

Press Release
February 13, 2013

The Nathan Cummings Foundation and the Shareholder Rights Project Announce the Results of their 2012 Collaboration

CAMBRIDGE, MA – The Nathan Cummings Foundation (NCF) and the Shareholder Rights Project (SRP) are pleased to announce the results of their work during 2012. The NCF and the SRP worked together on board declassification proposals submitted to 17 S&P 500 companies for presentation at their 2012 annual meetings. This work led to the following outcomes:

- 9 negotiated agreements for companies to bring management declassification proposals;
- 8 successful precatory proposals recommending declassification, with average support of 83%;
- 7 companies that have already declassified; and
- At least 2 companies that will be bringing management proposals to declassify to a vote in 2013.

Following active engagements by the NCF and the SRP, nine S&P 500 companies receiving proposals entered into agreements to put forward management declassification proposals (see the table below for a list of these companies and additional details). Seven of these agreements called for the companies to put forward agreed-upon management proposals for approval at the companies' annual meeting in 2012, and two in 2013.

Six of the seven agreed-upon management proposals voted on in 2012 passed, resulting in the declassification of six S&P 500 companies (listed in the table below). At one company the agreed-upon management proposal won a substantial majority but did not pass due to a supermajority provision requiring approval by 80% of shares outstanding. Two agreed-upon management proposals will go to a vote of shareholder approval in 2013.

Where the NCF and the SRP were unable to reach negotiated outcomes, shareholder proposals urging board declassification went to a vote at the 2012 annual meetings of 8 S&P 500 companies (listed in the table below). All 8 shareholder proposals passed, receiving average shareholder support of 83% of votes cast.

As a result of these successful shareholder proposals, one of these companies has since declassified (see details in the table below). Additional companies are expected to heed the strong support for declassification expressed in the shareholder votes.

The NCF and the SRP have continued to engage with the other S&P 500 companies where proposals received majority support in 2012. The SRP, on behalf of the NCF, has submitted new shareholder declassification proposals to those companies that had not committed to declassify prior to the proposal submission. It is hoped that, as occurred during the 2012 proxy season, the dialog with these companies will result in further agreements to bring management declassification proposals for a shareholder vote.

Annual elections are widely viewed as corporate governance best practice. A move to annual elections could make directors more accountable and thereby contribute to improving performance and increasing firm value.

The NCF is a charitable foundation and an institutional shareholder, and submits shareholder resolutions on issues that lie at the intersection of its programmatic interests and long-term shareholder value. More information regarding the NCF can be found at <http://www.nathancummings.org>.

The SRP is a clinical program at Harvard Law School. The SRP is working on behalf of 8 public pension funds and charitable organizations seeking to improve corporate governance at publicly traded companies in which they are shareowners, as well as on research and policy projects related to corporate governance. During 2012, the SRP assisted SRP-represented investors with selecting companies for proposal submission, designing proposals, engaging with companies, negotiating and executing agreements by companies to bring management declassification proposals, and presenting proposals at annual meetings. Any views expressed and positions taken by the SRP and its representatives should be attributed solely to the SRP and not to Harvard Law School or Harvard University. More information regarding the SRP can be found at <http://srp.law.harvard.edu>.

Inquiries should be directed to Emily Lewis, Administrative Director of the SRP, at (617) 495-8254 or emlewis@law.harvard.edu.

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The table below shows the outcome of each shareholder declassification proposal submitted by NCF in collaboration with the SRP (percentages shown are of votes cast).

Outcome of NCF-SRP Collaboration during 2012

	Company	Outcome
1.	Amphenol Corporation (APH)	BOARD DECLASSIFIED after agreed-upon management declassification proposal passed in 2012.

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2.	Baxter International Inc. (BAX)	PRECATORY PROPOSAL PASSED (98% support); a precatory proposal was submitted for the 2013 annual meeting and dialog continued.
3.	Best Buy Co, Inc. (BBY)	PRECATORY PROPOSAL PASSED (97% support); a precatory proposal was submitted for the 2013 annual meeting and dialog continued.
4.	C.H. Robinson Worldwide, Inc. (CHRW)	BOARD DECLASSIFIED after agreed-upon management declassification proposal passed in 2012.
5.	CarMax, Inc. (KMX)	PRECATORY PROPOSAL PASSED (87% support); a precatory proposal was submitted for the 2013 annual meeting and dialog continued.
6.	Eli Lilly and Company (LLY)	Agreed-upon management declassification proposal received majority support but did not pass due to 80% supermajority requirement.
7.	FLIR Systems, Inc. (FLIR)	PRECATORY PROPOSAL PASSED (82% support); a precatory proposal was submitted for the 2013 annual meeting and dialog continued.
8.	FMC Corporation (FMC)	PRECATORY PROPOSAL PASSED (83% support); a precatory proposal was submitted for the 2013 annual meeting and dialog continued.
9.	GameStop Corp. (GME)	Agreement reached; agreed-upon MANAGEMENT DECLASSIFICATION PROPOSAL going to a vote in 2013.
10.	Hudson City Bancorp, Inc. (HCBK)	BOARD DECLASSIFIED after agreed-upon management declassification proposal passed in 2012.
11.	Moody's Corporation (MCO)	PRECATORY PROPOSAL PASSED (77% support); a precatory proposal was submitted for the 2013 annual meeting and dialog continued.
12.	O'Reilly Automotive, Inc. (ORLY)	Agreement reached; agreed-upon MANAGEMENT DECLASSIFICATION PROPOSAL going to a vote in 2013.
13.	salesforce.com, inc. (CRM)	PRECATORY PROPOSAL PASSED (81% support); a precatory proposal was submitted for the 2013 annual meeting and dialog continued.
14.	TECO Energy, Inc. (TE)	BOARD DECLASSIFIED after agreed-upon management declassification proposal passed in 2012.
15.	The Western Union Company (WU)	BOARD DECLASSIFIED after agreed-upon management declassification proposal passed in 2012.

	Company	Outcome
16.	V. F. Corporation (VFC)	Precatory proposal passed (63% support); BOARD DECLASSIFIED by subsequent board-adopted bylaw amendment.
17.	Wyndham Worldwide Corporation (WYN)	BOARD DECLASSIFIED after agreed-upon management declassification proposal passed in 2012.