FREDERIC W. COOK & CO., INC.

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April 21, 2010

Executive Compensation 2009 – The Year in Review and Outlook for 2010

Background

Each year Frederic W. Cook & Co. issues a year-in-review letter summarizing the various "Alert" letters issued throughout the year, commenting on the major regulatory and technical developments in 2009 as well as emerging executive compensation issues for U.S. corporations. This letter comments on the issues companies are facing currently with regard to executive compensation in light of events in 2009, and notes items intended to create discussion around what companies and directors should be thinking about in 2010 relating to executive compensation design and governance. As in previous year-in-review letters, we also summarize key Alert letters issued throughout 2009 beginning on page 6, and provide a list of all Alert letters issued in 2009 at the end of this recap, all of which are accessible via our website at www.fwcook.com.

Recap of 2009

2009 was a year of outrage at perceived abuses of executive compensation standards and principles of fairness. Everyone got into the act, from the Treasury Department rules under the American Recovery and Reinvestment Act of 2009 in February, regulating executive compensation arrangements of financial institutions receiving government assistance; the U.K. Financial Services Authority "Code of Practice" on remuneration policies in March; the executive compensation provisions in the Shareholder Bill of Rights Act of 2009 introduced in May in the Senate; the Obama administration proposal for "Executive Compensation Principles" in June; and the Corporate and Financial Institution Compensation Fairness Act of 2009, which was passed by the House in August.

As the year progressed, the Federal Reserve joined in with its guidance designed to ensure that incentive compensation at banking organizations does not encourage excessive risk taking or undermine the safety or soundness of the organization. Senators Dodd and Schumer, among others, introduced the Restoring Financial Stability Act of 2009 in November which was referred to the Senate Banking Committee for consideration, and RiskMetrics Group issued a new "integrated, holistic" Executive Compensation Policy for the 2010 proxy season.

Finally, as the year drew to a close, the Wall Street Reform and Consumer Protection Act of 2009 (which has the same executive compensation provisions as the Corporate and Financial Institution Compensation Fairness Act of 2009) was passed by the House in December, and the

SEC on December 16 approved amendments to the proxy disclosure rules to enhance the disclosure provided to shareholders of public companies regarding compensation and governance matters.

While it is difficult to absorb all of the fundamental changes being made and proposed, there are several common principles woven throughout all of the guidelines, draft legislation, policies and principles generated in 2009. They are:

- There was a collective assessment by the administration, Congress and regulators that the structure and principles governing executive compensation had failed, contributing in part to the near collapse of the U.S. financial system, and needed to be fundamentally repaired.
- The outrage over Wall Street abuses at large banks affects all companies and their boards across the U.S., with significant implications as to how pay is delivered and how it is aligned with performance.
- Compensation programs should be designed so as to not encourage excessive risk taking, and boards and CEOs are to be held accountable for ensuring that they understand and approve the company's risk management practices.
- Providing corporate shareholders with a "Say on Pay" vote is looming on the horizon in terms of ongoing compensation programs and, depending on the outcome of pending legislation, change-in-control transactions as well.
- Further and ongoing improvements to transparency and reporting of executive compensation programs are required.
- Compensation recapture policies, commonly referred to as "clawbacks," are emerging as a "best practice," ensuring that boards demonstrate their intent to correct "wrongs" and have a vehicle to recapture compensation that is determined to have been inappropriately provided.
- Last, but not least, stronger governance of executive compensation programs is required, ensuring the independence and oversight of board compensation committees and their advisors.

The year began in a state of turmoil, with the state of the economy forcing the new administration in Washington to act quickly. Congress passed the $787 billion American Recovery and Reinvestment Act of 2009 stimulus plan and the U.S. Treasury, in response to public criticism, prepared new, more stringent rules for companies receiving taxpayer funding under the Emergency Economic Stabilization Act of 2008, rules that were intended to enhance transparency, ensure compliance, enforce accountability, and restrict perceived abuses in executive compensation.

