting; Broadridge recommends the mailing commence 3 days prior; MAILING COMMENCED ON 3/24 AS PLANNED
Electronically file Notice of Internet Availability of Proxy Materials with the SEC	03/24/08	Senior Attorney / Corporate Secretary Specialist, Legal	PROXY STATEMENT / PROXY CARD / NOTICE OF INTERNET AVAILABILITY FILED WITH SEC IN ONE FILING
Electronically file proxy statement, proxy card and any other soliciting materials with the SEC	03/24/08	Senior Attorney / Corporate Secretary Specialist, Legal	
Receive security position listing and omnibus proxy from DTC.	03/25/08	Senior Attorney	RECEIVED
Receive from Broadridge a breakout of senior officer stock ownership (registered/plan holdings)	03/25/08	Corporate Secretary Specialist, Legal	
Request from Broadridge to deliver the affidavit of mailing by 4/11/08, and to commence daily vote reports on 4/16/08	03/25/08	Corporate Secretary Specialist, Legal	REQUEST SENT ON 3/25/08
Electronic delivery of the Annual Meeting materials commences (via Broadridge); typically occurs several days after hard copy mailing	03/26/08	Corporate Secretary Specialist, Legal	
Send e-mail to senior officers reminding them to follow all voting instructions received (will receive different instructions for registered vs. beneficial holdings)	03/26/08	Senior Attorney / Corporate Secretary Specialist, Legal	
Last day to complete N&A mailing	03/27/08	Senior Attorney / Corporate Secretary Specialist, Legal	
Annual Meeting blurb published in "The Company" Week in Review	03/27/08	Corporate Secretary Specialist, Legal	
Begin preparation of the agenda, script, Q&A and back-up materials for the Annual Meeting	03/31/08	Senior Attorney	
Prepare all Annual Meeting related documents (final ballot, Inspector's Oath, Final Report of Inspector, etc.); finalized w/Broadridge by 4/30/08	04/01/08	Corporate Secretary Specialist, Legal	

Type:Service Business
Sales:1.0-2.5 billion

2008 PROXY STATEMENT/ANNUAL MEETING PROJECT PLAN

ACTION	DATE	OWNER(S)	STATUS
Begin receiving daily vote reports	04/21/08	Corporate Secretary Specialist, Legal	15 days before Annual Meeting
Request senior officer voting status report from Broadridge	04/21/08	Corporate Secretary Specialist, Legal	
If necessary, send e-mail reminder to senior officers to vote their shares	04/30/08	Senior Attorney / Corporate Secretary Specialist, Legal	
Provide Annual Meeting details to Broadridge (including list of attendees and draft of script)	04/30/08	Corporate Secretary Specialist, Legal	
Annual Meeting of Shareholders	05/06/08	Senior Vice President,General Counsel & Corporate Secretary	
Obtain from Broadridge the final proxy tally	05/08/08	Corporate Secretary Specialist, Legal	
Finalize the official Annual Meeting documents (inspector's report, final vote report, affidavit of mailing, etc.) and arrange for them to be filed in the corporate minute books	05/08/08	Corporate Secretary Specialist, Legal	
Draft the 2008 Annual Meeting minutes	05/08/08	Senior Attorney	
Provide to Associate General Counsel, Assistant Secretary the Annual Meeting voting results, for publishing in the Q2 Form 10-Q	05/09/08	Senior Attorney / Corporate Secretary Specialist, Legal	
By 6/5/08, submit to the NYSE the Section 303A Annual Written Affirmation and CEO Certification	06/05/08	Senior Attorney / Corporate Secretary Specialist, Legal	No later than 30 days after the Annual Meeting

Script – Legal Requirements Only
Annual General Meeting of Members

SECRETARY

Welcome to the Annual Meeting of Shareholders of [Company]. Before I hand the meeting over to [CEO/Chair], there are a few procedural matters to review.

This meeting was properly called within the guidelines of the [Relevant Jurisdictional Statute] and the Company's Bye-laws. The Notice of the Annual Meeting of Shareholders and Proxy Statement were distributed on or about [mail date] to all shareholders of record on the record date [date].

A quorum, defined as at least two persons representing a majority of the voting power of the shares entitled to vote, is present today, either in person and/or represented by proxy. Therefore this meeting is legally constituted and may proceed and I now declare this meeting open. Affidavits regarding these two issues will be included in the minutes of this annual meeting.

[Transfer Agent/Inspector of Election], [Company's] Transfer Agent and Registrar, has been appointed to serve as Inspector of Election for this meeting. [] is here to supervise the counting and tabulation of all ballots.

If you have already submitted a proxy, you need not vote by ballot. However, if for any reason you wish to vote by ballot, please raise

your hand when asked and we will provide one for you.

A copy of the Company's audited financial statements for the year ending [] was sent to each shareholder and I will now formally lay the financial statements before the meeting.

[] representing [], the Company's independent auditors, is with us today.

