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CONTACT:

Cheryl Kelly (AFSCME)

ckelly@afscme.org 202-429-1145

Timothy Smith (Walden Asset Management),

tsmith@bostontrust.com 617-726-7155

Institutional Investors Continue to Press Companies for an Advisory Vote on Executive Pay

***Shareholder resolutions filed with over 100 companies by
Over 70 institutional and individual investors for 2009***

WASHINGTON — A diverse network of institutional and individual investors today announced the filing of shareholder resolutions at over 100 U.S. corporations as part of 2009 proxy season efforts to press companies to give shareowners an annual advisory vote on executive compensation packages.

This unique investor network started in 2007 - comprised of public pension funds, labor funds, asset managers, individual investors, foundations and religious investors, who are members of the Interfaith Center on Corporate Responsibility (ICCR) - is organized by the American Federation of State, County and Municipal Employees (AFSCME) Employees Pension Plan and Walden Asset Management, a division of Boston Trust & Investment Management Company.

The investor proponents are seeking a management sponsored non-binding advisory vote on executive compensation presented in the annual proxy statement. The resolution was submitted at a wide range of companies, including but not limited to those where pay has been excessive or where there has been a perceived misalignment between pay and performance over the past three to five years.

“The greed that sent our economy off the cliff has got to stop,” said AFSCME President Gerald W. McEntee, whose 1.6 million members participate in public pension funds with combined assets worth more than \$1 trillion. “Too many CEOs are being rewarded for taking risks that result in massive losses. That’s why shareowners must have a say on executive pay packages.”

“We’re pleased that a number of companies in the United States already have responded and their Boards have agreed to institute an Advisory Vote on executive pay in 2009. We expect more companies to step forward this winter and declare their support such as Hewlett-Packard did last week,” said Timothy Smith, Senior Vice President at Walden Asset Management. “Having an advisory vote establishes a solid foundation for a useful dialogue with shareowners. In the year 2009 we will ‘call the question’ on the Advisory Vote as approximately 100 companies face resolutions requesting the adoption of this policy.”

“The issue of executive compensation is regularly on the front pages of newspapers during our severe financial and economic crisis. Citizens and investors alike are focused on the executive compensation issue as never before, creating a groundswell for accountability and reform. While there are many specific issues under the executive compensation umbrella, from clawbacks to the time required before executives could cash in options, the Advisory Vote captures the essence of accountability to investors on executive compensation” Smith stated.

The 2009 set of resolutions follows an active 2008 engagement season, where resolutions asking for an Advisory Vote went to a vote at over 80 companies and averaging 42% votes, including 11 companies which received majority votes.

In 2007 a similar resolution was filed at more than 50 companies which also averaged approximately 42% support including eight companies where the proposal received over 50% of the vote.

“This proposal has generated unprecedented shareholder support. Shareholders expect compensation committees to establish appropriate measures that tie executive pay to company performance,” said Connecticut Treasurer Denise L. Nappier. “Say on Pay is a way for shareholders to signal to the board whether the company has given appropriate incentives to executives by linking pay with performance which in turn indicates how effective the board is in representing shareholder interests. It is an essential tool in fostering open and direct communications between shareholders and the board on executive compensation, and it paves the way for dialogue on other important governance issues” Nappier stated.

A number of companies have responded to the controversy around compensation and expanded their communications outreach to investors to better interpret their compensation philosophy, metrics and compensation report and to seek investor feedback. “We appreciate this new wave of communication to investors around compensation,” stated New York City Comptroller William C. Thompson Jr. “However, to make this a two way street, investors need to have a clear opportunity not just for private conversation, but for public feedback on compensation packages. Thus we are urging that expanded communication be connected to a new accountability to shareowners through the Advisory Vote.”

The vast majority of these shareholder resolutions will be voted upon this spring during 2009 stockholder meetings.

2009 filings at major companies include Apple, Bank of New York Mellon, American Express, Coca-Cola, AIG, Capital One, Hewlett-Packard, Intel, Wells Fargo, AT&T, Exxon Mobil, Raytheon, General Electric, Goldman Sachs, Home Depot, IBM, Merck, UnitedHealth, Time Warner, Citigroup, ConocoPhillips, CVS Caremark, Morgan Stanley, Valero Energy, YUM! Brands, Occidental Petroleum, Wal-Mart, Rite-Aid, KB Homes, Ryland Group and Charming Shoppes.

