



Investment
Management
Corporation

Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason |
|---|--------------|--------------------|-------------------------|-----------|---|
| ANGANG STEEL CO | 06-Feb-2009 | Board Of Directors | Board Membership | F | Meets Guidelines |
| Comments: Appointment of new executive director of the company. | | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines |
| Comments: This item seeks authorization to issue domestic corporate bonds of not more than \$1.3 billion to the public in the People's Republic of China to repay bank loans, adjust debt structure and supplement working capital. Approximately one-third (\$1.07 billion) of the company's floating rate loans are due within one year. Requests to issue bonds subject to a maximum amount are common among companies incorporated in the China and we support such requests as long as reasonable purpose is provided. | | | | | |
| ANHUI CONCH CEMENT CO. | 17-Feb-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines |
| Comments: Management seeks to approve changes to the use of part of the proceeds raised from the issuance of 200 million domestic shares (A Share Issue) in China in May 2008 to reallocate the funds to projects in wholly-owned subsidiaries and to repay bank loans. The new proposals benefit the company and shareholders as a whole. | | | | | |
| ASAHI BREWERIES LTD. | 26-Mar-2009 | Audit Process | Appointment of Auditors | F | Meets Guidelines |
| | | Board Of Directors | Board Membership | S | Does not meet Guidelines for director effectiveness |
| Comments: We are voting in support only of the three independent candidates on this thirteen-member board. | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| Comments: Proposed total dividend for the year results in a payout ratio of 24 percent, relatively high relative to other Japanese companies. | | | | | |



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| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason |
|---------------------------------|--------------|---|------------------------------|-----------|---|
| ASAHI BREWERIES LTD. | 26-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines |
| | | Comments: Uncontentious bylaw amendment. | | | |
| BANCO BILBAO VIZCAYA ARGENTARIA | 12-Mar-2009 | Audit Process | Appointment of Auditors | F | Meets Guidelines |
| | | Board Of Directors | Board Membership | F | Meets Guidelines |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| | | Comments: Approval of financial statements and the dividend of EUR 0.50 (\$0.64) per share, giving the company a payout ratio of 37 percent, which is within Guidelines. | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| | | Comments: This item seeks shareholder approval of an additional distribution of dividends in the form of stock and meets Guidelines. | | | |
| | | Capital Issues | Authorized and Issued Shares | A | Does not meet Guidelines for shareholder value maximization |
| | | Comments: The company is seeking authorization to increase share capital up to 50 percent and to exclude preemptive rights to existing shareholders. No business rationale has been provided. Under our Guidelines, we will not approve general purpose share capital increases that do not have a clearly articulated business purpose, particularly when existing shareholders will not have preemptive rights. | | | |
| | | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines |
| | | Comments: This item seeks approval to issue non-convertible and exchangeable fixed-income securities. We are supporting this request because the Bank maintains favorable capital adequacy and loan-to-deposit ratios and can comfortably take on additional debt and there will be no dilution to shareholder interests, as the securities will not be convertible into shares, | | | |



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| BANCO BILBAO VIZCAYA ARGENTARIA | 12-Mar-2009 | Capital Issues | Return of Capital | F | Meets Guidelines |
| | | Comments: Share repurchase meets Guidelines. | | | |
| | | Company Acquisition, Merger or Restructure | Merger & Acquisitions | F | Meets Guidelines |
| | | Comments: The company is seeking shareholder permission for an internal restructuring in which it will absorb its subsidiaries, Banco de Credito Local de Espana and BBVA Factoring EFC, SA, already wholly-owned. The item is not contentious and warrants shareholder support. | | | |
| | | Compensation | Executive Management Pay | F | Meets Guidelines |
| BANCO SANTANDER CENTRAL HISPANO SA | 22-Jan-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines |
| | | Comments: This item authorizes the board to ratify and execute resolutions from this general meeting and is a routine formality. | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines |
| Comments: Bylaw amendment will enhance shareholder value. | | | | | |
| BANCO SANTANDER CENTRAL HISPANO SA | 22-Jan-2009 | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines |
| | | Comments: Shareholders are asked to approve a share issuance which will result in 2% dilution in order to service the acquisition of 100 percent of Sovereign Bank's share capital. Sovereign Bank is a U.S. bank incorporated in the State of Pennsylvania, and after the completion of the transaction, Sovereign will become a wholly owned subsidiary of Banco Santander. As the acquisition appears to be positive in terms of shareholder value, and because there will be no negative impact in terms of shareholder rights, we support this request. | | | |
| | | Compensation | Employee Pay | F | Meets Guidelines |
| BNP PARIBAS SA | 27-Mar-2009 | | | | |



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|-------------------|--------------|--|------------------------------|-----------|--|--|
| BNP PARIBAS SA | 27-Mar-2009 | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| | | Comments: This item seeks approval of a preferred share issue to the French government and is an important capital enhancement during a serious period of financial turmoil. The terms and conditions include safeguards to common shareholders and the bank would be at a competitive disadvantage if it did not take advantage of the government program as most if not all other French banks will participate. We believe the proposal merits shareholder support. | | | | |
| | | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| | | Comments: Capitalization of reserves does not result in dilution to existing shareholders and effectively transfers wealth to shareholders. | | | | |
| BRIDGESTONE CORP. | 26-Mar-2009 | Compensation | Employee Pay | A | Does not meet Guidelines for shareholder value maximzation | |
| | | Comments: Employee stock purchase plan does not meet Guidelines because the purchase price discount can be up to 20 percent below market price. | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| BRIDGESTONE CORP. | 26-Mar-2009 | Audit Process | Appointment of Auditors | F | Meets Guidelines | |
| | | Board Of Directors | Board Membership | A | Does not meet Guidelines for director effectiveness | |
| | | Comments: The right to elect directors is the most important avenue shareholders have to exercise their ownership rights and influence corporate decision making. It becomes meaningless if the company does not provide shareholders with adequate information. Insufficient information was available to make an informed decision on the nominees and the company intends to appoint additional independent directors, but has not brought forward candidates to be voted on by shareholders at this meeting, and consequently, we are voting against all candidates on the ballot. | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines | |

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|---|--------------|--------------------|--------------------------|-----------|---|
| BRIDGESTONE CORP. | 26-Mar-2009 | Compensation | Director Pay | A | Does not meet Guidelines for shareholder value maximization |
| Comments: | | | | | |
| The company requests shareholder approval for three related items (payments in lieu of retirement bonuses to seven continuing directors, all of whom are executives of the company; annual bonus payments and a stock option plan). The items are part of the company's new compensation policy which aims to replace the seniority-based retirement bonus system with compensation based on share price performance such as stock option grants. While we support the move towards performance-based compensation, the proposals fall short of establishing strong performance links. | | | | | |
| | | Shareholder Rights | Company Operations | A | Does not meet Guidelines for shareholder rights or value maximization |
| Comments: | | | | | |
| The company proposes bylaw amendments, one of which would enable it to establish rules governing the exercise of rights such as shareholders' right to submit shareholder proposals or call special meetings. We believe that the proposed rules should be spelled out in the articles and approved by shareholders rather than left to be determined by management, particularly when something as fundamental as the shareholders' right to submit shareholder proposals or call special meetings is at stake. | | | | | |
| CANON INC. | 27-Mar-2009 | Board Of Directors | Board Membership | A | Does not meet Guidelines for director effectiveness |
| Comments: | | | | | |
| Canon seeks to reappoint 24 of the 25 incumbent directors to the board and to appoint one new director. The nominees for re-appointment are all lifelong or near-lifelong employees of the Canon Group and the new nominee is a newer senior employee. Canon's longtime CEO, Fujio Mitarai, has been one of the most vocal defenders of the traditional Japanese board structure, and unlike competitors such as Sony Corp., Hitachi Ltd., Toshiba Corp. or Konica-Minolta Holdings, Canon has absolutely no plans to adopt a U.S.-style board with audit, compensation, and nomination committees featuring outside directors. Nor does it intend to appoint outside directors in the context of a traditional board structure, as NEC Corp., Fujitsu Ltd. and Ricoh have done. The appointment of independent directors would help ensure that the company's business practices and compliance mechanisms are reviewed by people who have both a basis to compare Canon's practices with those of other companies, and the authority to enact changes in those practices where necessary. The company has performed very well in the past, however, we are voting against all nominees because we believe that shareholders would be best served in the long-term if the board has a majority of independent members, | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| Comments: | | | | | |
| Canon proposes to pay a cash dividend of JPY 55 per share and also paid an interim dividend of JPY 55 per share in August 2008. The company's payout ratio is 44.4 percent based on consolidated earnings, or 61.6 percent based on parent-only earnings. By law, funds available for dividends in Japan are based on parent company earnings only. The proposed dividend payout ratio is well in excess of our Guideline minimum of 30 percent. | | | | | |
| | | Compensation | Director Pay | F | Meets Guidelines |
| | | Compensation | Executive Management Pay | F | Meets Guidelines |



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|----------------|--------------|--|-------------------------|-----------|---|
| CANON INC. | 27-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines |
| | | Comments: Uncontentious bylaw amendment. | | | |
| CARLSBERG AS | 12-Mar-2009 | Audit Process | Financial Statements | F | Meets Guidelines |
| | | Audit Process | Appointment of Auditors | A | Does not meet Guidelines for auditor effectiveness |
| | | Comments: Shareholders rely on auditor independence to ensure that the financial practices and circumstances of a company are held to appropriate standards and that the financial statements are accurate and reliable. The independence of the auditors can be compromised when they earn fees from non-audit work. In this company, the value of non-audit fees exceeds the audit fees paid during the year and no explanation has been provided. We are not able to support the re-appointment of the auditors in this circumstance. | | | |
| | | Board Of Directors | Board Membership | A | Does not meet Guidelines for director effectiveness |
| | | Comments: The four nominees for election are presented in a single voting item. The board will not be majority independent and there are no audit, compensation or nominating committees established. Under this governance arrangement, the interests of shareholders are not adequately protected and as a result we are voting against all nominees. | | | |
| Capital Issues | | | Return of Capital | F | Meets Guidelines |
| | | Comments: The company is proposing a dividend of DKK 3.5 (\$0.66) per share for 2008, equalling a payout ratio of 15.8 percent. While this amount is below our Guideline amount of 30 percent, we believe shareholder approval is warranted this year. | | | |
| Capital Issues | | | Return of Capital | F | Meets Guidelines |
| | | Comments: Authorization for share repurchase meets Guidelines. | | | |



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| CARLSBERG AS | 12-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: Receive annual report. | | | | |
| | | Shareholder Rights | Company Operations | A | Does not meet Guidelines for shareholder rights or value maximization | |
| | | Comments: Under this item, Carlsberg proposes to extend the authorizations set out in the company's articles of association, concerning the issuance of shares for an employee stock purchase plan, the issuance of convertible bonds and the approval of loans. Due to the potential granting of shares to employees at below market price, a lack of details concerning the issuances of convertibles bonds that makes it impossible to determine the potential dilution, and the company's failure to provide any rationale for the bond issuances, this item does not warrant shareholder approval. | | | | |
| CHINA CONSTRUCTION BANK CORP | 26-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: This proposed bylaw amendment to update an address is not contentious. | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| CHINA CONSTRUCTION BANK CORP | 26-Mar-2009 | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| | | Comments: Bond issue to replenish the supplementary capital of the company and to enhance the capital adequacy ratio of the company meets Guidelines. | | | | |
| CHINA CONSTRUCTION BANK CORP | 26-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: Proposal to facilitate electronic communications with shareholders. | | | | |
| HSBC HOLDINGS | 19-Mar-2009 | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| IBERDROLA SA | 20-Mar-2009 | Audit Process | Financial Statements | F | Meets Guidelines | |



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| IBERDROLA SA | 20-Mar-2009 | Audit Process | Appointment of Auditors | F | Meets Guidelines |
| | | Board Of Directors | Board Structure / Process | F | Meets Guidelines |
| | | Comments: | | | |
| | | Shareholders are asked to formally discharge the board of directors for the previous fiscal year. This is a routine item in Spain and would only be opposed if shareholders intended to pursue legal remedies against the board. | | | |
| | | Board Of Directors | Board Membership | F | Meets Guidelines |
| | | Comments: | | | |
| | | Appointment of a new independent member of the board. | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| Comments: | | | | | |
| Approve dividend resulting in a payout ratio of 56 percent, well in excess of our minimum Guideline of 30 percent. | | | | | |
| Capital Issues | Return of Capital | F | Meets Guidelines | | |
| Comments: | | | | | |
| Share repurchase meets Guidelines. | | | | | |
| Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | | |
| Comments: | | | | | |
| Authorization for debt issues are not contentious. | | | | | |
| Shareholder Rights | Company Operations | F | Meets Guidelines | | |
| Comments: | | | | | |
| Shareholders are asked to authorize the board to participate in the creation of one or more Spanish associations and foundations for purposes of general interests which include cultural, civic, educational, environmental, scientific, athletic, economic, and social development, or other purposes allowed by law. The Spanish government awards tax and legal incentives to companies for their corporate-social responsibility activities or other non-profit undertakings. We believe that companies that conduct themselves in a socially responsible manner can enhance their reputation and long-term economic performance, thereby maximizing shareholder value. | | | | | |