With those formalities behind us, let me introduce [CEO/Chair].

SUBMISSION OF PROPOSALS

CEO Thank you [Secretary]. Welcome to [Company's] annual meeting. Today's meeting is limited to a discussion and vote on the two proposals that are being submitted for your consideration as outlined in your proxy statement. We will discuss each proposal in turn and vote at the end of the discussion.

Proposal No 1:

Proposal No 1 calls for the election of three of your current directors, [] as Directors with terms ending in [].

This proposal is discussed in greater detail on pages [] of the Proxy Statement. Are there any questions on the nominees for Directors?

DISCUSSION? _____

Proposal No 2:

Proposal No 2 calls for the approval of the appointment of [Company] as the Company's Independent Registered Public Accounting Firm for [year].

This proposal is discussed in greater detail on page [] of the Proxy Statement. Are there any questions regarding the appointment of [Company]?

DISCUSSION? _____

Let us proceed to the vote. As indicated earlier, if you have already submitted a signed and dated proxy, there is no need to vote by ballot since your proxy will be voted as directed.

However, you may revoke your proxy at this time and vote by ballot if you wish. Or, if you have not previously submitted a proxy, you may vote now. If you wish to vote by ballot, please raise your hand and we will provide you with the necessary ballots.

WAIVING OF A HAND VOTE

CEO All ballots have been counted. I, as Chairman of this meeting, have determined that a vote by hand for each resolution or proposal is not necessary and hereby exercise my entitlement to demand that each resolution be voted on by poll.

RESULTS OF THE BALLOTING

CEO [], please report the results of the voting on each proposal.

Inspector

of Election Proposal No 1, which calls for the election of directors [], as Directors with terms ending in [], has passed. Each of these directors has been elected to serve a term ending in [].

Proposal No 2, which calls for the approval of the appointment of [Company] as the Company's Independent Registered Public Accounting Firm for [year], has passed.

CEO/

Chair Tank you, [Inspector of Election].

Is there any other business to be brought to this meeting? If not, this concludes the activities to be presented to this meeting and I now declare the Annual Meeting of Shareholders of [Company] to be adjourned.

November 10, 2008

DIVISION OF CORPORATION FINANCE ADDRESSES THE SHAREHOLDER PROPOSAL PROCESS

To Our Clients and Friends:

On November 7, 2008, the Securities and Exchange Commission's Division of Corporation Finance (the "Division") issued Staff Legal Bulletin No. 14D (the "Bulletin"), which briefly addresses four technical points regarding the shareholder proposal process under Rule 14a-8 of the Securities Exchange Act of 1934, as amended ("Rule 14a-8"). The Bulletin:

- Confirms that if a proponent is listed in a company's records as a registered holder, but those records indicate that the proponent has not owned the minimum amount of securities for the required time period, the company must send the proponent a notice of defect if it wishes to exclude the proponent's proposal on eligibility grounds;
- Clarifies that the Division may permit a proponent to avoid exclusion of a proposal that recommends, requests, or requires that the board of directors make a change that the board is unable to do on its own – such as amending the company's certificate of incorporation, which requires both board and shareholder action – by allowing the proponent to revise the proposal to provide that the board "take the steps necessary" to effect the requested action. This interpretation appears to reflect reconsideration of letters issued last proxy season that concurred with the exclusion of shareholder proposals asking that a board adopt cumulative voting (which under Delaware law must be set forth in the certificate and thus requires both board and shareholder approval).
- Provides that companies and shareholders may e-mail the Division Rule 14a-8 no-action requests and related correspondence at shareholderproposals@sec.gov; and
- Clarifies that Rule 14a-8 requires proponents to provide companies with correspondence they send to the Division. In addition, the Bulletin reiterates that both the company and the proponent should promptly forward to each other copies of all correspondence provided to the Division in connection with Rule 14a-8 no-action requests. The Bulletin also encourages companies and proponents to use the same means of transmitting correspondence to each other as they use to transmit materials to the Division. For example, if a company transmits correspondence to the Division via overnight mail, the company should transmit a copy to the proponent via overnight mail as well.

The Bulletin is available at: <http://www.sec.gov/interps/legal/cfs14d.htm>.



Gibson, Dunn & Crutcher's Securities Regulation and Corporate Governance Practice Group is available to assist in addressing any questions you may have regarding these issues.

Please contact the Gibson Dunn attorney with whom you work, or any of the following:

[John Olson](mailto:jolson@gibsondunn.com) (202-955-8522, jolson@gibsondunn.com),
[Brian Lane](mailto:blane@gibsondunn.com) (202-887-3646, blane@gibsondunn.com),
[Ron Mueller](mailto:rmueller@gibsondunn.com) (202-955-8671, rmueller@gibsondunn.com),
[Amy Goodman](mailto:agoodman@gibsondunn.com), (202-955-8653, agoodman@gibsondunn.com), or
[Beth Ising](mailto:eising@gibsondunn.com)(202-955-8287, eising@gibsondunn.com)

This alert is available on our website at the following URL:

<http://www.gibsondunn.com/publications/Pages/DivisionofCorporationFinanceAddressestheShareholderProposalProcess.aspx>

© 2008 Gibson, Dunn & Crutcher LLP, 333 South Grand Avenue, Los Angeles, CA 90071

Attorney Advertising: The enclosed materials have been prepared for general informational purposes only and are not intended as legal advice.

