

## The Shareholder Forum: Policy Summary

### **Independent Surveys of Investor Views**

The Shareholder Forum has developed and tested processes for overcoming the regulatory complications that had discouraged investor surveys, and has established the following policies to provide decision-makers with the same kind of quantitative analysis of investor views that they conventionally rely upon to analyze most other marketplace purchasing or voting views.

1. Purposes: Intended for use by both corporate and investor decision-makers, the Forum's independent surveys should be designed to satisfy demand for more cost-efficient and more reliable determinations of investor views. Applications to be considered include the following:
  - Identify either valuation/buy-sell or governance/voting issues to be addressed in conferences and other investor communications
  - Test broader reactions to views defined in perception studies or other communications with representative investors
  - Analyze investor constituency segments based on demographic or behavioral characteristics
  - Define issues to frame investor decisions
  - Analyze preliminary investor responses to possible proposals
  - Refine strategies and positions during progress of contests
  - Determine direct investor views without bias of advisory recommendations associated with proxy voting
  - Provide a more effective alternative to proxy voting for determining investor support of non-binding proposals
2. Independence of Survey: The Forum will assume full responsibility for the design of questions and management of communications processes, according to standards supporting the integrity of market research. Prospective respondents to surveys will be informed of the Forum's established "[Conditions of Participation](#)," and assured that they will be communicating with an independent moderator rather than an agent of either a corporation, a shareholder, or an advisor.
3. Anonymity of Respondents: To encourage open responses of investors to survey questions, the following policies are intended to assure the anonymity of their responses:
  - A. *Adherence to Forum's established Conditions of Participation* – Invitations to participate in a survey will refer to the Forum's standard policies assuring the privacy of participant communications, as stated in the publicly posted Conditions of Participation.
  - B. *Separate control of distribution and response communications* – The Forum will engage an independent contractor, such as a proxy processing administrator, to distribute survey invitations to a specified constituency without disclosing any identities. Responses will be directed to a separately controlled web site or other collection medium to which only the Forum has access. No person will have access to both the identities and the responses of survey participants unless a court

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- determines that some interest justifies the sacrifice of Constitutionally protected rights to anonymous communication.
4. **Initiator**: Requests for a Forum survey may be initiated by a company or any of its shareholders. The Forum may also consider requests from other investors or professionals, to the extent that their interests do not appear to be inconsistent with those of a subject company's shareholders.
  5. **Request for Survey Plan**: A prospective Initiator may communicate privately with the Forum to define the issues to be addressed, constituencies, processes, timing, distribution budgets, and other conditions that may be considered for a Forum survey of investor views. In most cases, this exploration could be initiated in a separate process to define the issues relevant to investors without any commitment to a survey. (See the Forum policy for "Definition of Issue.") If requirements can be satisfactorily defined, either in the course of a Definition of Issue process or in other explorations, a qualified Initiator may request the Forum's development of a specific plan for the survey, including distribution arrangements, budgets, schedule deadlines and any other conditions defined in the request. It should be understood that requesting a plan will not obligate the Initiator to proceed with any plan that the Forum presents, or with any element of it.
  6. **Rights to Information**: All communications with the Initiator, including those relating to the planning of a survey as well as the review and analysis of its results, will be subject to the Forum's standard privacy policies as stated in its Conditions of Participation. The Forum will make available to all survey participants a general report of its results, and the nature and extent of this public report may be defined as a condition of the initial survey plan. To the extent not defined in the initial survey plan, any rights to information about survey results will be controlled by the Forum.
  7. **Time Required**: The Forum will consider time commitments as a condition of requests for a survey plan. Generally, it should be practical to design and initiate a routine survey of a company's validated shareholders or other conventionally defined investor constituencies within two weeks of issue definition, and then to report results in another week or two (depending on the survey's methods of communication). For follow-up surveys and non-routine surveys, the Forum should have the ability to conduct the process and report preliminary results within a few days of the request, assuming shareholder samplings do not require updated ownership validation.
  8. **No authority to represent**: The Forum will not have any authority to represent or act on behalf of the Initiator or any other participant in the survey process, and neither the Forum nor the participants in the process will be responsible for any acts or conduct of the other.
  9. **Costs**: To assure fair access to surveys, the Forum manager will establish standard charges according to the following guidelines:
    - A. A standard retainer for the Forum's preparation of a survey plan will be offered for Initiators who wish to proceed without prior Definition of Issue, to be payable with an Initiator's request for the plan.

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- B. Provisions should be made to allow the application of all or a portion of payments for Definition of Issue to a request for a survey plan.
- C. Flat charges should be established for routine initial and follow-up surveys, but with separately contracted distribution costs to be specifically reimbursed so that the Forum will have no economic bias relating to distribution choices.
- D. Reasonable additional charges may be proposed to accommodate requests for urgent timing, unusual pre-survey research, or other non-routine requirements.
- E. The Forum should not under any circumstances consider conditional payments, and should not grant credit conditions other than for Subscribers in good standing. However, if the Initiator is a non-controlling shareholder of the subject company, the Forum may proceed with the Initiator's payment of as little as half the costs if it appears appropriate to rely upon the company's ultimate assumption of full costs according to the Forum's Conditions of Participation.

*February 2, 2009 – GL*