

From: Krassimir Kostadinov
Sent: Thursday, November 03, 2011 7:15 PM
To: policy@issgovernance.com

Subject:

Dear ISS:

Thank you for the opportunity to comment for your 2012 Draft Policies. I respond below to the questions you posed relating to Proxy Access Proposals (U.S). You may list my affiliation as "member, United States Proxy Exchange".

Q: Does your organization intend to generally support or oppose proxy access shareholder proposals? Would your organization's view differ based on whether the proposal is a binding bylaw resolution versus a precatory (non-binding) one? If so, how?

A: I personally support both binding and nonbinding proxy access proposals that afford a reasonable means available to all long-term shareowners to nominate.

Q: If your organization is likely to take a Case-by-Case approach on proxy access shareholder proposals, are there any additional factors not enumerated in ISS' proposed policy that your organization believes are central to the evaluation of these proposals? If yes, please specify.

A: I will oppose all proposals that are undemocratic. In particular this includes but is not limited to high ownership thresholds.

Q: Would your organization look for specific thresholds or limits when evaluating these shareholder proposals (e.g., a minimum or maximum ownership percentage or number of board seats)? If yes, what specific parameters does your organization favor?

A: Thresholds or limits could be considered undemocratic. This question fails to recognize that innovative proposals using mechanisms other than the "thresholds" and "limits". As a member of the United States Proxy Exchange (USPX), I know my organization is preparing a model proxy access proposal that includes a number of sound innovations. One of these, as the draft is currently written, would allow a group of 100 shareowners, all satisfying the Rule 14a-8 eligibility requirements, to place one nominee on the proxy. The USPX model proposal has not yet been released. When it is, I hope ISS will review it carefully and choose to recommend supporting votes for it.

Q: Would your organization oppose the shareholder proposal if it allowed 13D filers seeking a change in control to place candidates on ballots? If no, please explain.

A: I would not want any party simultaneously performing an independent proxy solicitation AND nominating under proxy access, as this will create moral hazard.

Thank you,
Dr. Krassimir Kostadinov
Luxembourg