ATTENDEE VERIFICATION PROCEDURES FOR ANNUAL MEETING

Check-In Stations

There will be five (5) check-in stations for stockholders in the [location of meeting]: three (3) stations for stockholders with admission tickets and two (2) stations for stockholders without admission tickets. The appropriate signage will be placed at each check-in station.

Stockholders with an Admission Ticket

Stockholders with an admission ticket or [company] I.D. badge must present the ticket and photo I.D. or show the badge to one of three (3) staff members at the “Registration with Admission Ticket” area. The staff will take the admission ticket from the stockholder, check the photo I.D., give him/her a “Blue” stockholder badge and direct the stockholder to the Refreshment Area inside [location]. [Company] employees with badges are to be given “Blue” stockholder badges and directed to the same area. If the guest does not have a badge or ticket, he/she should be directed to the “Stockholders without an Admission Ticket” area.

Stockholders without an Admission Ticket

Anyone not holding an admission ticket will be directed to the “Registration without an Admission Ticket” area which will be staffed by two (2) personnel from [Inspector of Election]. [Inspector of Election] will have two laptops, which will be used to look up the registered stockholder on the system and verify that he/she is a [Company] stockholder. The stockholder must produce a photo I.D. to [Inspector of Election] personnel for verification. [Company Legal] staff will also be available to assist [Inspector of Election] with any stockholder issues.

[Company] Retirees

If a [Company] retiree who is not also a stockholder attends, the retiree must provide proof of retiree status by showing a pension pay stub or direct deposit confirmation as well as a picture ID. If the retiree is unable to produce such proof of status, [Inspector of Election] personnel will look up the retiree on a CD to be provided by [Company] (database of all retirees receiving pension) to verify that he/she is a retiree. All such retirees will be given an Orange badge and directed to the Directors Room established for overflow viewing of the Meeting.

Stockholder Guests

If a stockholder is accompanied by a family member or friend, he/she will also be allowed admittance to the meeting. Prior to admittance to the meeting he/she will be

given a “Yellow” guest badge. Each stockholder may be admitted with ONE family member or guest. Any additional guests will be directed to the Directors Room established for overflow viewing of the Meeting.

Media

Members of the working media will be allowed admittance to the meeting with the appropriate identification. Upon arrival at the [location], the media representative must show appropriate identification. He/she will be directed to the Press Desk which will be adjacent to the [Inspector of Election] desk in the “Registration without an Admission Ticket” area. [Company] Manager of Media Relations will approve admittance and give a “Green” badge which will include name and press affiliation.

Security Onsite

In addition to the security personnel at the check-in stations, there will be additional security throughout the hotel.

Legal/Investor Relations Management

Staff from [Company] Legal and Investor Relations departments will also be onsite to provide guidance when necessary.



1025 Connecticut Avenue, NW, Suite 200
Washington, DC 20036-5425

tel 202.293.4103
fax 202.293.4701

www.acc.com

Corporate Subsidiary Governance: Leading Edge Practices

Insights from David Allgood, Chief Legal Officer, Royal Bank of Canada

Parent-subsidiary relationships and corporate governance are top-of-mind topics these days for CLOs, and Royal Bank of Canada is implementing leading edge measures that promote best practices in governance for its subsidiaries. A core feature of the company's subsidiary governance practices is its Subsidiary Governance Office (SGO)—a centralized professional corporate secretarial function for the company's nearly 350 subsidiaries. In addition, the company has created a Subsidiary Governance and Oversight Committee chaired by the Subsidiary Governance Officer and comprised of professionals from the multi-disciplinary functions throughout the company to help ensure consistency and coordination in practices and policies relating to subsidiary governance. In this CLO Perspective, David Allgood, Executive Vice President and General Counsel for Royal Bank of Canada, shares his insights on the background and process for creating the SGO, and its composition, mission, function and accomplishments.

Getting Started: Subsidiary Governance Review

Royal Bank of Canada's SGO was created in 2001 following an internal study on how to enhance subsidiary governance. "Prior to undertaking this study, the company had many hundreds of subsidiaries with various dispersed corporate secretaries and individuals performing corporate secretarial functions. In addition, with so many subsidiaries and no formal centralized processes to track and administer information relating to them, preparing a definitive list of subsidiaries with a high degree of confidence was a real challenge. Our new SGO and associated subsidiary governance practices have greatly enhanced our capabilities in this area and have allowed the company to implement best practices in subsidiary governance and managing subsidiary life cycles," explains Allgood.

