National Investor Relations Institute

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November 16, 2009

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F St, NE
Washington, DC 20549-1090

Re: Amendments to Rules Requiring Internet Availability of Proxy Materials
File No. S7-22-09

Dear Ms. Murphy,

This letter is submitted on behalf of the National Investor Relations Institute (NIRI). NIRI is the professional association of corporate officers and investor relations consultants responsible for communications among corporate management, shareholders, securities analysts and other financial community constituents. Founded in 1969, NIRI is the largest professional investor relations association in the world with more than 4,000 members representing 2,000 publicly held companies and approximately $5.4 trillion in stock market capitalization.

Introduction

NIRI supports the proposed notice and access amendments and recommends the SEC adopt these changes with implementation effective January 1, 2010, or as soon as practical, for use with the 2010 proxy season.

NIRI believes the proposed rule revisions represent positive steps to reduce shareholder confusion arising from the notice and access model, and may assist in increasing shareholder participation in the proxy voting process. Improvements to the format and content of the Notice, permitting the inclusion of informational or educational materials about the notice and access model, and the prospect of an SEC program to educate and inform shareholders (especially individual investors) about notice and access are all welcome changes. NIRI has no comment on the proposed amendment to notice deadlines for soliciting persons other than the issuer. However, NIRI suggests a time frame change for issuers also be considered as the 40 calendar day requirement was noted as a problem area by 16% of respondents to a recent survey of NIRI and Society of Corporate Secretaries and Governance Professionals members.

In the fall of 2008 and 2009, NIRI and the Society of Corporate Secretaries and Governance Professionals conducted joint issuer surveys on the use of notice and access. NIRI's executive summaries of these surveys are attached as supplemental information and support the changes proposed. We are very pleased that the proposed changes are responsive to issuer concerns regarding shareholder proxy voting participation, particularly retail shareholders. However, the amendment proposal seems to tie the ongoing trend of lower proxy voting by retail shareholders to notice and access, which, we believe, is too narrow a view. While notice and access in its current form may be a contributing factor, the trend of lower voting participation by retail shareholders, in our opinion, goes well beyond notice and access or the specific option employed.

Retail shareholder voting has experienced a steady decline over the past several years, despite being a critical responsibility of public company shareholders. NIRI hopes the SEC will include this issue as part of its upcoming examination of proxy mechanics and related shareholder communications process. The declining interest of retail shareholders in the proxy voting process has been attributed to a variety of potential factors including the increase in "street name" holdings, lengthy and confusing disclosures required of issuers, complicated proxy ballot issues, the OBO/NOBO distinction, and the migration away from a long term investor mindset. NIRI urges the SEC to consider expanding its internal education mandate to include the importance of retail shareholders taking a long term investment approach, and proactively seeking to understand the governance and other proxy matters upon which they are asked to vote. The importance of this matter has increased dramatically following the recent NYSE Rule 452 change eliminating discretionary broker voting in director elections. NIRI stands ready to assist the SEC in its educational efforts as the investor relations function is the critical information conduit between public companies and investors.

NIRI submits the following comments on several of the questions contained in the proposed amendment.

Questions

1. Does permitting issuers to choose which shareholders to provide notice-only and full set delivery affect voting rates? If so, how are issuers exercising their discretion over full set delivery and are they doing so appropriately?

   Attached survey results indicate that the use of full set delivery has resulted in better voter turnout. However, survey results also indicate that issuers have continued to learn and modify the mix between full set and notice-only in order to improve shareholder participation while managing costs. Issuers employ various strategies when using the stratified approach including segmentation by amount of stockholdings, prior requests for full set, and voting participation in previous elections, among others. NIRI is unaware of issuers attempting to influence voting rates through the stratification process as the question implies.

2. Would additional requirements affect an issuer's ability to implement the notice and access model?

   As noted in the attached survey results, the 40 day requirement is mentioned by 16% of responding issuers as causing problems. Eliminating broker discretionary voting in director elections (NYSE Rule 452), is likely to have an impact on the use of the *notice and access in some circumstances as issuers analyze historical voting trends and take necessary steps to ensure quorum and other bylaw requirements are achieved. NIRI believes some issuers will be forced to abandon the use of the notice and access and will spend substantially more due to the need to employ proxy solicitation services, as well as incurring other additional costs, in order to ensure corporate bylaw requirements are met.*

3. Should the SEC consider adding requirements that would limit an issuer's ability to use the notice-only option where the issuer has experienced a decrease in shareholder participation as a result of using the notice-only option for distribution to some portion of its shareholders? Should the SEC instead consider requiring shareholder participation to increase from prior years in order for an issuer to continue to use the notice-only option?