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|---|------------------------------|---|-------------------------|-----------|------------------|--|
| IBERDROLA SA | 20-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: Bylaw amendments will improve corporate governance, comply with Unified Code of Good Governance recommendations and other legislative, accounting and commercial reforms and consequently have a positive impact on protecting shareholders' interests. | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| Comments: Routine item to authorize the board to ratify and execute resolutions from this meeting. | | | | | | |
| IBERDROLA SA | 20-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: This item is a report to shareholders required by Spanish securities laws. | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| IMPERIAL TOBACCO | 03-Feb-2009 | Audit Process | Financial Statements | F | Meets Guidelines | |
| | | Comments: This is the Company's routine submission of the directors' report and financial statements for the year to 30 September 2008. | | | | |
| | | Audit Process | Appointment of Auditors | F | Meets Guidelines | |
| | | Comments: Appointment of auditors and authorization for the board to fix the remuneration. | | | | |
| Board Of Directors | Board Membership | F | Meets Guidelines | | | |
| Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | | | |
| Comments: The request for authority to issue additional shares includes preemptive rights for existing shareholders, which protects them from dilution. | | | | | | |



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|--|--------------|---|------------------------------|-----------|---|--|
| IMPERIAL TOBACCO | 03-Feb-2009 | Capital Issues | Authorized and Issued Shares | A | Does not meet Guidelines for shareholder value maximization | |
| | | Comments: This item would allow the Board to disapply statutory pre-emptive requirements on a portion of the shares being authorized for issue in the previous resolution. No business purpose is disclosed. We do not support waivers of preemptive rights unless a clear business purpose is disclosed. | | | | |
| | | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| | | Comments: This items seeks authorization for the Board to repurchase up to 10 percent of the Company's issued share capital for up to one year and meets Guidelines. | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines | |
| Comments: The company is proposing a final dividend payment that will bring the total dividend for the year to 63.1 pence (USD 0.95), an increase of 4 percent over last year. The dividend payout ratio rises to 53 percent from 51 percent last year and well in excess of our Guidelines threshold of 30 percent. | | | | | | |
| KB FINANCIAL GROUP INC | 27-Mar-2009 | Compensation | Executive Management Pay | F | Meets Guidelines | |
| | | Comments: The remuneration report for the fiscal year meets Guidelines. The company provides excellent disclosure. | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| Comments: This item would enable the company and its subsidiaries to make political donations up to an aggregate amount of GBP 100,000. The company states that it has no intention of changing its current practice of not making donations to political parties in the EU but this authority is necessary to ensure that the company or its subsidiaries do not unintentionally breach the Political Parties, Elections and Referendums Act 2000 by making donations or incurring expenses related to parties that may fall within the broad definition of EU Political Organisations. No political donations were made during the year in review. We support the precautionary nature of this proposal and the limited amount of funds in question. | | | | | | |
| KB FINANCIAL GROUP INC | 27-Mar-2009 | Audit Process | Financial Statements | F | Meets Guidelines | |
| | | Board Of Directors | Board Membership | F | Meets Guidelines | |



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|--|--------------|---|---------------------------|-----------|------------------|--|
| KB FINANCIAL GROUP INC | 27-Mar-2009 | Board Of Directors | Board Structure / Process | F | Meets Guidelines | |
| | | Comments: Under this item, shareholders are asked to elect directors to serve on the Audit Committee. As all candidates are independent, non-executives, we support their election. | | | | |
| | | Compensation | Director Pay | F | Meets Guidelines | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: Bylaw amendment is not contentious. | | | | |
| KERRY PROPERTIES LTD. | 31-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| Comments: Management seeks approval of a joint venture agreement among four parties, one of which is an indirect wholly-owned subsidiary of the company while the others are indirect subsidiaries of associates of the company. The joint venture companies will pursue business opportunities in which the group already has expertise, including acquiring and developing real estate and property and hotel management. The proposal appears to be a good strategic fit that will generate financial returns and warrants shareholder support. | | | | | | |
| KONE OYJ | 23-Feb-2009 | Audit Process | Appointment of Auditors | F | Meets Guidelines | |
| | | Comments: Appointment of auditors and approval of their remuneration meets Guidelines. | | | | |
| | | Audit Process | Financial Statements | F | Meets Guidelines | |
| | | Board Of Directors | Board Structure / Process | F | Meets Guidelines | |
| | | Comments: Set board size at 8 ordinary members and 1 deputy member. | | | | |



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| KONE OYJ | 23-Feb-2009 | Board Of Directors | Board Membership | A | Does not meet Guidelines for director effectiveness |
| Comments: Because an executive director serves on the company's audit committee as well as the nomination and compensation committee, and because shareholders can only vote on the entire slate of directors and not individual directors, we are voting against the entire slate of directors. | | | | | |
| | | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines |
| Comments: Share buyback and reissue is not contentious. | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| Comments: The company proposes to allocate EUR 164 million (\$231 million) to dividends, equaling a payout ratio of 39.2 percent, which represents a dividend of EUR 0.645 (\$0.91) per Class A share and EUR 0.65 (\$0.92) per Class B share (our holding). The payout ratio, while lower than last year, exceeds our Guidelines. | | | | | |
| | | Compensation | Director Pay | F | Meets Guidelines |
| Comments: This item seeks approval of director remuneration for the year. The amounts are reasonable. | | | | | |
| | | Shareholder Rights | Voting Rights | F | Meets Guidelines |
| Comments: Opening formalities for the meeting, including receipt of reports. | | | | | |
| | | Shareholder Rights | Voting Rights | F | Meets Guidelines |
| Comments: This item asks shareholders to approve formal discharge of the board of directors and the president of their responsibilities for the fiscal year in review. This is a standard request in Finland, and discharge generally is granted unless a shareholder states a specific reason for withholding discharge and intends to undertake legal action. We are not aware of any issues that would warrant withholding discharge. | | | | | |
| KONINKLIJKE KPN NV | 27-Mar-2009 | Audit Process | Financial Statements | F | Meets Guidelines |



