

Comments from – Laura Campos, the Nathan Cummings Foundation

Board Response to Majority-Supported Shareholder Proposals (U.S.)

Are there circumstances where a board should not implement a majority-supported proposal that receives support from a majority of votes cast for one year? If yes, please specify.

No, in the vast majority of cases, a board should implement a majority-supported proposal that received support from a majority of votes cast for one year.

How would your organization vote on directors who failed to implement a shareholder proposal that received majority support in the previous year (vote against the full board; vote against the governance committee; other)?

We would vote against the entire board.

Would a commitment from the company for future implementation of a shareholder proposal that received majority support of votes cast in the previous year be acceptable?

Yes, as long as it is a public commitment and does not postpone taking action beyond a reasonable timeframe.

Environmental and Social Non-Financial Performance Compensation-Related Proposals (U.S.)

Would your organization consider factors in addition to those currently considered by the policy when a proposal requesting the addition of environmental and social non-financial performance measures to an executive compensation plan is being evaluated? If yes, please specify.

Yes. In addition to considering whether or not a company has significant or persistent violations or controversies relating to environmental or social issues, the Nathan Cummings Foundation would consider whether or not the company's operations have the *potential* to have significant environmental or social impacts. Why wait until a company has run into trouble to support the inclusion of environmental and social metrics in the calculation of executive compensation? This, in our opinion, makes the policy somewhat reactive, rather than proactive.

Does your organization make a distinction between proposals requesting the addition of environmental and social non-financial performance measures to executive compensation plans and those proposals that request a report on linking, or on the feasibility of linking, environmental and social non-financial performance measures to executive compensation plans? If yes, please specify.

No, we would support either request.