   NIRI does not believe the SEC should consider these requirements, and recommends rather that it examine the larger issue of the long term decline of retail voter participation rates. Additionally, NIRI encourages the SEC to undertake a comprehensive education program targeted to investors, issuers, financial planners, brokers and others on the criticality of the shareholder vote in corporate governance (including the voting responsibility of investors). As noted, NIRI also recommends the SEC concentrate efforts on improving the shareholder communication system, removing direct communication barriers between shareholders and issuers.

4. Has the notice and access model lowered costs for issuers and other soliciting persons resulting from the proxy solicitation process? Have any costs increased?

   Attached survey results indicate that approximately 65-70% of issuer respondents saved money – largely due to printing and postage savings. However, issuers indicate that savings were offset by higher service provider costs resulting in lower than expected overall savings.

5. Would a 30-day deadline for delivery of the Notice still allow sufficient time for shareholders who prefer paper proxy materials to request and receive them through the mail?

   As noted, approximately 16% percent of issuer survey respondents have encountered difficulty with the 40-day notice requirement. NIRI believes a 30-day requirement would help these issuers. Additional considerations include that as companies adopt for the first time, they are likely to need a shorter notice requirement period. This is particularly true because these newer adopters are likely to be smaller, more resource-constrained issuers, overall.

6. Have the fees charged by proxy distribution service providers affected use rates of the notice and access model? Should the SEC address fees charged by service providers and if so, how?

Yes, issuers must manage all related proxy costs while ensuring quorum and other bylaw requirements are met. The costs and expected voting participation influence the decision on how to use the notice and access model. As with any expense, competition in the marketplace promotes innovation and ensures reasonable fees and costs. The SEC should promote competition in all parts of the proxy system to ensure cost-effective solutions are developed and provided. Should the SEC see monopolistic trends in this, or any area under its purview, NIRI believes the SEC should act accordingly to ensure prices are monitored, and users are not disadvantaged by the engagement of a monopolistic entity.

7. Should the Commission consider proposing suspension of the notice and access rules until a later date to provide more time for shareholders to understand and be better prepared for the notice and access model?

   No, at this point in time the SEC should not consider suspending use of the notice and access model. Attached survey results indicate that there appears to be a one to two year time frame for issuers to become proficient in using the notice and access model. NIRI provides a forum for sharing of best practices among issuers and this has helped to reduce the proficiency time frame for issuers moving to adopt notice and access. Additionally, NIRI has recently published an extensive "Standards of Practice – Implementing Notice and Access" document for those members considering using the notice and access model. NIRI would provide this to the SEC staff if it would be useful. Finally, changes to the formatting of the notice, the ability to add informational materials, and the implementation of an SEC educational effort should assist in helping shareholders to understand the notice and access process.

Conclusion

NIRI is pleased to provide these comments to the SEC as it deliberates changes to the notice and access model for proxy solicitation. NIRI supports the proposed notice and access amendments and believes the SEC should adopt these changes immediately with implementation effective January 1, 2010, or as soon as practical, for use with the 2010 proxy season.

Thank you for your consideration on this important matter.

Sincerely,

Jeffrey D. Morgan, CAE
President & CEO

niri Executive ALERT
Updates on issues vital to the practice of investor relations

November 9, 2009 **Jeffrey D. Morgan**
President and CEO
National Investor Relations Institute

Notice and Access and NYSE Rule 452 – One Step Forward and Two Steps Back?

Survey shows those using Notice and Access for the third year experienced fewer problems.

NYSE Rule 452 amendment has dramatic implications on shareholder vote for 2010 elections.

SEC proposes Notice and Access amendment.

NIRI and the Society of Corporate Secretaries and Governance Professionals recently conducted a member survey to gather results, lessons learned and trends from those that implemented Notice and Access within the first three proxy season years (2007, 2008 and 2009) of its existence. This Executive Alert provides survey highlights, as well as a discussion of the potential implications of the SEC's approval this year of an amendment to NYSE Rule 452 eliminating broker discretionary voting in director elections, and a review of the SEC's recent proposed Notice and Access amendment.

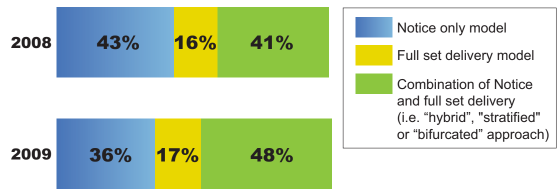
Key Survey Findings:

- Respondents that have implemented Notice and Access or "e-proxy" using the full set delivery model garnered the best vote turnout in 2009. Ninety-three percent had 76-100% total shares voted and better retail turnout over the other distribution models. Those who used full set delivery showed no appreciable change in retail vote turnout over last year.
- Survey respondents who report the most overall cost savings in 2009 over 2008 were those implementing Notice and Access for the first time, but even in this group, the savings were not dramatic. Thirty-three percent of respondents who used e-proxy this year for the first time indicated their total spending was 75-99% of last year's, and an additional 16% did not save any money. A further 8% of this group actually saw their costs go up.
- The majority of Notice and Access adopters decreased their print runs from last year's levels. The median print run was 51-75% of last year's level, but the range in responses was broad. Print run drops were steepest for those implementing Notice and Access for the first time, but earlier adopters also revisited their prior plans and made adjustments. Two thirds of those who first used Notice and Access in 2007 and nearly half (47%) of those who adopted in 2008 printed between 76-100% of their last print runs, in contrast with the majority of new adopters (57%) who printed 50% or less of last year's run. Respondents who didn't reduce print runs were either using full set delivery (37%) or were satisfied with their print levels from previous proxy seasons (32%).
- Service provider costs increased for 32% of respondents to the survey, compared with 58% last year. Those who first adopted Notice and Access in 2007 were least likely to see their service provider costs increase (17%), but those first adopting e-proxy in 2008 were most likely to see their costs jump (38%).
- Similar to last year, shareholders remain largely indifferent to Notice and Access. Seventy-eight percent of respondents report no or neutral feedback from their shareholders.

Discussion

Who Implemented
Notice and Access adoption gained momentum this year. Of survey respondents that have implemented Notice and Access, 7% adopted in 2007, 46% in 2008 and the remaining 47% adopted it for the first time in the 2009 proxy season. Market-cap size correlated with Notice and Access adoption in that first-year adopters (i.e. 2007) skewed larger, with median market cap size decreasing each subsequent year. While all 2007 adopters were on a December 31st fiscal year end, that has broadened to include other year end dates in subsequent years.

Figure 1: Notice and Access Model



Source: NIRI and The Society of Corporate Secretaries and Governance Professionals

The Mechanics of Notice and Access
Respondents' choice of proxy distribution model in 2009 shifted away from notice only to the hybrid or bifurcated approach. Whereas 42% of those companies implementing e-proxy adopted the notice only model in 2008, 36% reported doing so in 2009. Nearly half of respondents – 48% – chose the hybrid model in 2009, compared with 42% in 2008. The proportion of respondents selecting full set delivery remained nearly unchanged at 17%, as shown in Figure 1. The bifurcation distinctions made were fairly evenly distributed based on number of shares held (54%) and by beneficial versus registered holders (52%), consistent with last year's survey.

The intricacies of e-proxy have introduced challenges for a minority, but, as with last year, do not appear to be causing widespread hurdles. As Figure 2 shows, a slightly smaller proportion experienced problems due to the requirement to post materials on a website that does not track personally identifiable information. There were also declines in the percentages of companies that believe the notice met its objective, and no change in the percentage of respondents who experienced problems with the 40-day requirement. The proportion of respondents sending out a second mailing rose to 15%, from 9% in 2008. Twenty-five percent of companies who first adopted Notice and Access in 2007 sent out a second mailing, suggesting that as organizations gain experience with the process, they may be more inclined to take this step.

Figure 2: Notice and Access Scorecard for Proxy Season

	2008	*2009*
✓ Believe Notice Met Its Objective	**95%**	**92%**
✓ Problems From 40 Day Requirement	**16%**	**16%**
✓ Conducted a Second Mailing	**9%**	**15%**
✓ Problems from Cookie Free Site Requirement	**10%**	**8%**
✓ Saved Money	**70%**	**66%**
✓ Printed Fewer Materials	**84%**	**82%**
✓ Achieved Quorum	**99%**	**100%**
✓ Retail Vote Declined	**44%**	**28%**
✓ Paid Service Provider More	**57%**	**32%**
✓ Plan Changes Next Year	**35%**	**23%**

Source: NIRI and The Society of Corporate Secretaries and Governance Professionals

Some of these issues are addressed in the SEC's recent proposal to amend Notice and Access – see the "SEC Notice and Access Proposed Amendment" section on page four for more information.

Counting the Votes
Although NIRI's first Notice and Access survey in 2007 indicated that members held reservations about e-proxy and its potential to impact voting, there has been a steady improvement in this area. Quorum was achieved

by all respondents in 2009, and all but 1% of respondents in 2008. And while 44% of respondents indicated a decline in the retail vote last year, that figure dropped to 28% overall, and was 32% for those respondents who implemented Notice and Access for the first time in 2009. Figure 3 shows the overall vote turnout and retail vote turnout.