The six-month study was performed under Allgood's supervision and included a review of legal corporate governance of entities within the company's subsidiary network (which at the time estimated to be 500 in number) as well as a best practices review of subsidiary governance performance of major financial institutions in the United States and United Kingdom, and survey data from leading Canadian corporations. Key findings and recommendations were presented to the Board; among them was the creation of the SGO.

Creating a Subsidiary Governance Office

Asked for thoughts on steps that he considers important in creating a SGO, Allgood lists the following:

>> **Appoint a Subsidiary Governance Officer**

Royal Bank of Canada's subsidiary corporate governance review identified as a recommended best practice having a professional whose exclusive role is focusing on subsidiary governance. Accordingly, as one of the first steps in creating the SGO, a Subsidiary Governance Officer was appointed to lead the SGO and focus full-time on subsidiary governance issues for the company. The Subsidiary Governance Officer is a lawyer by background and reports organizationally to the company's Corporate Secretary, who in turn reports to Allgood as CLO.

>> **Staff the SGO with competent professionals skilled in the corporate secretarial function**

In addition to the Subsidiary Governance Officer, the SGO consists of around 19 professionals (including lawyers, paralegals and professional corporate secretaries), who are dedicated full-time to performing corporate secretarial and subsidiary governance responsibilities. Most of the SGO professionals are located at the company's headquarters in Toronto. In addition, SGO professionals are located in Mississauga, London, Guernsey, New York, Delaware and the Bahamas. In addition to the SGO, there are several professionals throughout the organization who act as corporate secretary of various subsidiaries.

>> **Identify the company's full portfolio of subsidiaries**

This can be a remarkably difficult task—especially for a company with around 500 subsidiaries when the SGO was first created—but is a necessary and critical early step in the overall process of enhancing subsidiary governance

>> **Select a software program to help manage subsidiary information**

With the universe of subsidiaries defined, having a reliable and centralized method for maintaining, tracking and accessing information is important for ongoing administrative efficiencies and internal controls. Royal Bank of Canada evaluated a number of software product offerings before ultimately selecting the technology that it now uses. Global Corporate Manager is licensed from Datacare Software Group and this database is managed by the SGO and used to store and manage corporate data on all RBC subsidiaries.

Subsidiary Governance Office: Mission and Key Roles

Allgood shares that the SGO's mission includes: promoting best practices in corporate governance in RBC subsidiaries; creating a centre of excellence for subsidiary governance; and maintaining appropriate enterprise-wide subsidiary corporate governance policies. More specifically, the SGO is on point for providing corporate secretarial support, subsidiary governance and life-cycle management for the company's subsidiaries that are wholly-owned or company-controlled (e.g., where the company controls more than 50% of the shares/voting power or has de facto control of the entity). In addition, the SGO plays an important role in affecting active integration of subsidiaries added through strategic acquisitions and alliances.

Royal Bank of Canada's Statement of Corporate Governance Practices and Principles (Governance Statement) describes the SGO as promoting "consistency, simplicity, and transparency in the organizational structure of the bank and its subsidiaries." The company's Governance Statement may be accessed via the following link: <http://www.rbc.com/governance/pdf/ScheduleB.pdf>.

Following are highlights of SGO roles relating to subsidiary governance and life-cycle management.

>> SGO Promotes Corporate Governance of RBC Subsidiaries

The SGO has developed and issued a policy on corporate governance for RBC subsidiaries. Allgood explains, "the vast majority of directors for the company's wholly-owned and controlled subsidiaries are employees of the company. Accordingly, the SGO developed and issued a policy document/manual to help guide them in their roles as directors for subsidiary operations and to enhance consistency in governance of subsidiaries across the RBC enterprise." The policy was approved by RBC's Corporate Secretary and Allgood, and is reviewed annually as part of ongoing continuous improvement initiatives.

Key components of the policy include provisions relating to: Corporate Secretary (appointing, role, qualifications & mandate); directors (appointing, indemnification & insurance, orientation, liabilities and compensation); board of directors (guiding principles, role & responsibilities, structure and composition, delegation); board procedures (meetings, materials, minutes, conflicts of interest, resolutions and shareholders' meetings); 'mind and management' (tax principles); insider reporting; and safekeeping of corporate documents.

>> SGO Evaluates and Manages Subsidiary Life Cycles

"Managing the life cycles of subsidiaries comprises a large part of the SGO's function. A key operating principle for the SGO in managing these life cycles is to ensure that the subsidiary is absolutely necessary. An additional principle is to limit the unnecessary proliferation of subsidiaries," explains Allgood. Accordingly, the SGO has issued a policy and implements procedures and practices relating to subsidiary life cycle management. Key sections of the policy

include: creating a new subsidiary; naming a subsidiary; reorganizations and acquisitions; and terminating subsidiaries.

