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INVESTORS ISSUE CALL FOR ANNUAL VOTE ON EXECUTIVE PAY

BOSTON, MA – January 31 – Today 39 institutional investors, representing more than $830 billion in assets, issued a public call for companies to support an annual advisory vote on executive compensation in their spring proxy statements and for investors to vote for annual "Say on Pay" votes.

The Dodd-Frank Wall Street Reform and Consumer Protection Act calls for a mandatory Say on Pay vote at all 2011 annual meetings. At the same time, shareowners will also vote on the frequency of the vote to determine whether the vote should occur every one, two or three years.

The investor statement argues that an annual frequency vote for Say on Pay provides maximum accountability, is the standard in all other major markets and encourages companies to communicate effectively with shareowners.

A December Towers Watson poll found that a majority of surveyed companies favored annual Say on Pay votes. Companies that have issued their proxies to date have been split in their recommendations, largely favoring either annual or three year votes. During the first frequency vote last week at an S&P 500 company, Monsanto investors rejected management's recommendation for a vote every three years, voting overwhelmingly for an annual advisory vote on executive compensation.

"Unchecked and unapproved CEO pay directly contributed to the financial crisis," said Gerald W. McEntee, President of AFSCME, which was the first sponsor of a shareholder resolution promoting an advisory vote on pay. "Companies with problematic pay practices or a history of ignoring shareholders will be seeking fewer votes. That's why shareowners need to vote for annual say on executive pay."

Timothy Smith, Senior Vice President of Walden Asset Management stated, "This will be a unique proxy season on executive compensation. Addressing excesses and problems with executive compensation requires a vote each and every year rather than occasional accountability every three years. Say on Pay votes have already stimulated re-thinking by Board Compensation Committees on various perks and controversial pay formulas. The discipline of an annual vote will encourage Boards to be more responsive and accountable on compensation."

Large institutional investors including CalPERS, the New York State Common Retirement Fund, NYCERS, F&C Asset Management (U.K.), Hermes (U.K.), the General Board of Pension and Health Benefits of the United Methodist Church, Calvert Asset Management, Pax World and Amalgamated Bank have signed the public statement in favor of an annual vote on executive pay. The statement was coordinated by Walden Asset Management, AFSCME and the Treasurer's Office of the State of Connecticut

Influential proxy advisor Institutional Shareholder Services announced it will recommend that shareholders vote for the annual advisory votes, noting annual votes "provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs."

Major mutual funds which have announced they will support the annual frequency and or whose proxy voting guidelines support an annual standard include Vanguard, State Street, Fidelity and Putnam.

The public statement as a whole follows.

PUBLIC STATEMENT ON ANNUAL SAY ON PAY

January 2011

As investors with a deep concern about executive pay, we are appealing to Boards of Directors to recommend an annual advisory vote on executive compensation and to investors to vote for the annual vote choice.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law by the President Obama in July 2010, requires that public companies hold an advisory vote on executive pay (popularly known as "Say on Pay") in 2011 and that shareholders vote on whether future Say on Pay votes will be held annually, biennially or every three years.

Over the past several years, concerned shareowners, through letters and votes on shareholder resolutions, already have demonstrated clear support for an annual advisory vote on executive compensation. We believe that Boards of Directors should recommend an annual vote to shareowners and those investors should vote this proxy season for the annual Say on Pay choice.

We believe an annual vote on executive compensation is in the best interest of companies and their investors for a number of reasons.

1) Shareholders expect and are accustomed to annual accountability: Executive compensation is too important of an issue for only biennial or triennial consideration. Corporate governance best practice already supports an annual ratification of company auditors and the annual election of directors. Since the board compensation committee makes its decisions yearly regarding salary, discretionary bonuses, severance, etc., an annual shareholder vote is central to proper shareholder oversight. Also a routine positive vote on pay each year affirms to the board that it has presented a clear and convincing case to investors.

As investors we also believe shareholders would not find an annual compensation vote burdensome. Shareholders already vote each year on a number of issues, including election of directors and ratification of auditors. There have also been Say on Pay votes for several years, including hundreds of banks receiving TARP funds, and most investors have already set up a system whereby companies deserving extra attention on compensation matters are prioritized for review and action. Investors also currently vote for the Board members on the Compensation Committee, discerning whether a No vote should be cast because of compensation concerns in a routine annual exercise.

Likewise, many companies have not found an annual advisory vote on compensation to be a burden but rather a routine process providing constructive dialogue with investors.

2) An annual advisory vote is widespread standard practice in countries that require such votes: Shareholders in Australia, France, The Netherlands, Norway, Spain, Sweden and the United Kingdom all vote annually on compensation matters. No other major developed country that provides for advisory votes on pay employs a biennial or triennial standard.

3) A biennial or triennial vote would result in less accountability and transparency: Companies that make less popular compensation decisions immediately after a biennial or triennial vote know that shareholders must wait two or three years to voice a corrective opinion.

Compensation is not a static process: The Compensation Committee makes some decisions every year, such as setting performance targets or awarding compensation that is not tied directly to performance (such as salaries, employment agreement approvals, discretionary bonuses, "golden hello's" and severance). There should be an opportunity to vote whenever the Compensation Committee has acted.

4) A number of companies have stated they feel an annual vote makes Say on Pay more routine: It allows regular feedback rather than waiting for 2 or 3 years to see if they "fixed" a problem investors identified.

5) A biennial or triennial vote might result in more adversarial shareholder action: If an advisory vote occurs only every two or three years, disenchanted shareholders would be unable to express their concerns annually regarding company pay practices and may have to rely on tools such as letter writing, the filing of shareholder resolutions and voting against compensation committee nominees in the off years.

Thus we urge company Boards to support an annual vote as best practice and investors to rally behind holding an Advisory Vote each year.

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