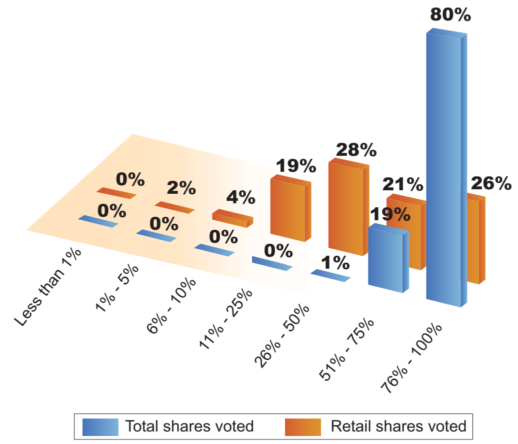
Service [Provider] With a Smile

Figure 4 provides the respondents' ratings on a list of service providers used in the Notice and Access process. Every service provider received a positive mean rating, indicating that respondents were – on average – satisfied with the service they received. There were not significant changes to the degree of satisfaction with most of the service providers who were evaluated last year and this year. For the majority of respondents, service provider fees did not increase over last year, even for those respondents adopting Notice and Access for the first time this past proxy season. The median total of service provider fees was $50,000 to $74,999, which is unchanged from the 2008 results.

Looking Ahead

Twenty-three percent of respondents intend to make changes in connection with next year's proxy solicitation and not surprisingly, this correlates with when the company first implemented e-proxy. Those with less experience are more likely planning changes. Indeed, those respondents that first implemented Notice and Access in 2007 generally reported significantly fewer challenges than those who have less experience with it. These early adopters were less likely to report problems with the notice, with hosting materials online, and with the 40-day requirement. They also tended to report higher retail vote turnout. This could suggest that it takes more than one, or even two, cycles to master e-proxy.

Figure 3: Total & Retail Voting Compared



Source: NIRI and The Society of Corporate Secretaries and Governance Professionals

Figure 4: Service Provider Evaluations

	2009			2008		
	Mean	Median	# of ratings	Mean	Median	# of ratings
BNY Mellon	2.08	2	24	2.39	2	23
Bowne	1.89	2	35	1.74	1	27
Broadridge	2.45	2	91	2.52	2	128
Computershare	2.05	2	19	2.10	2	29
Georgeson	2.08	2	13	N/A		
Innisfree	1.00	1	1	N/A		
Thomson Reuters/Thomson Financial	2.25	2	8	2.25	2	12
Wells Fargo	1.45	1	11	N/A		

Scale ratings on a five point scale where 1 = Very satisfied and 5 = Very dissatisfied

Source: NIRI and The Society of Corporate Secretaries and Governance Professionals

Note: Numbers may not add up to 100% due to rounding.

NYSE Rule 452 Amendment and 2010 Proxy Season Implications

In July 2009, the SEC approved an amendment to NYSE Rule 452 to eliminate broker discretionary voting for shares held in street name (without instruction from beneficial owners) in director elections. This amendment applies to shareholder meetings held on or after January 1, 2010, and applies to both Nasdaq and NYSE-listed companies.

The broker discretionary vote has typically represented a significant percentage of the total retail vote. Some estimates indicate that 70 to 80 percent of investors own their shares through brokers, and that only one-third of retail holders actually cast ballots.

The implication is clear – companies cannot necessarily count on the retail vote in 2010 to elect directors nominated by management. This is particularly relevant for companies with a significant retail shareholder base. Unseating directors may become easier as companies may experience "vote no" or "withhold" vote campaigns by institutional investors without an offsetting retail vote. It may also increase the influence of proxy advisory firms. Quorum may be difficult to achieve if there are no routine matters on the proxy. And as reported in 2009 and 2008 survey results, while the notice only model of Notice and Access may save costs, it hasn't improved the retail vote – full set delivery led to the best vote turnout.

Companies should analyze their past voting results now to determine the possible impact of this amendment. Those with important retail bases should develop a strategy now to address the potential issues from this amendment. Suggestions include initiating a retail investor voting education campaign, retaining a proxy solicitor, cultivating a relationship with the proxy advisory firms and understanding the rationale for their voting recommendations, including at least one routine proposal on the proxy in order to ensure quorum, and if majority voting is in place, having a clear understanding of how these bylaws treat the various types of votes. Finally, companies should weigh the impact that Notice and Access adoption has had, or may have, on their retail vote, and consider alternatives in 2010.

SEC Notice and Access Proposed Amendment

In light of several issues identified by NIRI and an industry Notice and Access working group, the SEC has proposed changes to Notice and Access in the document, Amendments To Rules Requiring Internet Availability of Proxy Materials. As noted, the SEC has been exploring ways to improve the proxy disclosures shareholders receive and the vote soliciting process. Concerns about the strict content and formatting requirements of the notice led the SEC to propose some flexibility in formatting and language to be used on the notice. The SEC hopes, "the flexibility will allow issuers and other soliciting person to develop a more effective explanation of the importance and effect of the Notice, including to provide clearer guidance for shareholders as to how to access the proxy materials online, request a paper copy of the proxy materials, and vote their shares."

The SEC also notes that it will develop a program designed to educate shareholders (particularly individual investors), about Notice and Access, how it is used, and their rights under the model.

Comments on the proposal are due to the Commission by November 20, 2009. NIRI plans to submit a comment letter, but members and members' companies are also encouraged to submit comments.