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| KONINKLIJKE KPN NV | 27-Mar-2009 | Board Of Directors | Board Membership | F | Meets Guidelines |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| | | Comments: Despite the net loss of EUR 186 million (\$262.21 million) reported for fiscal year 2008, the board proposes that a dividend of EUR 0.70 (\$ 0.99) per share be paid. The company's dividend policy provides for an average annual payout ratio to 40 percent to 50 percent of continuing net income. The reserves are sufficient to support the dividend and overall the company appears to be financially stable. Accordingly, we are voting in support of the dividend. | | | |
| | | Capital Issues | Authorized and Issued Shares | A | Does not meet Guidelines for shareholder value maximization |
| | | Comments: Shareholders are asked to authorize the management board to issue shares up to 10 percent of the issued share capital and additional shares up to 10 percent of the issued share capital in the case of a merger or acquisition and exclude the preemptive rights of holders of ordinary shares. This is a general request and no business purpose has been presented that would justify the exclusion of preemptive rights of existing shareholders. | | | |
| | | Capital Issues | Return of Capital | A | Does not meet Guidelines for shareholder value maximization |
| | | Comments: This items seeks authority to repurchase a maximum of 20 percent of issued capital, 10 percent for capital reduction purposes and 10 percent for its stock-based plans. Although we are generally supportive of share repurchase programs as a legitimate means of increasing shareholder value, this particular request would permit too much issued capital to be retained in the treasury. | | | |
| | | Compensation | Executive Management Pay | A | Does not meet Guidelines for shareholder value maximization |
| | | Comments: The long-term incentive plan enables a significant award of stock options in the event of poor performance as compared to its peers (up to 80 percent) and there are no individual limits on the value of awards. We are not able to support this plan because it is not sufficiently aligned with performance. | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines |
| | | Comments: Dutch law requires all stock companies to have a management board, as well as a supervisory board for large companies. The fundamental responsibility of the management board is to oversee the company's daily operations. The supervisory board oversees the management board and gives it advice. These two items are routine requests that shareholders approve formal discharge of responsibility of the management and supervisory boards, respectively, for the fiscal year in review and are approved unless a shareholder has a particular reason to vote against and intends to pursue legal action. We are not aware of any reason to vote against the requested discharges. | | | |



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| LAND SECURITIES GROUP PLC | 09-Mar-2009 | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines |
| <p>Comments:</p> <p>The purpose of the meeting is to obtain approval to increase the company's authorized shares and approve a share issue without preemptive rights in order to raise the capital necessary for the company to preserve its ability to withstand further falls in property values and to take advantage of attractive market opportunities as they arise. These steps are necessary to avoid falling into the lowest category of companies on a loan to value basis when the company had been at the highest rating.</p> | | | | | |
| LOTTE SHOPPING CO LTD | 20-Mar-2009 | Board Of Directors | Board Membership | F | Meets Guidelines |
| <p>Comments:</p> <p>The company is proposing an annual dividend of KRW 1,250 (\$0.99) per share for the 2008 fiscal year. The proposed annual dividend translates to a dividend payout ratio of 4.89 percent, down slightly from the previous year. The dividend is reasonable given that in 2008 the company expanded its business through new subsidiaries and joint ventures throughout Asia and remains profitable in the context of the current global economic turmoil.</p> | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| | | Compensation | Director Pay | F | Meets Guidelines |
| NORDEA BANK AB | 12-Mar-2009 | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines |
| <p>Comments:</p> <p>Management has placed three capital issues on the agenda, but has announced it will only proceed with one of them at the meeting. Unfortunately, information on which item will not be released until after our voting deadline. All three items seek an increase in the capital base of Nordea through the issue of shares with preemptive rights attached for current shareholders. The share issue, combined with an announced reduction is expected to considerably strengthen the capital base which the bank believes is necessary to maintain position as one of the stronger banks in Europe, establish an additional capital cushion in light of reduced visibility in the market and economic outlook, and provide flexibility to exploit high credit quality business opportunities arising from the market dislocation. This particular item is a proposal for a preemptive rights issue which we can support on the basis of the business rationale and the protection for existing shareholders that preemptive rights and the current share price provide.</p> | | | | | |
| | | Capital Issues | Authorized and Issued Shares | A | Does not meet Guidelines for shareholder value maximization |
| <p>Comments:</p> <p>We are not able to support these two requests for preemptive rights issues without additional information because the structuring of the issues will cause dilution to existing shareholders but the actual level of dilution is unknown.</p> | | | | | |