As the year progressed, markets began to stabilize somewhat and it began to appear that the worst of the crisis might be over. Congress was able to move beyond providing stimulus to the economy and a life-line to companies on the verge of failure, to evaluating what caused the financial meltdown and identifying the necessary steps to prevent a similar collapse in the future. Many of the proposals and policies mentioned above were born of the idea that excessive risk-taking and out-sized compensation programs contributed to the most significant recession since the Great Depression.

We continue to wait for the outcome of legislation that will affect executive compensation, legislation having been passed twice by the House in 2009 and still under consideration in the Senate, but many of the principles and "best practices" are beginning to take hold even in advance of signed legislation. Boards and compensation committees have not waited, but rather have begun to act based on their view as to how these larger concerns should be addressed in their specific organizations.

The year 2009 may be remembered as having a profound impact on the design and governance of executive compensation programs in the U.S. and abroad, particularly if the financial system reform legislation is signed into law. As we look forward, here are some of the areas where we think U.S. companies and their boards will need to focus attention in 2010.

Implications for 2010

Say on Pay

Both the House and the Senate legislation include provisions for "Say on Pay" which would require companies to give shareholders an annual non-binding vote on executive compensation. Companies may also have to give shareholders a separate non-binding vote on any type of compensation that is based on or otherwise related to a change-in-control transaction. Also present in Senate legislation is a proposal that all directors must be elected annually by a majority of the votes cast in uncontested elections, which would serve to increase the power of activist shareholders and proxy advisors.

Many companies will wait to see what happens on Say on Pay, particularly those that have not had to deal with shareholder proposals that would require an annual non-binding vote. Others have been more proactive, generally because they had to respond to specific shareholder proposals. These pro-active companies are proposing periodic (i.e., every one to three years) non-binding votes on the executive compensation program. With Say on Pay, our view is that this is now a question of when and how, not if, and boards are well advised to consider their alternatives for increasing dialogue with long-term investors on executive compensation.

Compensation Committee Role and Responsibilities

Our experience is that compensation committees are more active than ever, dealing with all of the additional policy issues that 2009 has brought, in addition to their normal workload. Committees have been addressing many of the issues for some time, such as performance measurement and goal-setting. But there are new issues to be addressed and worked into a committee's charter and standing calendar. Considering whether the company's incentive compensation plans contribute to excessive risk-taking by management and what the company is doing to manage and mitigate such risk is one such issue. Conducting a top to bottom policy and program review, considering for example: change-in-control excise tax gross-ups, stock ownership and retention, and incentive recapture policies; programs often not looked at each year are now becoming "front burner" issues as committees are reconsidering policies that may have been in place for many years.

While most compensation committees have been fully independent for some time, under the pending legislation this would be required as it is under the Sarbanes-Oxley Act of 2002 for audit committees. What's new for 2010 is that the consultants retained by the committee (or retained by management unless the committee retains its own consultant) must disclose the fees provided to the consulting firm for non-executive compensation consulting services if they are worth $120,000 or more (under December 2009 SEC amendments to the proxy disclosure rules). This has caused, and will continue to cause, companies that utilize "full service" HR consulting firms to go elsewhere for the services that they require advising the compensation committee on executive compensation matters, or deal with the additional reporting and disclosure requirements if they do not.

Executive Compensation Structure

Our experience indicates that many changes are taking place in both annual and long-term incentive compensation arrangements. In the annual plan framework, many are re-examining performance metrics to ensure continued alignment with the organizations' strategic business plans. Less emphasis was placed by some on traditional profit measures last year, placing greater emphasis on current needs around continued cost savings, operating cash flow, and working capital. In 2010, we see many of those organizations returning to stronger historical performance expectations around profit-based measures as the economy continues to thaw. In many cases, it remains harder to forecast what target or expected performance *might* be, much less what it *should* be. Accordingly, some widened the payout curve last year to ensure that participants can "get in the game," yet provide plenty of upside room before target or maximum awards can be earned in case of a faster than expected turnaround. This will likely continue as organizations strive to differentiate levels of performance and set realistic, yet stretch goals in markets that continue to have significant volatility.