Conclusion

The results of this follow-up survey on Notice and Access implementation are largely consistent with last year, showing modest progress in what seems to be a manageable process for most organizations who undertake it. Those companies in their third proxy season under Notice and Access fared better in the areas measured than those in their first and second seasons. Furthermore, while the data show that full-set delivery appears to ensure the best retail vote turnout, companies must weigh those costs in the context of both their own proxy results and in light of the important 2010 proxy season implications of the NYSE Rule 452 amendment.

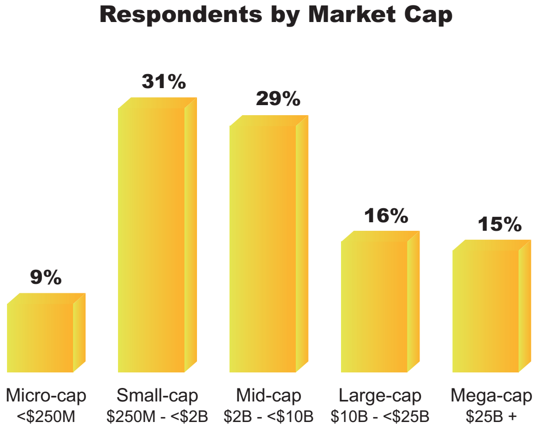
Additional Resources

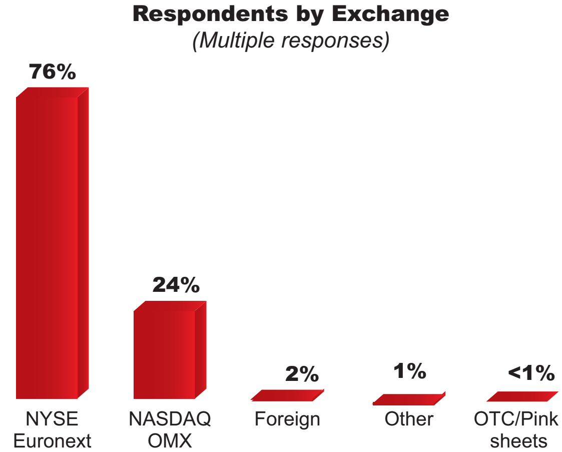
A working group of senior NIRI members and industry experts recently developed NIRI's *Standards of Practice Volume II – Implementing Notice and Access* available to members on the NIRI website. The NIRI Working Group on Notice and Access and the NIRI Board of Directors recommend that public companies review the considerations and recommendations contained in these Standards regarding adoption of Notice and Access.

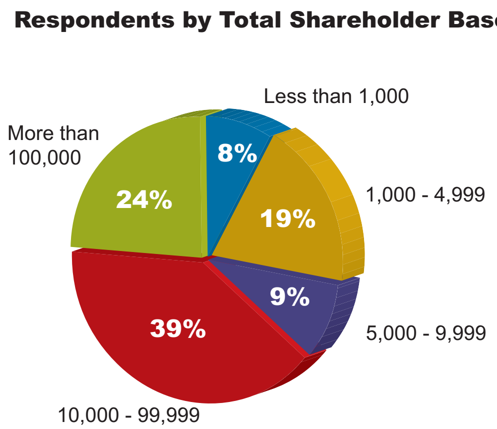
Member Benefit Webinar

Join Jeff Morgan, NIRI President and CEO, and Paul Schulman, Executive Managing Director of The Altman Group, on Tuesday, November 10 at 4:00 PM eastern time for a member benefit webinar titled, Update and Impact of Washington on IR. Jeff will provide an update on financial regulatory reform underway in Washington D.C. and how it will impact the investor relations profession, and Paul will offer practical thoughts on your company's relationship with investors in light of this reform and how you might begin preparing for the 2010 proxy season.

Survey Demographic







About the Survey

After jointly constructing the questionnaire, NIRI and the Society of Corporate Secretaries and Governance Professionals issued the survey in late August to early September 2009 to a sample of NIRI corporate members and Society members. The total response rate was approximately 8.5%. NIRI and the Society conducted a similar joint survey in August 2008. NIRI conducted its first member Notice and Access survey in late 2007.

NIRI members may link to the full survey results: http://www.niri.org/NA09-SurveyResults. A complete PowerPoint slide deck is also available: http://www.niri.org/NA09-Slides.

Please send your research-related comments, questions or suggestions to: research@niri.org.

About the National Investor Relations Institute (NIRI)

Founded in 1969, NIRI (www.NIRI.org) is the professional association of corporate officers and investor relations consultants responsible for communication among corporate management, shareholders, securities analysts and other financial community constituents. NIRI is the largest professional investor relations association in the world with more than 4,000 members representing 2,000 publicly held companies and $5.4 trillion in stock market capitalization.

