

LEADING INDEPENDENT ANALYSIS
AND VOTING RECOMMENDATIONS ON GLOBAL PROXIES

Proxy Voting has become at once more difficult and more public. New and more complex issues are being decided at a time when fiduciaries must also grapple with new regulations governing conflicts of interest and the disclosure of voting records and policies.

Old solutions for proxy voting no longer suffice. Most institutions do not have adequate in-house resources to ensure the right decisions are being made on the hundreds or thousands of proxies they vote each year. Traditional proxy advisory services, which blindly adhere to unproven corporate governance theory, do not provide the case-by-case insightful analysis of financial and other economic issues necessary to vote today's complex proxies in a manner that mitigates investment risk.

Glass, Lewis & Co. brings a complete proxy research and voting solution to this changed landscape.

GLASS LEWIS COVERAGE UNIVERSE

Glass Lewis' standard universe provides in-depth analysis and voting recommendations on the proxies of thousands of companies and mutual funds in more than 65 countries, including all the constituents of the following:

- Russell 3000
- S&P 500 and S&P SmallCap 600
- FTSE 100
- FTSE 250
- ASX 300
- MSCI-Canada
- S&P TSX
- MSCI EAFE + Canada Index
- MSCI World Index
- S&P TSX Composite Index
- S&P TOPIX 150 (Japan)
- S&P Japan Midcap 100

Upon request, Glass Lewis will provide total portfolio coverage, including coverage of companies in the developed and emerging capital markets.

Glass Lewis' Proxy Paper features contextual, objective analysis and voting recommendations on all proposals contained in thousands of proxies issued by companies in more than 65 countries and is designed to help investors reduce risk and improve returns. This expert analysis is available via Glass Lewis' customizable research-delivery platform or as part of a comprehensive voting agency solution.

The Glass Lewis research team is composed of analysts with advanced degrees in accounting, business, finance, law, and other areas relevant to the research Glass Lewis conducts. This team is uniquely qualified to evaluate U.S., Canadian, Australian, European, Asian and emerging market proxy and other governance issues, including mergers and acquisitions, equity-based compensation programs, boards of directors, pay-for-performance and auditor issues, among others. With respect to these proxy issues in particular, Glass Lewis believes it has unique insights and qualifications:

- **MERGERS AND ACQUISITIONS:** The Glass Lewis research team includes former investment bankers and lawyers with experience in executing billions of dollars worth of mergers and acquisitions. In its analysis of several hundred such transactions per year, Glass Lewis seeks to determine whether the transaction is in the economic interest of investors by focusing on four criteria: (i) Is the board of directors (or committee of the board) that recommends the transaction independent?; (ii) Was the process used to develop the transaction one that was likely to yield the best deal?; (iii) Is the financial advisor who rendered the fairness opinion independent and did the advisor render an opinion that was economically and financially sound?; and, (iv) Is the price for the transaction fair?
- **EQUITY-BASED REMUNERATION PLANS:** Glass Lewis uses a proprietary methodology, grounded in academic research, for evaluating equity-based remuneration plans. The Glass Lewis quantitative model is based on the principle that equity-based remuneration is an expense and should be measured and compared with financial, operational, balance sheet and human capital metrics. This model compares the plans with carefully selected peer groups and absolute limits that economic literature has shown are critical to shareholder value.

- **BOARDS OF DIRECTORS:** In rendering advice on board elections, Glass Lewis’ research team examines the actions of the board to ensure that the directors have acted in a manner that protects and grows shareholder value. Glass Lewis also examines the independence and experience of each director.
- **PAY FOR PERFORMANCE:** Glass Lewis uses a proprietary pay-for-performance model that evaluates remuneration of the top five executives at all U.S. companies, benchmarking the compensation of these executives against their performance. Glass Lewis uses this analysis to inform its recommendations on each of the remuneration issues that arise on the ballot, as well as in the evaluation of the remuneration committee’s performance.
- **AUDITOR ISSUES:** Accurate financial statements are necessary for institutions to make sound investment decisions. Glass Lewis’ research staff includes accountants who have worked at one of the major auditing firms. Glass Lewis’ research carefully examines the transparency of financial statements and companies’ history, if any, of restating financials. Glass Lewis considers these factors when rendering advice on audit committee members and the appointment of auditors.

GLASS LEWIS PROXY PAPER IS UNIQUE

- Glass Lewis’ research is devoted to helping institutional investors determine how to vote in a manner that mitigates risk and improves shareholder value over the medium- to long-term; other considerations do not play a part in the research.
- Glass Lewis always emphasizes a case-by-case approach because context is vitally important to making balanced, rational decisions on the complex matters involved in corporate governance; Glass Lewis does not apply a “one-size-fits-all” solution to voting decisions, but instead hires sophisticated analysts with professional degrees to exercise contextual judgment.
- The majority of Glass Lewis’ research staff holds graduate degrees in accounting, finance, business, law and other areas relevant to the research Glass Lewis conducts, including specific regional expertise.
- Glass Lewis exists to serve institutional investors. Glass Lewis does not provide consulting services to corporations, CEOs or directors; as such, Glass Lewis’ research is without bias.

ABOUT GLASS LEWIS

Glass, Lewis & Co. is a leading investment research and proxy advisory firm, serving institutions that collectively manage more than US \$15 trillion. Glass Lewis helps institutional investors make more informed investment and proxy voting decisions by identifying business, legal, governance and financial statement risks at more than 16,000 companies worldwide.

GLASS, LEWIS & CO. EXISTS TO SERVE THE GLOBAL INSTITUTIONAL INVESTOR COMMUNITY. GLASS LEWIS DOES NOT PROVIDE CONSULTING SERVICES TO ISSUERS.

GLASS LEWIS’ INDEPENDENT AND EXPERT RECOMMENDATIONS ENABLE FIDUCIARIES TO CONFIDENTLY FULFILL THEIR PROXY VOTING RESPONSIBILITIES.