



Connecting shareholders and directors

THE SHAREHOLDER-DIRECTOR EXCHANGE

SDX WORKING GROUP

Investor Representatives*

Glenn Booraem, Vanguard
Stu Dalheim, Calvert Investments
Michelle Edkins, BlackRock
Tim Goodman, Hermes
Rakhi Kumar, State Street Global Advisors
Michael McCauley, State Board of Administration of Florida
Thomas Mistele, Dodge & Cox
Nathan Partain, Duff & Phelps
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Directors*

Les Brun, Automatic Data Processing, Broadridge Financial Solutions, Merck
Gail Deegan, iRobot Corp., EMC Corp.
Bonnie Hill, AK Steel, California Water Service Group, Yum! Brands
Michele Hooper, National Association of Corporate Directors, PPG Industries, United Health Group
Labe Jackson, JPMorgan Chase
Linda Fayne Levinson, Hertz, Ingram Micro, Jacobs Engineering Group, NCR, Western Union
Eileen Mercier, Intact Financial Corp., Ontario Teachers' Pension Plan, Teekay Shipping Corp., The University Health Network
Tom O'Neill, Archer Daniels Midland, NASDAQ OMX Group, and Misonix
Debra Perry, Korn/Ferry International, PartnerRe
Rich Roedel, IHS, Lorillard, Luna Innovations, Six Flags Entertainment Corp.

SDX FOUNDERS

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July 2, 2014

Dear Chairman, Lead or Presiding Director:

The investor members of the Shareholder-Director Exchange (SDX) Working Group are representatives of some of the world's largest institutional investors, which, collectively, manage over \$10 trillion dollars in assets. The undersigned investor members write to express our support of meaningful engagement among public company directors and their company's shareholders and to raise your awareness of the growing movement in the United States towards this type of engagement. Working closely with a group of leading independent directors and the founders of the SDX – Cadwalader, Wickersham & Taft LLP; Teneo; and Tapestry Networks – we developed the SDX Protocol, which we believe is a practical framework for effective engagement between shareholders and directors of US public companies. A copy of the SDX Protocol is available for download at www.sdxprotocol.com.

Engagement between public company directors and their company's shareholders is an idea whose time has come. We believe that US public companies, in consultation with management, should consider formally adopting a policy providing for shareholder-director engagement, whether through adoption or endorsement of the SDX Protocol or otherwise. Several prominent US companies are already following this path of engagement and disclosing their engagement efforts – we believe other public companies should follow their lead.

By way of example, in its 2014 proxy statement for its annual meeting held on May 20, 2014, JPMorgan Chase & Co. stated:

In 2014, the Board endorsed the Shareholder-Director Exchange (SDX) Protocol, as a guide for effective, mutually beneficial engagement between shareholders and directors.

The proxy further disclosed that during the fall of 2013, JPMorgan Chase & Co. and members of its board of directors met with shareholders representing 40% of its shareholder base on a variety of corporate governance issues, which we consider a substantial engagement effort. Other companies have pursued meaningful shareholder-director engagement as part of their broader corporate governance efforts, including The Home Depot, Microsoft, UnitedHealth Group, and EMC, among others. Each of these companies has involved its directors in meaningful shareholder engagements for years. While support of shareholder-director engagement continues, important work remains. Overall, during the 2014 proxy season, less than 25% of S&P 500 companies publicly reported engagement efforts or policies in their proxy statements.

Our endorsement of the SDX Protocol is a signal of our commitment to engagement – we ask that you bring these ideas back to your board and consider a similar endorsement and commitment. Each of the SDX participants and the founders stand ready to assist your company and board in outreach efforts with your shareholders. Should you have further questions, we have included the founders' contact information to the left; you may also send email inquiries to info@sdxprotocol.com or visit our website, www.sdxprotocol.com.

* Participation was in an individual capacity; none of the institutions with which these individuals are affiliated necessarily endorse all or any portion of the SDX Protocol.

Sincerely,

/s/ Glenn Booraem

Glenn Booraem



Vanguard

/s/ Stu Dalheim

Stu Dalheim



/s/ Michelle Edkins

Michelle Edkins

BLACKROCK

/s/ Tim Goodman

Tim Goodman



/s/ Michael McCauley

Michael McCauley



/s/ Thomas Mistele

Thomas Mistele

DODGE & COX

/s/ Nathan Partain

Nathan Partain



/s/ Anne Sheehan

Anne Sheehan

CALSTRS

Cc: Corporate Secretary
Director Members of the Working Group

About SDX: The Shareholder-Director Exchange (SDX) is a working group comprised of leading independent directors and representatives from some of the largest and most influential long-term institutional investors; the initiative was founded by Cadwalader, Wickersham & Taft LLP, Teneo and Tapestry Networks, with additional support from Broadridge Financial Solutions. SDX participants came together to discuss shareholder-director engagement and to use their collective experience to develop the SDX Protocol, a set of guidelines to provide a framework for shareholder-director engagements, which was created through a comprehensive series of interviews and meetings with more than 30 directors, institutional investors, and corporate governance thought leaders. The 10-point SDX Protocol offers guidance to public company boards and shareholders on when such engagement is appropriate, and how to make these engagements valuable and effective. A copy of the SDX Protocol is available for download at www.sdxprotocol.com.