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| NORDEA BANK AB | 12-Mar-2009 | Shareholder Rights | Voting Rights | F | Meets Guidelines |
| <p>Comments: Approval of meeting formalities including formal election of the meeting chair, preparation and approval of the list of shareholders entitled to vote at the meeting, approval of the meeting agenda, election of persons to approve the minutes of the meeting, and acknowledgement that the meeting was properly convened.</p> | | | | | |
| NOVARTIS AG | 24-Feb-2009 | Audit Process | Financial Statements | F | Meets Guidelines |
| <p>Comments: Approval of financial statements is a routine item in Switzerland.</p> | | | | | |
| | | Audit Process | Appointment of Auditors | F | Meets Guidelines |
| | | Board Of Directors | Board Membership | F | Meets Guidelines |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| <p>Comments: The board proposes the allocation of CHF 4,906.2 million (\$4,647.7 million) to dividends, representing a payout ratio of 52 percent and a dividend of CHF 2.00 (\$1.89) per share compared to last year when the company paid a dividend of CHF 1.60 (\$1.47) per share, which represented a payout ratio of 42 percent. This dividend exceeds our minimum payout ratio expectation of 30 percent.</p> | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| <p>Comments: The board requests shareholder approval to reduce Novartis' share capital by cancelling 6 million shares that were repurchased in connection with an earlier buyback authorization. The amount of capital that may be cancelled is limited to 10 percent. Share buybacks benefit shareholders by boosting the trading price, returning surplus capital and improving the efficiency of the balance sheet, which may also enhance returns over the long-term.</p> | | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines |
| <p>Comments: This is a routine request that shareholders approve formal discharge of responsibility of the board and senior management for the fiscal year in review that is generally granted unless a shareholder states a specific reason for withholding discharge and intends to undertake legal action. We are not aware of any reason to withhold discharge.</p> | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason |
|---|--------------|--------------------|--|-----------|---|
| NOVARTIS AG | 24-Feb-2009 | Shareholder Rights | Shareholder Proposal on Shareholder Accountability | F | Meets Guidelines |
| Comments: | | | | | |
| This item is a shareholder proposal to amend the company's articles of association in order to provide for an annual non-binding consultative shareholder vote on the remuneration report. Novartis presently complies with Swiss best practice recommendations with respect to the publication of an annual remuneration report, and during the past year it included approval of the remuneration report in the vote on the annual financial statements and statutory reports. However, that vote includes several reports and the vote results will not provide the company with specific feedback on the contents of the remuneration report. Given increasing shareholder concern about compensation practices generally and the fact that the CEO of Novartis receives one of the highest compensation packages in Switzerland, it is reasonable for shareholders to have an annual opportunity to comment on the board's compensation philosophy and practice and will bring the company in line with the practice required in the United Kingdom, Australia, Sweden, and several other markets. | | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines |
| Comments: | | | | | |
| This item asks shareholders to approve an amendment to the Corporate Purpose section of the company's articles of association to state that the company would strive to achieve sustainable value when pursuing its corporate purpose. The proposed amendment is non-contentious and stresses the importance of creating long-term, sustainable growth for the company. As such, it merits shareholder support. | | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines |
| Comments: | | | | | |
| This item seeks approval of a bylaw amendment to comply with recent changes to the law governing appointment of auditors and is not contentious. | | | | | |
| NOVO NORDISK | 18-Mar-2009 | Audit Process | Financial Statements | F | Meets Guidelines |
| | | Audit Process | Appointment of Auditors | F | Meets Guidelines |
| | | Board Of Directors | Board Membership | S | Does not meet Guidelines for director effectiveness |
| Comments: | | | | | |
| We are withholding votes from the non-independent candidates because the board is not majority independent and the key committees are not wholly comprised of independent members as well. These practices are not consistent with current standards of corporate governance best practice. | | | | | |
| Split Vote: Ando, Gurtler, Nielsen - Independence of Directors | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason | |
|---|--------------|--|--------------------------|-----------|------------------|--|
| NOVO NORDISK | 18-Mar-2009 | Capital Issues | Return of Capital | F | Meets Guidelines | |
| | | Comments: A dividend of DKK 6 (\$1.10) per share is proposed, equalling a payout ratio of 38.2 percent, which exceeds our Guideline minimum of 30 percent. | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines | |
| | | Comments: Share buyback and cancellation meets guidelines. | | | | |
| NOVO NORDISK | 18-Mar-2009 | Compensation | Director Pay | F | Meets Guidelines | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: Bylaw amendments are not contentious. | | | | |
| ORICA LTD | 30-Jan-2009 | Board Of Directors | Board Membership | F | Meets Guidelines | |
| | | Compensation | Executive Management Pay | F | Meets Guidelines | |
| Comments: Advisory vote on compensation policies/practices for the past year. | | | | | | |
| POSCO | 27-Feb-2009 | Board Of Directors | Board Membership | F | Meets Guidelines | |
| | | Comments: In addition to voting on the appointment of five independent directors, under this item shareholders are also approving the appointment of one of those independent members to the Audit Committee, the election of a new company CEO who will continue as a member of the board, and the election of four inside directors. Nine of the fifteen board members will be independent and the audit committee is wholly comprised of independent directors. | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason | |
|---|--------------|---|-------------------------|-----------|------------------|--|
| POSCO | 27-Feb-2009 | Capital Issues | Return of Capital | F | Meets Guidelines | |
| | | Comments: This item seeks shareholder approval of the total annual dividend of KRW 10,000 (\$7.90) per share for the 2008 fiscal year, which translates to a dividend payout ratio of 17.2 percent, down 3.3 percentage points from the previous year. The ratio continues to be below our Guidelines level of 30 percent for established companies; however, the company has announced several strategic initiatives, including an investment of \$30 million in capital to carbon funds of the Korean government as well as the Asia Clean Energy Fund to develop renewable energy in emerging Asian countries. | | | | |
| | | Compensation | Director Pay | F | Meets Guidelines | |
| Comments: Total maximum remuneration for the board of directors is unchanged from last year. | | | | | | |
| PUBLIC BANK BHD/MALAYSIA | 17-Feb-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: Under this item, management is seeking shareholder approval for amendments to the company's articles of incorporation. The proposed amendments are reasonable. Two noteworthy governance improvements are a requirement that independent directors constitute a majority (formerly no less than half) of the board members and a provision for electronic notification of meetings. | | | | |
| | | Audit Process | Financial Statements | F | Meets Guidelines | |
| Comments: This item asks shareholders to accept the company's financial statements as well as the director and auditor reports for the year, as included in the annual report, and is a routine agenda item. | | | | | | |
| | | Audit Process | Appointment of Auditors | F | Meets Guidelines | |
| | | Board Of Directors | Board Membership | F | Meets Guidelines | |
| Comments: The board is majority independent and the members of the key committees, Audit, Remuneration and Nominating, are all independent of management. In addition, the roles of CEO and Chair are held by different individuals and a lead director who is independent of management has been designated. The company's governance practices exceed the minimum standards required in Malaysia. | | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason |
|---|--------------|--------------------|------------------------------|-----------|---|
| PUBLIC BANK BHD/MALAYSIA | 17-Feb-2009 | Capital Issues | Authorized and Issued Shares | A | Does not meet Guidelines for shareholder value maximization |
| Comments: Management is requesting the authority to issue shares without preemptive rights up to a maximum of 10 percent of issued share capital for various unspecified purposes. Shareholders in Malaysia enjoy preemptive rights over share issues although a company can issue shares without preemptive rights if shareholders approve. We do not support the issue of shares without preemptive rights for general business purposes. | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| Comments: The company is seeking shareholder approval to extend its authority to repurchase its own shares, to a maximum of 10 percent of the outstanding share capital of the company, for another year. We believe that corporate stock repurchases are a legitimate use of corporate funds, when clear parameters are in place as is the case here, and can add to long-term shareholder returns. | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| Comments: The company is proposing a final cash dividend of MYR 0.25 (\$0.07) per share resulting in a full-year dividend payment of MYR 0.55 (\$0.16) per share. This gives the company a payout ratio of 71.4 percent, down from 119 percent achieved in the previous period, but still well in excess of our Guidelines minimum of 30 percent.. | | | | | |
| | | Compensation | Director Pay | F | Meets Guidelines |
| PUNCH TAVERNS PLC | 14-Jan-2009 | Audit Process | Financial Statements | F | Meets Guidelines |
| Comments: Routine item to accept financial statements. | | | | | |
| | | Audit Process | Appointment of Auditors | F | Meets Guidelines |
| | | Board Of Directors | Board Membership | F | Meets Guidelines |
| | | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines |
| Comments: Share issuance with pre-emptive rights. | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason | |
|---|--------------|---|------------------------------|-----------|---|--|
| PUNCH TAVERNS PLC | 14-Jan-2009 | Capital Issues | Authorized and Issued Shares | A | Does not meet Guidelines for shareholder value maximization | |
