<u>Dear Fellow Free-Marketeers,</u>

There are thirteen of us. A Baker's Dozen. You'd think NOBODY had ever heard of Capital Group, and that CPP Pension Board isn't even AMERICAN, and that we didn't really need TWO of us from JP Morgan. But that's why we didn't stop at ten.

We are thirteen because that's all we need to change Corporate America and American Markets for-ev-uh. We are thirteen because we thirteen know stuff. We know stuff because we're rich. We all made our bones running bigass companies or making bigass bets on the markets. Also, some of us are also old. Because we're old we know stuff, because we've been around. Here we are:

Tim Armour CAPITAL GROUP	Mary Barra GENERAL MOTORS COMPANY	Warren Buffett BERKSHIRE HATHAWAY INC.	Jamie Dimon JPMORGAN CHASE	Mary Erdoes J.P. MORGAN ASSET MANAGEMENT
Larry Fink BLACKROCK	Jeff Immelt GE	Mark Machin CPP INVESTMENT BOARD	Lowell McAdam VERIZON	Bill McNabb VANGUARD
	Ronald O'Hanley STATE STREET GLOBAL ADVISORS	Brian Rogers T. ROWE PRICE	Jeff Ubben VALUEACT CAPITAL	

We're writing to you because we want to set your ass on fire. We want to get YOU as excited as each of US is about corporate governance. Yeah, yeah. Corporate governance... Amorphous. Pointy-headed. Snooze-fest. But wait... We just told you we're rich. If we care about it and you don't, you'll never be rich like us. And we're rich, but not in jail. Do YOU want to go to jail? No? Then pay attention. Got it?

Corporate governance is WHO and HOW we run companies in America. Well, the word 'WE' may be a little strong there. But you get the idea. This is how you do it right. This works.

It works for big-time CEOs, guys and gals like Mary and Jeff and Warren and Lowell. This works to keep the SEC happy, and the press out of your hair. This works to keep your investors happy. It keeps guys and gals like Larry and Brian and Ronald and Bill and the other Mary pumping and buying your stock no matter what other crap you try to pull. This works to keep busybody activists, guys like Jeff, off your back.

Where's the downside? We can't see one. Why don't we all do it at OUR companies or demand it of the companies we dump YOUR money into? Shut up.

Go with Gov,
<u>Signatories of Principles</u>

COMMONSENSE PRINCIPLES OF CORPORATE GOVERNANCE

This is basic stuff. It works for the long term, and it looks good to investors.
You may think you're a Special Snowflake and that it doesn't fit your company. You're wrong.

I. Board of Directors

Directors owe their jobs and loyalties to the company and to its shareholders, not to the CEO.
Directors should be mostly independent, and should know something about the specific business.
Directors should know business generally, and give a damn about the company and shareholders.
Directors should have integrity and nerve, and should have and leverage diverse backgrounds.
Directors may be nominated by shareholders, and should be elected by majority.
Directors must have time to do the job, and shouldn't waste time on trifles (management's job).
Directors should be paid only enough, and enough of their pay should be in company stock.
Directors should serve on committees and take leadership roles, both of which should rotate.
Directors shouldn't hang around too long on the board, to make room for new people and ideas.
Directors should be regularly evaluated, and bad or non-performing ones sacked.

II. Directors versus CEO

Directors shouldn't talk to the press or shareholders; that's the CEO's job.
Directors should regularly meet without the CEO, to talk performance and compensation.
Directors should evaluate the CEO constantly, and pay the CEO enough but not too much.
Directors should evaluate the CEO constantly, and replace a bad or non-performing one.
Directors should consider acquisitions and risk only in terms of long-term shareholder reward.
Directors should consider acquisitions and risk only in terms of long-term growth of the business.

III. Company versus Shareholders

Shareholders should be granted proxy access if they own enough stock.
Shareholders should not be marginalized by the existence of dual-class or non-voting shares.

IV. Company versus SEC

Financial reports should be read by Directors, who should know, approve of, and believe them.
Financial reports, quarterly and annually, should be transparent, comprehensible, without gimmicks.
Financial reports may include earnings guidance if it is not thought harmful, but it should be realistic.
Financial reports explain decisions, spending, acquisitions, all in measurable terms of long-term strategy.
Financial reports of earnings should follow US GAAP, with no obscuring non-GAAP trickery.

V. Board versus Board

The Board may decide combining CEO & Chair roles is best for them, like it's best for Jamie.
The Board must explain why they think they are Special Snowflakes if they combine CEO/Chair.
The Board must balance a combined CEO/Chairman by naming a strong independent Lead Director.
The Board must then bend backwards in a dozen ways to offset the combined CEO/Chair.
The Board must also then realize how silly it is to do that, when they could just split the roles.

VI. C-Suite versus Time

Board/Shareholders must take a good look at the C-Suite in case some of them, like, die or something.
Board should tell Shareholders what happens if C-Suite, like, dies or something.

VII. C-Suite versus Cashola

C-Suite and Board should explain to shareholders why they have to be paid so damn much.
C-Suite jobs pay as much as needed to get good people, as little as possible to protect shareholders.
C-Suite jobs pay in varying ways that change over time, but must reward in both short and long-term.
C-Suite pay should be tied to goals that a shareholder knows, can see, and can evaluate.
C-Suite pay may also have catch-as-can components, like Jamie's, where the Board just wings it.
C-Suite pay should include a lot of company stock so executives work to get shareholder's value up.
C-Suite stock grants should have long vesting periods to keep executives around.
C-Suite stock grants shouldn't be so massive as to dilute shareholders' holdings.
C-Suite pay and stock grants should have strings attached, and should be subject to clawback.

VIII. Asset Managers versus Companies

Asset Managers should turn the screws on companies to demand good corporate governance.
Asset Managers should not just blindly buy any damn stock like BlackRock does.
Asset Managers should do some damn DD research, know something about companies they buy.
Asset Managers shouldn't just blindly mark 'Yes' on every proxy vote, like Vanguard does.
Asset Managers should ask questions, read filings, pester management like ValueAct does.
Asset Managers should look deep into execs/filings, listen to activist shorts, like ValueAct doesn't.
Asset Managers have no choice but to listen as companies explain why they are Special Snowflakes.
Asset Managers mostly will choose to have their analysts parrot such explanations to the market.
Asset Managers needn't accept such whitewashes, COULD ask an activist short what's really up.
Asset Managers rely on varied sources for company information, but NEVER ask activist shorts.

IX. Commonsense Corporate Governance Signatories versus Their Readers

Commonsense Corporate Governance Signatories chose to end it abruptly there.
Commonsense Corporate Governance Signatories couldn't be bothered to write a Conclusion.
Commonsense Corporate Governance Signatories feel their work is done.
Commonsense Corporate Governance Signatories didn't initiate governance review of their holdings
Commonsense Corporate Governance Signatories didn't sell a single share based on these guidelines.
Commonsense Corporate Governance Signatories don't expect you to, either.
Commonsense Corporate Governance Signatories know nothing changes.
Commonsense Corporate Governance Signatories got THEIR checks.