



The Issues That'll Matter In This Year's Proxy Season

A joint meeting of the American Society of Corporate Secretaries' L.A. Chapter, and National Investor Relations Institute's L.A. Chapter & Orange County Chapter

Speaker:

Patrick McGurn

Director of Corporate Programs, ISS

Institutional Shareholder Services is the world's leading provider of proxy voting and corporate governance services. On behalf of institutional investors, it analyzes proxies and issues recommendations for many thousands of shareholder meetings each year. ISS helps institutional investors research the financial implications of proxy proposals and cast votes that will protect and enhance shareholder returns. With a staff of over 185 professionals, ISS delivers policy guidelines, proxy analyses, and consulting services to clients who vote proxies in-house, as well as offering a turn-key voting agent service to those seeking to outsource their proxy voting operation.

Our speaker will look at the issues that loom large in this, the first post-Enron proxy season. He'll discuss ways of working with this leading force in corporate governance to avoid last-minute surprises and adverse recommendations.

March 20 – Wednesday

Reception: 5:30 p.m. / Dinner: 6:30 p.m.

The California Club (Sunset Room), downtown Los Angeles

(538 S. Flower Street. To park, take the first driveway to left after 5th on this one-way street.)

Cost: \$65 Members of ASCS or NIRI. \$70 Non-Members.

RSVP: Joanne Hirsch, BusinessWire: 310-820-9473. Hirsch@bizwire.com
[No-Shows Will Be Invoiced]

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American Society of Corporate Secretaries' L.A. Chapter,
National Investor Relations Institute's Orange County Chapter,
and NIRI's Los Angeles Chapter

Speaker: Patrick S. McGurn

Patrick S. McGurn is Vice President and Director of Corporate Programs at Institutional Shareholder Services. ISS is the world's leading provider of proxy voting services and corporate governance research, serving hundreds of institutional investor and corporate clients. ISS recommends votes on ballot issues for nearly 20,000 shareholder meetings in 80 markets across the globe each year. To learn about ISS, visit www.issf.com

Prior to joining ISS in April 1996, Pat was director of the Corporate Governance Service at the Investor Responsibility Research Center (IRRC), a not-for-profit firm that provides corporate governance research to investors and corporations. He also has served as a private attorney, a congressional staff member and a department head at the Republican National Committee. He is a graduate of Duke University and the Georgetown University Law Center. He is a member of the bar in California, the District of Columbia, Maryland and the U.S. Virgin Islands.

Pat is frequently cited by business publications, including this month's *Investor Relations Business*, as well as *The Wall Street Journal*, *The New York Times* and *Business Week*. He has appeared on Bloomberg Forum, CNBC, CNN, *CNNfn*, *Marketplace*, PBS's *DebatesDebates* and National Public Radio. He is a frequent presenter and has appeared at conferences sponsored by Goldman, Sachs & Co.; Society of Corporate Secretaries; the American Law Institute-American Bar Association; National Association of Corporate Directors; and National Investor Relations Institute.

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Carly, Walter, Listen Up!

(Adam Lashinsky 02/04/2002 Fortune Magazine Time Inc.)

TO: Carleton S.Fiorina, Chairman and CEO, Hewlett
Packard; Walter B. Hewlett, Chairman, William and
Flora Hewlett Foundation

FROM: Adam Lashinsky

RE: Your upcoming meetings with Institutional
Shareholder Services

Yes, I know you two are on different sides of this
brouhaha. I, however, like ISS, am impartial as to
who wins. So I figured I'd brief you on the
proxy-advisory firm and its past dealings with high-
profile figures of your stature. Since ISS's
recommendation on Hewlett-Packard's proposed merger
with Compaq could sway 22% of the votes (and thereby
make or break the deal), and since Ram Kumar, ISS's
32-year-old senior analyst on the transaction, has
an extraordinary amount of leeway to pass judgment,
I thought you'd like to know what's on his mind.

First off, ISS is going to evaluate the economics of
your merger, but its yardsticks are nothing like
those of the high-priced investment bankers and
other advisors that you two are used to dealing
with. Its Rockville, Md., offices are the picture of
suburban drab, and Kumar himself doesn't even rate a
window office. His bosses are committed folks:
Founder Robert Monks is a shareholder advocate from
way back, and CEO Jamie Heard got his start at a
place called the Investor Responsibility Research
Center, a Washington, D.C., think tank that advised
academic endowments on social-policy issues like
investing in apartheid-era South Africa. (Like the
Hewletts and the Packards, ISS knows a thing or two
about family affairs: Monks' son, Bobby, is ISS's
chairman.)

Today ISS watches some 20,000 companies at home and
abroad and makes recommendations on about 4,000
proxies a year. Bare-knuckled merger fights like
yours account for just 5% of ISS's agenda.

One thing Kumar will assess is how well HP and Compaq are getting along as they plan the merger. Last year, when Wachovia and First Union were planning their deal--opposed by SunTrust Banks--the merger partners brought in their integration team to meet with ISS. "They certainly seemed to work well together," says Kumar, whose report recommended that shareholders approve the deal.

Less important to Kumar and friends is name-calling, which you two seem to be doing a lot of. Kumar terms such mud-slinging "interesting" but says at the end of the day it doesn't affect a recommendation. Neither will pressure from HP shareholders (many of whom also happen to be ISS clients). "I'm happy to hear their opinions, but I'm not keeping a tally of who's in favor and who isn't," he says.

No doubt Kumar, a lawyer by training, will be wowed by your personalities. "You're talking to people who are larger than life," he says of people involved with past deals. Yet he's willing to vote against titans of corporate America. Carl Icahn, who tried to take control of laser-vision technology firm VISX last year, didn't personally visit ISS, which ended up siding with management. "I think we needed a little more from him," says Kumar. "The meetings with the principals are the most important data we'll have."

Which means it's all up to you two now.
