

ANNUAL ELECTIONS OF DIRECTORS

RESOLVED: That the stockholders request that the Board of Directors take the steps necessary to declassify the election of Directors by ensuring that in future Board elections directors are elected annually and not by classes as is now provided. The declassification shall be phased in so that it does not effect the unexpired terms of Directors previously elected.

Supporting Statement

This resolution requests the Board end the present staggered board system and instead ensure that all Directors are elected annually. Presently our company has ___ classes of Directors, ___ elected each year and each Director serves a ___-year term.

We believe shareholders should have the opportunity to vote on the performance of the entire Board each year.

Increasingly, institutional investors are calling for the end of this system, believing it makes a Board less accountable to shareholders when directors do not stand for annual election.

Significant institutional investors such as California's Public Employees Retirement System, New York City pension funds, New York State pension funds and many others support this position. Shareholder resolutions to end this staggered system of voting have received increasingly large votes, averaging over 60% in 2002. In 2003, a majority of the resolutions asking for this reform received votes over 50%. Numerous companies have demonstrated leadership by changing this practice.

We do not believe this reform would destabilize our company or affect the continuity of director service in any way. Our directors, like the directors of the overwhelming majority of other public companies, are routinely elected with strong overall shareholder approval.

We strongly believe that our company's financial performance is linked to its corporate governance policies and procedures and the level of management accountability they impose.

Therefore, as shareholders concerned about the value of our investment, we're concerned about our company's current system of electing only ___ of the board of directors each year. We believe this staggering of director terms prevents shareholders from annually registering their views on the performance of the board collectively and each director individually.

A recent study found that companies with the strongest shareholder rights significantly outperform companies with weaker shareholder rights. A 2001 study of 1,500 companies conducted by researchers at Harvard University and the University of Pennsylvania's Wharton School found a significant positive relationship between greater shareholder rights, including annual election of directors, and company valuation and performance.

In addition we believe the board is accountable for our company's record on social and environmental issues at each shareowner's meeting. This requires an annual election of directors.

Alarming, a staggered board often insulates directors and senior executives from the consequences of poor financial performance. A classified board denies shareholders the opportunity to challenge a board that is pursuing failed policies or to hold the members of an auditing committee accountable for their performance.

Please vote for this important governance reform.