- **Creating New Subsidiaries:** A new subsidiary may only be created upon recommendation by the SGO and approval of Allgood. Once past this threshold, subsidiary creation must be approved pursuant to other company policies. Allgood shares that, fundamentally, there must be a compelling legal, regulatory or substantive tax reason in order to justify creating a new subsidiary. The SGO policy includes process requirements for incorporation and requires review by the company's legal department.
- **Evaluating Ongoing Needs:** "Keeping inactive subsidiaries isn't costless. There are fees and costs associated with keeping the subsidiary in good standing and administering and sustaining the subsidiary. Accordingly, we continually review the need for each subsidiary," says Allgood. Since the SGO has been created, the company has dissolved around 250 subsidiaries. Allgood states that RBC uses \$40,000 as the estimated internal and opportunity cost per year to maintain an inactive subsidiary.
- **Terminating Subsidiaries:** The SGO's life cycle management policy includes trigger criteria for subsidiary dissolutions, as well as required processes for dissolving a subsidiary. The company's law department, SGO, tax group and project analysis decision support division play key roles, and information on the subsidiary is tracked and archived as appropriate.

Subsidiary Governance & Oversight Committee

In addition to leading the SGO, the Subsidiary Governance Officer organizes and chairs the company's Subsidiary Governance & Oversight Committee. The committee meets four times per year and includes functional representatives from finance, group risk management, compliance, law, tax, internal audit, and treasurers. The committee facilitates coordination of activities and information relating to the company's subsidiaries among functional units, and provides a forum for collaboration among the functions to help ensure appropriate oversight of subsidiary governance.

Closing CLO Insights

"Our company's subsidiary governance practices provide efficiencies and enhanced governance practices across our entire enterprise. They've enabled us to systematically evaluate subsidiary life cycles and dissolve hundreds of subsidiaries for which there was no longer a compelling need at a real cost savings to the company. The business case for creating a SGO is straightforward: it contributes to good governance, process efficiencies, and can accomplish cost and resource savings," says Allgood. An additional benefit of having a SGO: once a SGO is established, synergies can present themselves through the online system as the repository for transfer pricing agreements, legal entity financial statements and legal entity regulatory filings.

The Case for Subsidiary Corporate Governance

By
Brian J. Chartier
Senior Officer Subsidiary Governance
RBC Financial Group

Subsidiaries have long been part of the organizational make-up of corporations. They often serve only to create tax efficiencies or to expand businesses into broader geographic or regulated areas. Over the years, as companies grew in size and scope, their structures became more complex as subsidiaries quickly proliferated the corporate landscape. Often they came as part of an acquisition, when the target company came with a number of other legal entities hanging off its corporate chart. In other cases, they became the means by which companies created autonomous business units or divisions to download accountability by either product line or geography.

There are several reasons why companies create subsidiaries. Some are created as a means to cleanly execute a business transaction with a third party, such as the sale of real estate or part of the business others are joint ventures that can become subsidiaries. Some countries may require that foreign corporations do business through a domestically incorporated entity.

The bottom line is that there will always be a need to use subsidiaries or special purpose entities (SPEs) as a means to conduct business.

There are companies that use subsidiaries as a vehicle to mitigate risk and protect the parent company from litigation. This may be true at a purely transactional level but not necessarily so at a broader corporate level, especially in areas of public or social interests. The Bridgestone / Firestone ordeal is evidence of this. Parent Bridgestone bore much negative publicity because of the allegations made against its subsidiary, Firestone, and the quality and safety of some of its tires. Today, as the Enron and Worldcom failures unravel, we see how they used subsidiaries and special purpose vehicles to manipulate the balance sheet and hide losses. We also know that the Enron network consisted of over 3000 entities, which in itself is not surprising. Many of today's large corporations have several hundred subsidiaries and many have over a thousand entities spread across several countries. We also know that not all these entities exist for the same reasons and each one can have a very different impact on the bottom line of the ultimate parent and the value to the shareholders.

A Corporate Parent is often a holding company or sometimes a corporate identity holder. It is a name that the public and investors can identify with. Names such as Ford Motor Company, Bank of America, IBM and Daimler Chrysler are easily identified and we can choose to buy their products or invest in their stock because they are sound well run companies with solid historical performance. But when we buy their products or invest in their shares, do we wonder about the factory they may own in Brazil or the company they may now own in Vietnam? Do we wonder what impact the failure of any of their legal entities can have on the company as a whole? Or how about the failure of a government in a third world country or the repatriation of divested assets by a hostile regime? Most of us do not even consider these things, (unless an event makes them newsworthy, such as the Bridgestone / Firestone story) because we have faith in the company's management and governance. In most organizations, (such as those mentioned above), history tells us that while we may not consider their global reach, we trust that they have systems and procedures in place to ensure that their subsidiaries and their investments are properly cared for.

Subsidiaries and SPVs are creating scepticism, rather than presenting a corporation as well managed and structurally efficient. My view is that if we are unable to explain to investors and analysts in plain English why an entity exists then we will appear to be trying to put something over on them.