Proponents of the resolution range from TIAA-CREF to individual investors (See enclosed representative cross-section of filers). Voting support for the resolution is uniformly strong whether the proponent is an individual with \$10,000 worth of stock or \$10 million. Congress is also expected to address this issue and vote once again in favor of instituting an Advisory Vote. A bill to require an advisory vote was already passed in the House of Representatives, and if the Senate votes and passes the bill, it would become a legal requirement.

In 2009 companies that will implement the advisory vote include Verizon, Aflac, Blockbuster, Motorola, MBIA and Ingersoll Rand among others. Other companies have informed proponents that they are putting a management-sponsored Advisory Vote on their proxy in 2009 and 2010.

A copy of a sample proposal, a list of companies receiving the proposal, and a list of proponents are attached.

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PROPOSAL FOR AN ADVISORY VOTE ON
EXECUTIVE COMPENSATION

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

SUPPORTING STATEMENT

Investors are increasingly concerned about mushrooming executive compensation especially when insufficiently linked to performance. In 2008, shareholders filed close to 100 “Say on Pay” resolutions. Votes on these resolutions have averaged 43% in favor, with ten votes over 50%, demonstrating strong shareholder support for this reform.

An Advisory Vote establishes an annual referendum process for shareholders about senior executive compensation. We believe the results of this vote would provide the board and management useful information about shareholder views on the company’s senior executive compensation.

In its 2008 proxy Aflac submitted an Advisory Vote resulting in a 93% vote in favor, indicating strong investor support for good disclosure and a reasonable compensation package. Daniel Amos, Chairman and CEO said, "An advisory vote on our compensation report is a helpful avenue for our shareholders to provide feedback on our pay-for-performance compensation philosophy and pay package."

To date eight other companies have also agreed to an Advisory Vote, including Verizon, MBIA, H&R Block, Ingersoll Rand, Blockbuster, and Tech Data. TIAA-CREF, the country’s largest pension fund, has successfully utilized the Advisory Vote twice.

Influential proxy voting service RiskMetrics Group, recommends votes in favor, noting: RiskMetrics encourages companies to allow shareholders to express their opinions of executive compensation practices by establishing an annual referendum process. An advisory vote on executive compensation is another step forward in enhancing board accountability.”

The Council of Institutional Investors endorsed advisory votes and a bill to allow annual advisory votes passed the House of Representatives by a 2-to-1 margin. We believe the statesman like approach for company leaders is to adopt an Advisory Vote voluntarily before required by law.

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

We believe that a company that has a clearly explained compensation philosophy and metrics, reasonably links pay to performance, and communicates effectively to investors would find a management sponsored Advisory Vote a helpful tool.

We urge our board to allow shareholders to express their opinion about senior executive compensation through an Advisory Vote.

Resolution Filers Include a Cross-Section of Pension Funds, Foundations, Asset Management Firms, Religious and Individual Investors

Labor

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

Public Pension Funds

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

Asset Management Companies

Boston Common Asset Management
Calvert Group
F & C Asset Management
First Affirmative Financial Network
Friends Fiduciary Corporation
Newground Investors
NorthStar Asset Management
Rockefeller and Co.
TIAA-CREF
Trillium Asset Management

Walden Asset Management

Foundations

Christopher Reynolds Foundation
Nathan Cummings Foundation
Funding Exchange
Edward W. Hazen Foundation
Max and Anna Levinson Foundation
Needmor Fund
Tides Foundation

Non-Profit Institutional Investors

Manhattan Country School
Oneida Tribe of Indians of Wisconsin

Religious

Adrian Dominican Sisters
Benedictine Sisters of Fort Smith –
St. Scholastica Monastery
Benedictine Sisters of Virginia
Benedictine Sisters of Perpetual Adoration
Catholic Health East
Christus Health
Church of the Brethren Benefit Trust
Community Church of New York
Congregation of Benedictine Sisters, Boerne,
Texas
Congregation of Divine Province – San Antonio,