About The Society of Corporate Secretaries and Governance Professionals

The Society is a professional association founded in 1946 with more than 3,100 members who serve over 2,000 issuers. Responsibilities of our members include advising corporate boards of directors; their audit, compensation and governance committees, and executive management regarding corporate governance and disclosure. Society members have been on the frontline in designing implementing the disclosure and governance enhancements required by the Sarbanes-Oxley Act of 2002 and the related rules of the Securities and Exchange Commission, the Public Company Accounting Oversight Board and the exchanges. For more information, please visit http://www.governanceprofessionals.org.

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niri Executive ALERT
Updates on issues vital to the practice of investor relations

September 15, 2008

Jeffrey D. Morgan
President and CEO
National Investor Relations Institute

Notice and Access Implementation Proceeded Smoothly for Many but Showed Modest Cost Savings Overall

Early Adopters Desire Greater Flexibility and Better Overall Notice Design

Key Findings:

- While 70% of respondents indicated that they saved money using Notice and Access (also known as E-proxy), the actual savings were modest. The greatest proportion of respondents (31%) indicated that their total budget this year was 75-99% of their pre-Notice and Access budgets (or savings of 1-25%). The next largest proportion of respondents (25%) indicated that they did not save money using Notice and Access.
- Similarly, 83% of companies responding to the joint NIRI/Society of Corporate Secretaries and Governance Professionals survey printed fewer annual meeting materials. Thirty-eight percent printed 25% or less than their pre-Notice and Access order, yet savings on printing were not nearly as dramatic. The largest proportion (31%) spent 76%-100% of their previous print budget on printing this year, suggesting that unit costs have risen substantially. See Figure 1.
- The printing figures stand in sharp contrast to the numbers of shareholders who requested print materials. Eighty percent of those taking the survey reported that 5% or fewer of their shareholders requested print materials.
- Service provider costs increased for 58% of respondents to the survey. Fees paid to service providers for the greatest percentage of respondents (34%) topped $100,000 for this proxy season.
- Ninety-nine percent of respondents achieved a quorum.
- Though some respondents underscored the importance of planning and the learning curve involved, the mechanics of the process were not overly burdensome for the majority of respondents, as reflected in Figure 2.
- Shareholders seem largely indifferent to Notice and Access. Nearly three-quarters (74%) of respondents report no or neutral feedback from their shareholders.

Discussion

Who Implemented and Why

Overall, 44% of respondent companies implemented some form of the Notice and Access proxy distribution model, compared with 56% who indicated their plans to do so in NIRI's November 2007 pre-proxy season Notice and Access survey. Ninety percent of those participants who engaged in the E-proxy process implemented Notice and Access this year for the first time. The majority of those that used Notice and Access (68%) were small- and mid-cap companies. Similarly, 69% had 10,000 or more shareholders (39% had 10,000 to 99,999 shareholders and 29% had more than 100,000 shareholders).

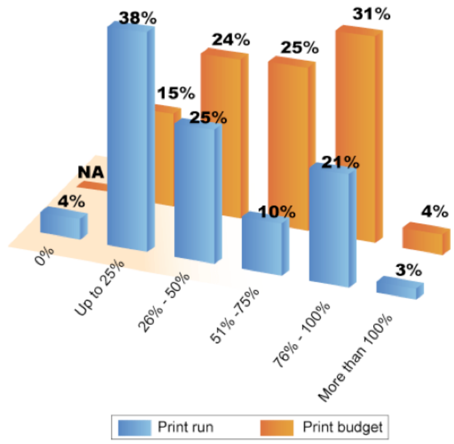
For those who opted not to adopt at this time, the single biggest factor cited – by 72% of participants – was a desire to await lessons from early adopters, consistent with NIRI's previous survey on this topic (in which 65% cited this reason). The presence or absence of non-routine shareholder proposals was a factor in deciding whether to go forward with Notice and Access in 24% of the cases. Some respondents felt more comfortable implementing in a year where no such proposals were in place. Others engaged in scenario planning to understand the possible impacts of such measures, but ultimately decided they could manage the risk (question posed only to Notice and Access adopters).

The Mechanics of Notice and Access

While 42% of those companies implementing e-proxy adopted the notice only model, the same proportion (42%) took the bifurcated or hybrid approach. The bifurcation distinctions made were fairly evenly distributed across those who differentiated based on number of shares held, by beneficial versus registered holders, and "other" which included geographical delineations, 401K participants (who received full packages) and variants on the above. Fifteen percent of Notice and Access implementers engaged in full set delivery and thus did not reap the level of savings enjoyed by those using the notice-only or hybrid models. In point of fact, 71% of respondents using full set delivery did not save money on E-proxy, accounting for nearly one third of all the implementers whose costs did not decrease (Figure 3).

The 40 calendar day requirement for availability of online materials and Notice mailing was met without problem by 84% of those surveyed. Only 9% took advantage of the opportunity to send a second mailing after the 10 calendar day waiting period. The vast majority (91%) of the rest of the respondents did not see a need for a second mailing. Half of those who did a second mailing did so out of concern for vote participation.