| | | Comments: No preemptive rights or clearly defined business purpose for proposed share issuance. | | | | |
| | | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| | | Comments: Share buyback | | | | |
| | | Compensation | Executive Management Pay | F | Meets Guidelines | |
| | | Comments: Advisory vote on compensation - in our view, the company's remuneration policy and arrangements are generally aligned to good practice. | | | | |
| SAMSUNG ELECTRONICS CO. LTD. | 13-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: This item would enable the company and any of its subsidiaries to make EU political donations to political parties up to GBP 50,000 for the year ahead. The company states that it has no intention of changing its current practice of not making donations to political parties in the EU but the company believes that this authority is necessary to ensure that the company or its subsidiaries do not unintentionally breach the Political Parties, Elections and Referendums Act 2000. No political donations were paid during the year under review. We support the precautionary nature of this request and the limited funds requested. | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| Comments: This item proposes the amendment of the memorandum of association and the adoption of new articles in order to update the company's current articles primarily to take account of changes in English company law brought about by the Companies Act 2006. The new articles are not contentious. | | | | | | |
| SAMSUNG ELECTRONICS CO. LTD. | 13-Mar-2009 | Board Of Directors | Board Membership | A | Does not meet Guidelines for director effectiveness | |
| | | Comments: The election of three outside directors has been bundled into one resolution. One of the nominees is not independent and the board as a whole will not be majority independent. We have no choice but to vote against all three nominees. | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason |
|--|--------------|--------------------|-------------------|-----------|---|
| SAMSUNG ELECTRONICS CO. LTD. | 13-Mar-2009 | Board Of Directors | Board Membership | A | Does not meet Guidelines for director effectiveness |
| Comments: | | | | | |
| This item bundles the election of four inside directors into a single resolution. bclMC believes that shareholders should have the ability to elect each director individually and that boards of directors must consist of a majority of independent directors in order to protect shareholder interest. As neither applies in this situation, we have no choice but to vote against all nominees. | | | | | |
| | | Board Of Directors | Board Membership | A | Does not meet Guidelines for director effectiveness |
| Comments: | | | | | |
| This item seeks approval of the election of two directors to the Audit Committee. While the two are non-executive directors, one is not classified as an independent director, resulting in an Audit Committee that is not entirely comprised of independent directors. Because an independent Audit Committee is critical to appropriate management oversight and protection of shareholder interest and because we do not have the ability to vote against the one non-independent candidate, we have to vote against both. | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| Comments: | | | | | |
| We are voting in support of the dividend payment for fiscal 2008 even though the dividend payout ratio is 14.64 percent, well below our 30 percent cutoff. The company has presented a sound argument for the low payout ratio noting that in this financial climate, it is prudent for companies experiencing or expecting losses to conserve cash to enable them to weather the financial storm comfortably and with minimal loss in value. | | | | | |
| | | Compensation | Director Pay | A | Does not meet Guidelines for shareholder value maximization |
| Comments: | | | | | |
| In this item, management is asking shareholders to put a ceiling on the total remuneration of directors for 2009 at KRW 55 billion (\$43.4 million), up KRW 20 billion or 57 percent from the previous year's ceiling of KRW 35 billion (\$27.6 million). As approval of this proposal would cause the company to make payments to directors who were convicted of criminal wrongdoings while serving on the board, and the company does not specify amounts of remuneration for individual directors, this proposal does not warrant shareholder approval | | | | | |
| SHINSEGAE CO | 06-Mar-2009 | Board Of Directors | Board Membership | F | Meets Guidelines |
| Comments: | | | | | |
| Board composition meets legal standards in Korea. | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason | |
|--|--------------|--|---------------------------|------------------|---|--|
| SHINSEGAE CO | 06-Mar-2009 | Board Of Directors | Board Structure / Process | F | Meets Guidelines | |
| | | Comments: Appointment of two independent directors to the Audit Committee meets Guidelines. | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines | |
| | | Comments: The company is proposing an annual dividend of KRW 1,250 (\$0.99) per share for the 2008 fiscal year, the same per share payment as in 2007. The current dividend payout ratio of 4.1 percent falls short of our minimum dividend payout ratio of 30 percent. However, because the company remains profitable despite current economic conditions, retains a high credit rating and has expansion plans for next year, we will support the dividend payment this year. | | | | |
| Compensation | | Director Pay | F | Meets Guidelines | | |
| SHINSEGAE CO | 06-Mar-2009 | Shareholder Rights | Company Operations | A | Does not meet Guidelines for shareholder rights or value maximization | |
| | | Comments: The company is proposing bylaw amendments that are not contentious. However, the bylaws already contain a provision that permits up to 30 percent of the total outstanding shares to be issued without preemptive rights to existing shareholders. Because that level of dilution exceeds our guidelines, we are voting against this proposal. | | | | |
| SIEMENS AG | 27-Jan-2009 | Audit Process | Appointment of Auditors | F | Meets Guidelines | |
| | | Comments: The company is proposing to appoint a new auditor following a lengthy tenure process. We support the proposal, particularly because the former auditor had a lengthy tenure that included the period subject to the corruption review. | | | | |
| SIEMENS AG | 27-Jan-2009 | Board Of Directors | Board Structure / Process | F | Meets Guidelines | |
| Comments: The company is proposing to amend the company's articles of association to establish a simple majority vote standard for supervisory board elections which we support. | | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason |
|--|--------------|--------------------|---------------------------|-----------|------------------|
| SIEMENS AG | 27-Jan-2009 | Board Of Directors | Board Structure / Process | F | Meets Guidelines |
| <p>Comments:</p> <p>The company seeks shareholder approval for the formal discharge of responsibility of the individual members of the management board, with four exceptions, and the supervisory board, respectively, for the fiscal year in review. The board proposes to postpone the discharge of four former management board members due to ongoing investigations of bribery and corruption of management board members and employees in the company. The corruption investigation started in 2006 and, while some of the legal matters have been settled in the US and Germany, other aspects continue, including criminal investigations. When the scandal first erupted, Siemens introduced a comprehensive compliance program, which aims to ensure that all business practices of the company and its employees are in full compliance with national laws and internal rules and has continued to take corrective actions. Granting discharge is a standard request in Germany and is generally granted unless a shareholder states a specific reason for withholding discharge and intends to undertake legal action. We are in agreement with the request to postpone the discharge for the four former members and are not aware of any issues that warrant withholding discharge from the other board members.</p> | | | | | |
| <p>Capital Issues</p> <p>Authorized and Issued Shares</p> <p>A Does not meet Guidelines for shareholder value maximization</p> | | | | | |
| <p>Comments:</p> <p>In connection with the previous item, the company seeks authority to issue a combination of warrants, convertible bonds and bonds with warrants attached without preemptive rights with a total face value of EUR 15 billion (\$21 billion) and create a EUR 600 million (\$860 million) pool of conditional capital which would be used to issue new shares pursuant to bonds or options until Jan. 26, 2014. While some anti-dilution measures are included in the proposal, the potential dilution to existing shareholders is 19 percent. In addition, existing shareholders are not guaranteed preemptive rights to purchase and no business purpose has been disclosed. While we are generally supportive of debt issuance requests and believe that management should have the flexibility to determine the appropriate debt arrangements for the company, we also believe that reasonable provisions to protect existing shareholders must be included. As these protections are not included in this request, we are voting against.</p> | | | | | |
| <p>Capital Issues</p> <p>Return of Capital</p> <p>A Does not meet Guidelines for shareholder value maximization</p> | | | | | |
| <p>Comments:</p> <p>The company proposes to allocate EUR 1.462 billion (\$2.047 billion) to dividends, representing a payout ratio of 25 percent and a dividend of EUR 1.60 (\$2.24) per share. Last year the company paid the same dividend per share, which represented a payout ratio of 40 percent. The company has reported significant increases in net income over the past four years, but the dividend payout ratio has steadily decreased from 54 percent to 43 percent to 40 percent to the proposal for this year of 25 percent. For a mature company, a dividend payout ratio of 30 percent of net income is a reasonable expectation and the company has not provided a good reason for the reduction in light of increased net earnings.</p> | | | | | |
| <p>Capital Issues</p> <p>Return of Capital</p> <p>F Meets Guidelines</p> | | | | | |
| <p>Comments:</p> <p>The company requests shareholder approval of an authorization to repurchase up to 10 percent of the company's share capital, to reissue or cancel any repurchased shares for a period of 16 months and to have the option to use derivative financial instruments for the repurchase of up to 5 percent of the shares. We are supporting the request because it is a routine item, appropriate pricing limits are in place and existing shareholders will not experience any dilution.</p> | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason |
|---|--------------|--------------------|------------------------------|-----------|---|