Going forward, companies will need to show that they have sound governance practices throughout the organization. This will take a rethinking of governance policy, it will take conviction on the part of senior management and in some cases it will take resources. This last point is not to suggest there is a need to hire more corporate secretaries, but rather, in most large organizations, may require technology and people dedicated to subsidiary corporate governance.

The day has arrived when sound governance practices at the top of the organization will no longer suffice. Regulators, Investors and the General Public expect more.

Regulators, analysts, investors and even employees now want to understand more about subsidiaries and how the parent company oversees and entrenches sound corporate governance concepts across its empire. Enron was a wake up call for trusting investors, complacent employees and benign regulators. Investors were more than willing to put their money in blue-chip stocks. They trusted their brokers, who trusted analysts who trusted audited financial reports and forward-looking statements. Corporate governance was the last thing on the minds of those who invested in Enron stock. All stakeholders had blind faith in a system that had more or less held true for many years and, up until now there was no reason not to believe management or the analysts. Enron is also a good example of how far reaching a major corporate failure can be. The devastation reached many average people who lost more than jobs, but also pensions and retirement savings. The collateral effect to suppliers and creditors is massive and to some degree, long-term.

As the reasons for Enron's collapse become public we can expect new regulations, new disclosure requirements and most certainly increased access to corporate information below the parent company. The ability of the Corporate Secretary and the Legal Counsel functions of large companies to respond to requests and report on downstream governance / compliance activities will have to increase dramatically.

This does not imply a need to move toward heavily centric organizational structures, but rather having governance systems that permeate all levels of the enterprise. Technology will drive the governance framework as well as good policies and processes that will allow a cohesive approach to governance across business lines and across jurisdictions.

Corporate Governance once focused mainly on the caring and feeding of the main board and corporate record keeping. Today, the world of the Corporate Secretary is evolving into a key strategic player in corporate decisions and matters of governance.

Like many other core functions that support corporations, both big and small, the Corporate Secretary's department has evolved considerably. Supporting the main board and other stakeholders is still a key activity, but increasingly there are pressures both internally and externally to support downstream corporate governance. Large operating subsidiaries need to shore-up their governance and start behaving more like their parent companies.

The Corporate Secretary today (both as a person and a function), is evolving into a specialized resource that is critical to the ongoing viability of the business. As a strategic player in large organizations, we see the role increasingly shift to that of “Chief Governance Officer”. It may seem like a lofty title, but we have to wake up to the fact that corporate governance is the hot topic that is keeping some CEOs awake at night.

The OECD defines corporate governance as follows;

“Corporate Governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides a structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance”.

This is a fairly comprehensive definition of corporate governance and articulates in broad terms the framework in which governance exists. The challenge we face is to extend sound corporate governance practices and policies downstream to the subsidiaries. This challenge embodies many dynamics that must be embedded in creating a harmonious governance system.

Large organizations need a Corporate Gatekeeper, someone who will manage the life cycle of its subsidiaries. There needs to be policies and boundaries for who can create a legal entity and the reasons for creating it.

A problem that plagues many conglomerates, is keeping track of the subsidiaries they have and why they exist in the first place. Most corporate secretaries or general counsel will agree that creating a legal entity is usually much easier than getting rid of it. In fact, most subsidiaries that are sitting inactive or dormant are there because nobody knows what to do with them. If organizations went through their structure, entity by entity, they would likely find an opportunity to clean house and dissolve or amalgamate numerous entities.

Cleaning up the corporate chart is only the beginning. There needs to be a mechanism in place that will control the very creation of the entity in the first place. Depending on the nature of your business, specific rules should be implemented, stipulating the conditions for creating a subsidiary. The business case for creating a new entity needs to be clear and factual and justify a real need. In most cases, it should be driven by **tax, legal or regulatory** requirements of the jurisdiction that will house the subsidiary.

Subsidiaries cost money to own and manage. Even a dormant subsidiary is costing money just sitting on the shelf.

A subsidiary sitting inactive somewhere in the corporate maze is costing you money. Most of the time, it is incurring some system costs, either on your GL or on your records management system. Some entities require annual returns to be filed and possibly other regulatory filings. Costs will vary greatly, depending on whether or not the subsidiary has an active board with regular meetings and whether the Corporate Secretarial and legal support is provided in-house or outsourced. Either way, there is a cost associated with it. Our own analysis

suggests that the minimum cost for a subsidiary is in the \$40,000 range. This grows quickly with larger operating entities with active boards.

These costs will vary from company to company, but I suggest that if you were to conduct a similar analysis in your shop you would be surprised at the costs. Once you complete your analysis, then consider the financial implications of reducing the total number of your subsidiaries by 15 or 20%. You will likely find that this will more than adequately fund any additional resources you will need to oversee the governance of your subsidiaries.