Figure 1: Print Budgets and Print Quantities Compared to Prior Year



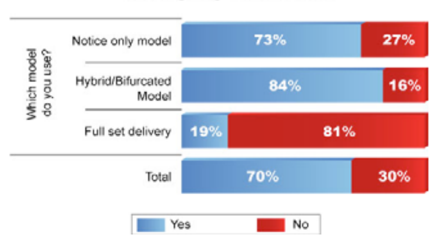
Source: NIRI and The Society for Corporate Secretaries and Governance Professionals

Figure 2: Notice and Access Scorecard for 2008 Proxy Season

	Yes	No
Implemented e-Proxy	44%	56%
Had Non-Routine Proposals in the First Year of e-Proxy	44%	56%
Believe Notice Met its Objective	95%	5%
Problems from 40 Day Requirement	16%	84%
Conducted a Second Mailing	9%	91%
Problems from Cookie Free Site Requirement	9%	91%
Saved Money	70%	30%
Printed Fewer Materials	83%	17%
Achieved Quorum	99%	1%
Retail Vote Declined	44%	56%
Paid Service Provider More	58%	42%
Plan Changes Next Year	36%	64%

Source: NIRI and The Society for Corporate Secretaries and Governance Professionals

Figure 3 : Notice & Access Savings by Model Used



Source: NIRI and The Society for Corporate Secretaries and Governance Professionals

The Votes ARE in

Although NIRI's 2007 survey indicated that members held reservations about E-proxy and its potential to impact voting, the post-implementation survey indicated positive results in this regard. Quorum was achieved by nearly all respondents (99%), and for 82% of respondents, 76% or more of shares were voted. Despite a significant percentage of survey participants who saw a decline in retail voting (44%), the percentage decline was less than five percentage points for the largest proportion of respondents (35%). See Figure 4.

Looking Ahead

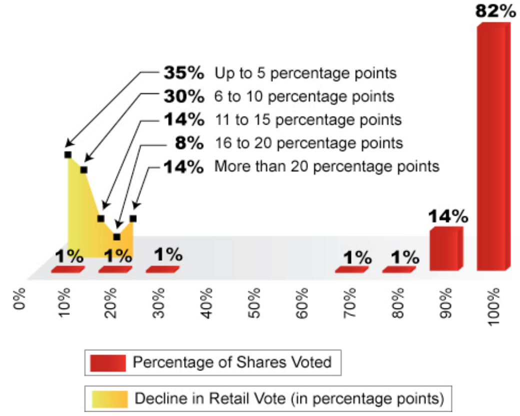
Although meeting its basic objectives for 95% of respondents, one of the most consistent pieces of feedback was a desire for greater flexibility and a better overall design for the Notice. Opportunity clearly exists to enhance Notice readability, particularly in order to promote comprehension for less sophisticated investors. Some respondents report receiving Notices marked up with their shareholder's votes.

Another point of confusion was related to the rule for the documents to be hosted on a Web site that does not track user information. The SEC final rule indicates that the site must be cookie-free, but greater clarity is required to adhere to the spirit of the rule, rather than specific technical requirements that may or may not support the objective.

The survey instrument provided space for open-ended suggestions for the SEC and for other issuers looking to implement E-proxy. The most common suggestions for the SEC involved revisiting the Notice, shortening the 40 calendar day lead time to 30 days, and investigating the fee structure of the service providers, with Broadridge's seeming hegemony raising concerns for some (see Figure 5 for customer satisfaction ratings of the major providers). For non-adopter companies looking at this process, the most common advice can be summed up as start early and/or start small.

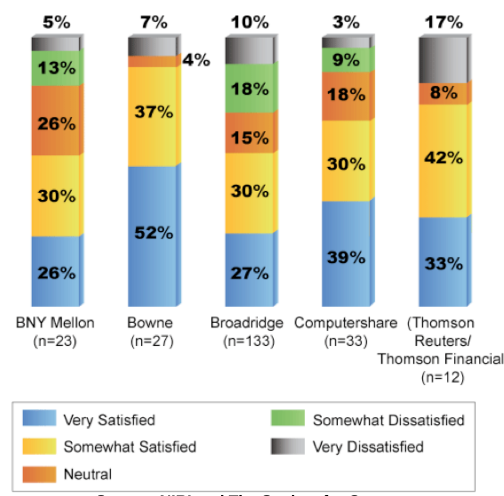
For their own future arrangements, 36% of companies report considering changes including printing fewer materials, changing service providers, moving to full set delivery, and including more shareholders in the Notice delivery (as opposed to full set). One common and judicious plan, however, is to wait to see what is on the proxy next year before making any further modifications.