TX

Congregation of the Sisters of Charity of the Incarnate Word – Houston
Congregation of the Sisters of Charity of the Incarnate Word – San Antonio
Congregation of the Sisters of St. Joseph, Boston, MA
Congregation of the Sisters of Holy Cross, Indiana
Congregation of the Passion – East
Dominican Sisters of Hope
Domestic & Foreign Missionary Society of the Episcopal Church
Episcopal Church Executive Council
Glenmary Home Missioners
Marianist Province of the United States
Mercy Investment Program
Missionary Oblates of Mary Immaculate
Monasterio Pan de Vida
Presbyterian Church (USA)
Providence Trust
Province of St. Joseph of the Capuchin Order (Midwest Capuchins)
Rochester Minnesota Franciscans
Sisters of Mercy Community of Detroit
Sisters of the Holy Names of Jesus and Mary, US Ontario Province
Sisters of St. Agnes
Sisters of Charity of St. Vincent de Paul-NY
Sisters of St. Dominic of Caldwell, NJ
Sisters of St. Francis of Philadelphia
Sisters of St. Joseph of Carondelet, MO
Sisters of St. Joseph, Nazareth
Sisters of St. Joseph of Boston
Sisters of Notre Dame of St. Louis
Sisters of Notre Dame – Toledo
Sisters of Notre Dame de Namur, Boston, MA
Sisters of the Holy Names of Jesus & Mary
Sisters of St. Francis of Philadelphia
Unitarian Universalist Association
United Church of Christ Pension Boards
United Methodist Church – General Board of Pension & Health Benefits
Ursuline Sisters of Tildonk, US Province

Retiree Organizations

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

Among the Companies Receiving “Say on Pay” Shareholder Proposals in 2009:

Abbott Laboratories (ABT)
Alaska Air (ALK)
Allegheny Energy (AYE)
Allstate (ALL)
Altria Group (MO)
American Express (AXP)
American International Group (AIG)
Ameriprise Financial, Inc.
Apple Computer (AAPL)
AT&T (T)
Bank of America (BAC)
Bank of New York (BK)
Boeing (BA)
Bristol Myers Squibb (BMY)
Burlington Northern Santa Fe (BNI)
Capital One Financial (COF)
CenturyTel (CTL)
Citigroup -C-
Citizens Communications (CZN) (now Frontier Communications (FTR))
Coca-Cola Company (KO)
Colgate-Palmolive (CL)
Comcast (CMCSA)
ConocoPhillips (COP)
CVS/Caremark (CVS)
Dominion Resources (D)
Dupont (E.I. du Pont de Nemours) DD
Edison International (EIX)
Electronic Data Systems (EDS)
Eli Lilly (LLY)
Embarq (EQ)
EMC (EMC)
Entergy (ETR)
Exxon Mobil (XOM)
Ford (F)
Freeport-McMoRan Copper & Gold (FCX)
General Electric (GE)
General Motors (GM)
Goldman Sachs (GS)
Hain Celestial Group (HAIN)
Hewlett-Packard (HPQ)
Honeywell (HON)
Huntingdon Bancshares (HBAN)
Intel (INTC)
International Business Machines (IBM)
Johnson & Johnson (JNJ)
Jones Apparel Group (JNY)
Lexmark International (LXK)

Lockheed Martin (LMT)
Marathon Oil (MRO)
McDonald's (MCD)
Merck (MRK)
Morgan Stanley (MS)
Northrop Grumman (NOC)
Occidental Petroleum (OXY)
Pepsico (PEP)
Pfizer (PFE)
PG&E (PCG)
Prudential (PRU)
Pulte Homes (PHM)
Qwest (Q)
Raytheon (RTN)
Rite Aid (RAD)
Schering-Plough (SGP)
Schlumberger Limited (SLB)

Sempra Energy (SRE)
South Financial Group (TSFG)
State Street (STT)
Target (TGT)
Time Warner (TWX)
Tupperware Brands (TUP)
UnitedHealth (UNH)
Valero Energy (VLO)
Wachovia (WB)
Waddell & Reed Financial (WDR)
Wal-Mart Stores (WMT)
Walt Disney Company (DIS)
Wells Fargo & Company (WFC)
Yahoo (YHOO)
YUM! Brands (YUM)
Zions Bancorporation (ZION)