

Thank you for the opportunity to comment on the proposed changes to ISS baseline policies for 2013. Following are comments from T. Rowe Price (as investment adviser) regarding each issue.

Donna F. Anderson, CFA  
Vice President and Global Corporate Governance Analyst  
410-345-3591 | [Donna.Anderson@TRowePrice.com](mailto:Donna.Anderson@TRowePrice.com) T. Rowe Price Associates, Inc. | 100  
E. Pratt St. | Baltimore MD 21202

#### Issue

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

In our view, any proposal that receives a majority of shares cast represents a significant mandate for the board and should be given due consideration. Failure to consider implementing the proposal may provide reasonable grounds for ISS to offer an AGAINST recommendation on the full board.

However, there are circumstances under which T. Rowe Price would most likely not elect to vote against directors on this basis. We believe a case-by-case analysis is needed in situations where (a) the strength of the mandate from shareholders is in question, or (b) the board has responded constructively to the precatory proposal, but perhaps not in exact alignment with its suggested parameters.

For example, if a shareholder proposal to call special meetings with a threshold of 10% passes, we believe a reasonable response from the company could include adopting a provision with a higher threshold. Similarly, we would not oppose the re-election of directors who responded to a successful written consent proposal by implementing such rights with certain limitations designed to increase transparency for all shareholders.

These situations require discretion on the part of ISS and could not be implemented as strictly automatic recommendations. We also believe discretion is required in situations where the precatory proposal passed by less than 55% of votes cast. We view these proposals in a much different light than, for example, a board declassification resolution approved by 80% of the votes. In our view, it would be reasonable for a board to respond more cautiously to any proposal that engendered a significant disparity in views among the shareholder base at that time.

Therefore, we support this policy change in principle, but we would advise that discretion be applied with regard to defining whether the company has "sufficiently" implemented the proposal.

We do not believe a commitment to implement a proposal in the future is sufficient grounds for an exception.

#### Issue

Management Say-on-Pay Proposals (U.S.)

No comment, as we have an independent approach to Say on Pay analysis.

Issue

Golden Parachute Advisory Votes (U.S.)

No comment, as we have an independent approach to these votes, which is to generally oppose them.

Issue

Shareholder Proposals to Incorporate Environmental/Social Metrics in Executive Pay Plans (U.S.)

No comment, as we evaluate all social proposals independently.

Issue

Overboarded Directors (Singapore/Hong Kong)

We support this change to the Singapore and Hong Kong standards. As the issue of concern for investors is a director's ability to remain effective while serving on multiple boards, we see no reason to distinguish between the boards of related members of a group and separate company boards if the related companies operate in different business lines, and are for all intents and purposes different companies with respect to their operations, products/services offered, competitors and governance. Therefore, we would support applying the policy broadly in these markets.

Issue

Tenure Limits for Directors (Hong Kong and Singapore)

We do not believe tenure is necessarily related to independence. We would not be inclined to apply this standard under our own policies.

Issue

Board Nominee Disclosure (Global)

No comment, as this is already T. Rowe Price policy.

Issue

Pay For Performance (Canada)

We support the proposed changes.