| SIEMENS AG | 27-Jan-2009 | Capital Issues | Authorized and Issued Shares | A | Does not meet Guidelines for shareholder value maximization |
| Comments: | | | | | |
| Shareholders are asked to approve the creation of a EUR 520.8 million (\$729.1 million) pool of capital from which the board would be authorized to issue new shares for a period of five years. We are unable to support this request. The new shares would be equal to 19 percent of the company's total outstanding share capital, existing shareholders will not have preemptive rights and the issue is for unspecified general business purposes. | | | | | |
| | | Compensation | Director Pay | A | Does not meet Guidelines for shareholder value maximization |
| Comments: | | | | | |
| The company is proposing to implement changes to the compensation structure for directors including increases in annual and per meeting fees and the introduction of an earnings per share-based performance component. The company is also proposing a fixed annual 10 percent increase. Because the remuneration schedule for the directors is included in the articles and is only presented to shareholders when changes are proposed, the annual escalation will continue indefinitely. We believe that there is no justification for such a high annual increase. | | | | | |
| SNAM RETE GAS | 17-Mar-2009 | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines |
| Comments: | | | | | |
| Shareholders are asked to approve a capital increase of EUR 3.5 billion (\$4.5 billion) in connection with the acquisition of Italgas SpA. and Stogit SpA. Because of recent regulatory initiatives of the Italian government, the company is able to expand its activities to include storage and distribution in addition to its current business of transmission and regasification of liquified natural gas. The transaction will make the company one of the largest in Europe and was positively received by the market. It represents good value for shareholders. | | | | | |
| SWISS REINSURANCE COMPANY | 13-Mar-2009 | Audit Process | Financial Statements | F | Meets Guidelines |
| | | Audit Process | Appointment of Auditors | F | Meets Guidelines |
| | | Board Of Directors | Board Membership | S | Does not meet Guidelines for director effectiveness |
| Comments: | | | | | |
| Shareholders are asked to approve the re-election of two members of the board and the election of another director who has not yet been named. The right to elect directors is the most basic entitlement that shareholders have. It cannot be exercised responsibly without adequate information disclosed sufficiently in advance to enable all shareholders, especially those who cannot attend meetings in person, to evaluate the candidates. We cannot vote for an unknown candidate. | | | | | |
| <div style="border: 1px solid black; padding: 5px; display: inline-block;"> Split Vote: Unnamed candidate - Other </div> | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason | |
|--|--------------|--|------------------------------|-----------|------------------|--|
| SWISS REINSURANCE COMPANY | 13-Mar-2009 | Capital Issues | Return of Capital | F | Meets Guidelines | |
| | | Comments: Dividend payment is reasonable given the company's financial position and the current economic circumstances. | | | | |
| | | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| | | Comments: Shareholders are asked to authorize the creation of a CHF 16.0 million (\$15.0 million) pool of capital. Any shares created from this pool of capital would be issued pursuant to convertible bonds or other financial instruments issued in accordance with an issue arrangement between Swiss Re and Berkshire Hathaway Inc. The company has an urgent need for fresh capital in order to improve its capital situation, and corresponding credit rating, in light of negative developments over the previous year. The potential dilution to existing shareholders, while high, falls within our Guidelines given the clear business rationale for the transaction. | | | | |
| SWISS REINSURANCE COMPANY | 13-Mar-2009 | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| | | Comments: This item seeks shareholder approval for an issue of up to 180 million new shares with preemptive rights to existing shareholders to raise a capital of approximately CHF 18 million (\$16.9 million) and meets Guidelines. | | | | |
| | | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| Comments: This is a routine request that shareholders approve formal discharge of responsibility of the board and senior management for the fiscal year in review, which is generally granted unless a shareholder states a specific reason for withholding discharge and intends to undertake legal action. We are not aware of any reason to withhold discharge. | | | | | | |
| THYSSENKRUP AG | 23-Jan-2009 | Audit Process | Appointment of Auditors | F | Meets Guidelines | |
| | | Board Of Directors | Board Structure / Process | F | Meets Guidelines | |
| Comments: The company seeks shareholder approval for the formal discharge of responsibility of the management board and the supervisory board, respectively, for the fiscal year in review. Granting discharge is a standard request in Germany and is generally granted unless a shareholder states a specific reason for withholding discharge and intends to undertake legal action. We are not aware of any issues that warrant withholding discharge. | | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason | |
|--|--------------|--|------------------------------|-----------|---|--|
| THYSSENKRUP AG | 23-Jan-2009 | Capital Issues | Return of Capital | F | Meets Guidelines | |
| | | Comments: The board proposes the allocation of EUR 602.5 million (\$870.5 million) to dividends, which corresponds to a payout ratio of 28 percent and a dividend of EUR 1.30 (\$1.88) per share. Last year the company paid a dividend of EUR 1.30 (\$1.88) per share, which represented a payout ratio of 30 percent. The payout ratio is slightly below our Guideline of 30%; however, the dividend payment is reasonable in light of net earnings of EUR 668.8 million (\$966.3 million) and maintenance of the per share amount at last year's level. | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines | |
| Comments: The company requests shareholder approval of an authorization to repurchase up to 10 percent of the company's share capital and to reissue or cancel any repurchased shares. The pricing and other details of the proposal have been disclosed and the request meets our Guidelines. | | | | | | |
| THYSSENKRUP AG | 23-Jan-2009 | Capital Issues | Authorized and Issued Shares | A | Does not meet Guidelines for shareholder value maximization | |
| | | Comments: Shareholders are asked to authorize an issue of convertible bonds without preemptive rights with a total face value of EUR 2 billion (\$2.9 billion) and the creation of a EUR 128 million (\$184.9 million) pool of conditional capital which would be used to issue up to 50 million new shares pursuant to bonds or options until Jan. 14, 2014. While some anti-dilution measures are included in the proposal, the potential dilution to existing shareholders is 9.7 percent and the share price discount can be up to 20 percent. In addition, existing shareholders are not guaranteed preemptive rights to purchase and no business purpose has been disclosed. While we are generally supportive of debt issuance requests and believe that management should have the flexibility to determine the appropriate debt arrangements for the company, we also believe that reasonable provisions to protect existing shareholders must be included. As these protections are not included in this request, we are voting against. | | | | |
| TUI TRAVEL PLC | 05-Feb-2009 | Audit Process | Financial Statements | F | Meets Guidelines | |
| | | Comments: This is the Company's routine submission of the directors' report and financial statements for the year to 30 September 2008. | | | | |
| | | Audit Process | Appointment of Auditors | F | Meets Guidelines | |
| | | Board Of Directors | Board Membership | F | Meets Guidelines | |
| TUI TRAVEL PLC | 05-Feb-2009 | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| | | Comments: This routine capital issuance request would allow the Board to issue shares for cash with pre-emptive rights for up to five years. | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason |
|---|--------------|--------------------|------------------------------|-----------|---|
| TUI TRAVEL PLC | 05-Feb-2009 | Capital Issues | Authorized and Issued Shares | A | Does not meet Guidelines for shareholder value maximization |
| Comments: This item would allow the Board to disapply statutory pre-emptive requirements on a portion of the shares being authorized for issue in the previous resolution. No business purpose is disclosed. We do not support waivers of preemptive rights unless a clear business purpose is disclosed. | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| Comments: Authorize share repurchase program. | | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines |
| Comments: The Company proposed final dividend will result in a full-year dividend of 9.7 pence (USD 0.15), an increase from last year. The dividend payout ratio for the year ended 30 September 2008 is 48 percent, compared to 74 percent for the previous fiscal year, and well in excess of our Guidelines threshold of 30 percent. | | | | | |
| | | Compensation | Executive Management Pay | F | Meets Guidelines |
| Comments: The remuneration report for the fiscal year meets Guidelines. | | | | | |
| | | Shareholder Rights | Voting Rights | A | Does not meet Guidelines for exercise of voting rights |
| Comments: This item proposes the approval of a 14-day notice period for Extraordinary General Meetings, rather than the 21 days' notice currently required. The issue of appropriate minimum notice periods for all company meetings is under review in England but the public consultation has not concluded and the final report will not be issued until the spring. While provisions that attempt to protect shareholder voting rights, such as a requirement for electronic voting, are included in the proposal, we remain concerned that 14 days is an insufficient notice period to permit adequate research on agenda items prior to the vote deadline. This is particularly true for international shareholders where the vote deadline is approximately one week prior to the meeting date. We are voting against this item. | | | | | |
| TURKCELL ILETISM | 30-Jan-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines |
| Comments: This item asks shareholders to approve changes to the company's articles of association. Turkcell is amending its articles to allow the company to expand its business lines to provide personal, mobile, and broadband multi-media services. The company's core business remains unchanged and the proposed addition should not have any negative effect on its overall market position. As a result, shareholders should not be adversely impacted by this change. | | | | | |