Costing a subsidiary:

- Systems costs – GL, Finance & Accounting
- Legal & Regulatory – Filings / Returns
- Records & Administration – Articles, Resolutions, Minute book
- Governance (Operating Subsidiaries – Board Meetings, Material Costs, Time)
- Audit – Internal and External
- Financial Reporting – Must roll up somewhere
- Risk – Assess a dollar figure based on contribution or purpose
- Staff Costs – Somebody has to deal with this entity

Technology needs to play a key role in any framework that will harmonize governance and oversight across subsidiaries. This is essential for large companies, especially if they are multinational.

Best in class companies around the world maintain a common central database for all their corporate records. One system, one place to hold, store and retrieve information from. This will become even more important as regulators look for increased reporting of subsidiary business.

We identified quickly in our company the need for a Web-based solution if we were going to have a viable governance system. Also critical was the need for high data integrity, something that was not true of our current system. Today, we have a system that is accessible through our intranet by designated Corporate Secretaries around the globe. They are accountable for all entities within their purview and update corporate information as events happen.

This includes the addition or dissolution of entities, appointment / resignation of directors and officers, minute books, share capital and a myriad of other pertinent data.

There are several off the shelf products on the market that can provide these functions, many of which appear similar on the surface. Once you have determined your own internal needs, we recommend you do some very diligent comparative shopping. While technology in itself is not the solution to achieving better governance in your subsidiaries, it is the most significant component of a total governance framework. Choosing the right system and the right supplier are critical to the success and viability of your governance system. It will be your mechanism for tying together your company and your entire downstream governance strategy. The time you spend up front selecting the best solution for your company will be well worth it when it comes to implementation, adaptability and sustainability in the years ahead.

Subsidiary Board Composition should be given similar care and scrutiny as the directors of the parent board.

Our internal review of subsidiary board structures revealed a need for a uniform guideline on board composition and better guidance for directors. Our view was that the approach to board composition should be similar to that of the main board, but adjusted for the fact that the entity is a subsidiary.

Depending on the size and nature of the business, it is important that directors bring the right skills to the table to offer effective oversight. The size of the board will ultimately depend on the size and complexity of the subsidiary's operations. Representation from key functional areas such as Finance, Tax or Law may be justified where size and scope of the business warrant. For increased objectivity, it may be advisable to have a director from outside the business unit or from another division. This will vary from entity to entity and each board should be assessed according to the size and scope of the subsidiary, its geographic area (to respect the rules of independent mind and management), regulatory relationship and financial impact of the subsidiary on the parent. This last point should influence the decision of having someone from the corporate executive sitting on the board.

Directors on subsidiary boards have the same fiduciary responsibilities as those of the parent board. The board must supervise management but not supplant it. It should review the strategic plans, assess the risks and controls, review internal policies and ensure sound governance. The board is responsible for the stewardship of the subsidiary and owes a duty to act in its best interest with due regard for the interests of the parent, the ultimate shareholder.

Just as with the main board, subsidiary directors need orientation, guidance and support. Some officers may be experienced and familiar with their responsibilities on internal boards, others will need assistance. An internal support structure, including a Director's Guide should be written to support internal directorships. Not only will this serve as a reference tool for them, but it should also spell out their obligations, risks and corporate indemnification policy.

The issue of outside directors on main boards has often come up. In our opinion, this should be only an exceptional basis and only if required by law. The reason is that if the subsidiary is wholly owned, then there has to be congruence between the parent's strategic direction and that of the subsidiary. An outside director, not familiar with the inner workings of the company, risks impeding initiatives and slowing the business process. If the subsidiary is seeking objectivity on the board, then it should come from cross-business representation.

The Subsidiary Corporate Secretary is a key strategic officer in the governance framework. The incumbent should have the credentials and the experience to fulfill the mandate.

Just as with the parent's main board, not just anyone should serve as Corporate Secretary to subsidiary boards. The role is not one of minute taker and refreshment coordinator, but rather the key person responsible for governance oversight at the subsidiary level.

The Corporate Secretary today is a senior officer with the skills necessary to ensure board effectiveness, keep proper corporate records and serves as a focal point for directors and senior management. He or she is also responsible for all returns and regulatory filings that may be associated with the subsidiary as well as staying current with local jurisdictional requirements.

Often, for smaller subsidiaries or in remote geographic regions, the title of Corporate Secretary is given out based on convenience or the administrative role of the individual.

One way to build expertise and control is to create corporate secretarial hubs in key areas of the organization. This could be done within a division, as a subset of a larger corporate secretarial function or on a geographic basis. For example, you could have a regional Corporate Secretary for Europe, or the Caribbean, which would oversee governance systems for all the subsidiaries in those geographic areas.

Subsidiary Corporate Governance needs to evolve into a tangible and measurable activity in large corporations. The risks of downstream governance failures can have devastating impact on the company as a whole.