Figure 4: Shares Voted (Overall) and Retail Decline Percentages Compared



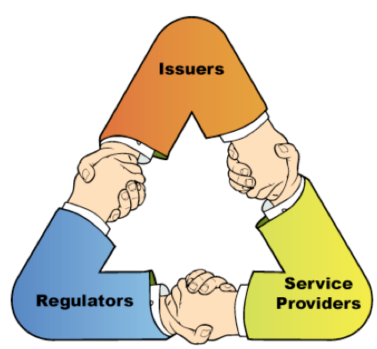
Source: NIRI and The Society for Corporate Secretaries and Governance Professionals

Figure 5 : Service Provider Satisfaction



Source: NIRI and The Society for Corporate Secretaries and Governance Professionals

Figure 6: Cooperation of Issuers, Service Providers, and Regulators Will Ensure a Smooth Process



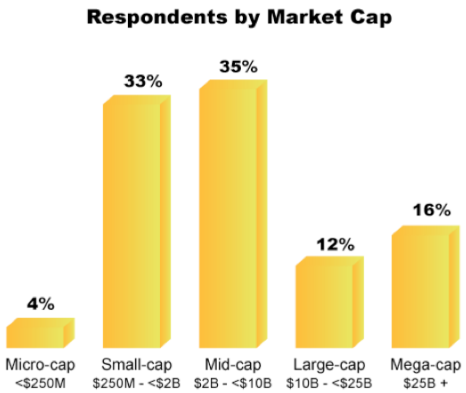
Note: Numbers may not add up to 100% due to rounding.

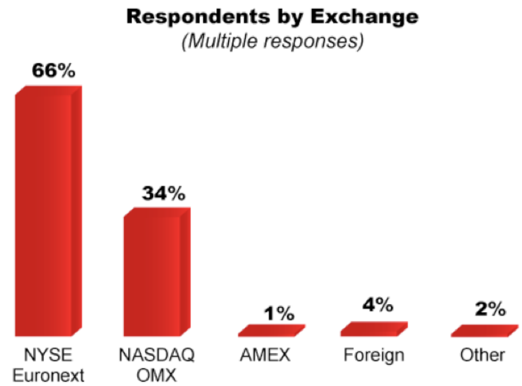
Conclusion

Although the 2008 proxy season was not without its share of obstacles, the major pitfalls were avoided by the majority of respondents to the survey. Nevertheless, it is clear from the data that the anticipated cost savings that drew early adopter companies into the e-proxy fold were not fully realized in this proxy season. Although there is money to be saved, particularly for those companies without a heavy retail base, there is also room for the process to be refined in the coming seasons.

Survey Demographic

The following charts provide demographic information.





About the Survey

After jointly constructing the questionnaire, NIRI and the Society for Corporate Secretaries and Governance Professionals issued the survey in August 2008 to 3,058 NIRI corporate members and 1,459 Society members (the analysis accounted for duplicate responses from the same company). A total of 519 individuals responded to the survey. This survey is a follow-up to an electronic survey sent to NIRI corporate members in late 2007.

Members may link to the full survey results:
http://www.niri.org/gateways/surveys/0809NoticeAccessSummary.cfm.

A complete PowerPoint slide deck is also available:
http://www.niri.org/mem_service_area/surveys/0809NASlides.ppt.

NIRI values your feedback. Please send your research-related comments, questions or suggestions to: research@niri.org.

e-Learning Event

Join NIRI VP, Communication, Matt Brusch, Society of Corporate Secretaries and Governance Professionals VP, Geoff Loftus, VP, IR and Corporate Communications, Invitrogen Corp., Amanda Clardy, and Shareowner Services Manager, The Coca-Cola Company, Karen V. Danielson on Tuesday, September 16, 2008 at 4:00 p.m. Eastern Time for an interactive e-Learning event to review these survey results, and gain insight into lessons learned from two companies that implemented Notice and Access. This e-Learning forum is offered as a complimentary benefit of NIRI membership, but registration is required. To register, please visit: http://www.niri.org/calendar/eventdetail.cfm?EventID=2133&ChapterID=99.

About NIRI

NIRI is the professional association of corporate officers and investor relations consultants responsible for communications among corporate management, shareholders, securities analysts and other financial publics. NIRI's 4,400 members represent nearly 2,100 publicly held companies and $5.4 trillion in stock market capitalization. For more information, please visit www.niri.org.

About The Society of Corporate Secretaries and Governance Professionals

The Society is a professional association founded in 1946 with more than 3,800 members who serve over 2,500 issuers. Responsibilities of our members include advising corporate boards of directors; their audit, compensation and governance committees, and executive management regarding corporate governance and disclosure. Society members have been on the frontline in designing implementing the disclosure and governance enhancements required by the Sarbanes-Oxley Act of 2002 and the related rules of the Securities and Exchange Commission, the Public Company Accounting Oversight Board and the exchanges. For more information, please visit http://www.governanceprofessionals.org.

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