Vote Summary

Meeting Date - From: 01-Jan-2009 To: 31-Mar-2009

Country: All International

| CompanyName | Meeting Date | Category | Sub Category | Vote Cast | Reason | |
|--|--------------|---|------------------------------|-----------|------------------|--|
| TYCO INTL LTD | 12-Mar-2009 | Audit Process | Appointment of Auditors | F | Meets Guidelines | |
| | | Capital Issues | Authorized and Issued Shares | F | Meets Guidelines | |
| | | Comments: The proposed increase in authorized share capital is essentially to fund a 1-for-9 reverse stock split. The result of these transactions will be that the par value of the outstanding shares will increase approximately nine fold. This significant increase in capital will allow Tyco to continue paying out dividends without incurring Swiss withholding tax. As the measures sought under this resolution are part of the change in domicile and will allow the board to pay out dividends without incurring excess costs, this proposal warrants our support. | | | | |
| | | Capital Issues | Return of Capital | F | Meets Guidelines | |
| Comments: The board proposes a dividend in the form of a capital reduction. | | | | | | |
| TYCO INTL LTD | 12-Mar-2009 | Shareholder Rights | Company Operations | F | Meets Guidelines | |
| | | Comments: The proposed reincorporation of the company from Bermuda to Switzerland appears to be in the interests of shareholders, as the move is intended to contribute to the company's growth, financial health, and competitive position; not solely to enable the company to operate under less stringent disclosure requirements, corporate governance provisions, or tax structure. Market reaction to this reincorporation has also been positive. As such, the proposed change in domicile warrants our support. | | | | |
| XSTRATA PLC | 02-Mar-2009 | Company Acquisition, Merger or Restructure | Merger & Acquisitions | F | Meets Guidelines | |
| Comments: The purpose of the meeting is to obtain shareholder authority for Xstrata to acquire the Prodecco Business, a Colombian high-grade thermal coal mining operation and associated infrastructure, from Glencore, XStrata's substantial shareholder. All the resolutions must pass for the deal to proceed. The deal includes an agreement that would allow Glencore to repurchase Prodecco on certain terms and conditions, including a 12.5 percent price premium, and a rights issue. In light of market reaction, the company's ownership structure and the strategic rationale for the transaction, we are supporting the acquisition. | | | | | | |