One of the challenges of implementing a governance framework that permeates the company is to not create unnecessary bureaucracy. Oversight and control will be the success drivers, regardless of the governance system. You can download process and accountability for information management, but there needs to be a mechanism to track and evaluate the process. The Internal Audit function may be one way to ensure that the policies and internal governance systems are being adhered to. Another way is to leverage technology and use built in audit trails and triggers to monitor activity.

The objective should be to apply the same governance principles and ethics across the enterprise to create a new heightened awareness of corporate governance. This should be the new common thread that binds a company's culture regardless of where the entity sits in the corporate structure.

There is not a great deal of space between a company's culture and its governance systems. Both imply a combination of rules and procedures that drive behaviour. There really should be a close resemblance between the Code of Ethics of a company and the principles that guide its corporate governance. In some cases they may be one and the same.

Multinational companies will always face cultural and jurisdictional issues. Following a merger or acquisition of international companies the question of cultures and ethics is always the hardest one to deal with. Some of the strengths that are built through mergers and acquisitions lay in the diversity of the cultures and that leverage should be preserved. The focus in a newly merged company should be on the fundamental governance framework that will become their common thread.

Achieving this requires a strong central tendency to a core governance system. Having the subsidiary governance system already in place, along with the early participation of the legal and secretarial functions in the integration of new entities will mitigate the risk of future governance failures. It will also ease the transition for the newly acquired entities by having clear guidelines in place.

Oversight of subsidiaries and new corporate governance standards are hot topics and will no doubt lead to regulatory and reporting changes. Many Corporate Secretaries may soon find themselves having to address these changes and increase their focus on subsidiary corporate governance.

There are many things that need to be considered in going ahead with any subsidiary governance strategy. It should start with a fundamental analysis of your company and all its entities. Learn more about what you have in place now and ask some basic questions.

Some fundamental questions to consider:

- How many subsidiaries do we have?
- Do we have common governance principles in place?
- What is the process for creating new subsidiaries?
- Who can approve them & what is the criteria?
- How is a subsidiary's life cycle tracked?
- Who is responsible for dissolving unnecessary subsidiaries?
- How are the directors selected for subsidiary boards?
- Who are the corporate secretaries?

Subsidiary Corporate Governance is not rocket science, but rather much of the same common sense that was applied to the top of the enterprise for years. While it is a little more challenging, and possibly even daunting in really large corporations with hundreds and perhaps thousands of subsidiaries around the world, it can be achieved.

Technology and the Web have made managing global companies easier and have had a positive impact on the speed of business. The same can be true for subsidiary corporate governance. Technology should become the anchor of the governance framework. It is the means by which a global company with hundreds or thousands of legal entities can accurately oversee the activities of its subsidiaries. The parent company will know how many entities it has at any given time and will be able to provide regulators, management and directors with accurate timely information. It will allow the Chief Governance Officer to ensure consistency in the application of policies and procedures. These elements are critical to an effective and reliable subsidiary governance system. For any global or large domestic public company with multiple business entities, technology will become the only way that increased regulatory demands are going to be met.

What I have discussed here does not suggest creating a large infrastructure to baby-sit subsidiaries. It should involve a well thought out plan that fits your organization. Obviously the number of subsidiaries you have and the more jurisdictions they operate in will influence the structure you will need to support governance enterprise wide. While this is by no means a small task, it need not be complex. Our experience in structuring our subsidiary governance framework has been that most of the talent and information needed to achieve our goal already existed in the company and what we needed to do was to consolidate and re-align resources where it made sense to do so. The end result should be a cleaner and leaner organization where all entities exist for a value-add purpose and are governed with the highest level of fiduciary responsibility. The real achievement is that implementing an enterprise governance framework is going to help protect stakeholders and create economic value at the same time. **bjc**

About the author

Brian Chartier is Senior Officer, Subsidiary Governance for RBC Financial Group and has been with the company for 25 years. He has an Executive MBA from the University of Western Ontario's Richard Ivey School of Business, is a Fellow of the Institute of Canadian Bankers and a Fellow of the Institute of Chartered Secretaries and Administrators in Canada. Brian has

extensive experience in Operations and Human Resource Management and since the year 2000 has been working in the Corporate Secretarial field, researching and supporting the implementation of a comprehensive Subsidiary Governance Framework for RBC Financial Group.

Email : brian.chartier@rbc.com

ACC Extras

Supplemental resources available on www.acc.com

75 Tips for Saving Money In-house.

ACC Docket. March 2009

<http://www.acc.com/legalresources/resource.cfm?show=157016>

Leadership Development Issues Facing the Law Department.

Program Material. October 2008

<http://www.acc.com/legalresources/resource.cfm?show=160821>

The First 100 Days as a New In-house Counsel: What to Expect and Tips for Success.

ACC Docket. August 2008

<http://www.acc.com/legalresources/resource.cfm?show=20787>

Please note, these additional resources are provided by the Association of Corporate Counsel and not by the faculty of this session.