Long-term incentives continue to head down a path of diversification, providing greater balance between two or more long-term plans. RiskMetrics Group ("RMG") continues to put pressure on companies it considers as underperforming its peers to have at least 50% of the LTI opportunity delivered with performance based equity vehicles, and we expect to see continued greater use of performance-vested equity awards as a result. There continues to be some movement to cash-based LTI plans as well, in part to conserve shares where companies may not be able to recharge their stock plans at present.

Severance and Change in Control

The objectives behind change-in-control ("CIC") arrangements are to motivate executives to continue to work in the best interests of the company and its shareholders, and to mitigate potential anxiety an executive may have regarding his or her future employment with the company due to a CIC. Companies also enter into these arrangements to ensure continuity of management during mergers and acquisitions and as a way to attract and retain highly valued executives.

The recent focus on corporate governance reform in the wake of the financial crisis has drawn attention to CIC arrangements and the costs associated with providing executives with these protections. In addition, shareholder activist groups have brought forth proposals in annual proxy statements seeking to limit payments under CIC severance programs, and RMG has designated certain features of CIC arrangements as constituting “poor pay practices” that may trigger negative or withhold vote recommendations on re-election of corporate directors (especially members of the compensation committee).

In our most recent research report on CIC practices, we found that eighty-eight companies (70% of the sample) provide special CIC severance arrangements to their named executive officers, and of these companies fifty (57%) made changes to their CIC arrangements. Of particular note was that 23% of companies modified their golden parachute excise tax gross-up treatment and 11% eliminated the excise tax gross-up altogether, while 8% moved from a full gross-up to a modified gross-up. Sixteen percent modified their treatment of equity vesting acceleration on CIC, and 9% moved from single-trigger vesting to double-trigger vesting.

After twenty-six years of having the Internal Revenue Code “golden parachute rules” often result in CIC severance payments of three times salary and bonus, the severance multiples are now starting to come down. We expect CIC arrangements to continue to be a key topic among compensation committees during 2010 and anticipate that the trends noted above will continue.

Activist Shareholders and Proxy Advisors

The influence of proxy advisory firms such as RMG, Glass Lewis and large state pension funds continues to grow. They are more specific than ever about expressing their views on companies’ executive compensation programs and governance practices. It is now routine for such organizations to run their own “pay for performance” analyses and provide extensive checklists and “best practices” models around pay and governance practices. RMG’s newly introduced Governance Risk Indicators (“GRId”) risk assessment tool addresses all of their former separate policies on Pay for Performance, Poor Pay Practices, and Management Say on Pay, discussed further below. Companies that have not measured themselves against RMG’s listing of “Poor Pay Practices” or performed a “Pay for Performance” analysis based on RMG’s likely peer group, rather than their own, might consider doing so.

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As is our practice, a recap of selected Alert letters follows in the Appendix.

APPENDIX - Recap of Selected FWC Alert Letters Published in 2009

Executive Compensation under the American Recovery and Reinvestment Act of 2009

As a reaction to the perceived ineffectiveness of the first Troubled Asset Relief Program ("TARP") under the Emergency Economic Stabilization Act of 2008 ("EESA"), the American Recovery and Reinvestment Act of 2009 ("ARRA"), which was signed into law by President Obama on February 17, 2009, contained numerous changes to the rules regulating the executive compensation arrangements of financial institutions receiving government assistance under TARP. The new guidelines apply to all existing and future TARP fund recipients. The significant compensation restrictions contained in the EESA and the ARRA included:

- Prohibition on certain bonus, retention and incentive compensation for senior executive officers ("SEOs")[1] and up to the next 20 most highly-compensated employees;
- Exception for bonuses of up to 50% of base salary (no more than 1/3rd of total annual pay) that must be payable in restricted stock and must only vest after taxpayers have been repaid;
- Prohibition on golden parachute payments to SEOs and the 5 next most highly-compensated employees;
- Required adoption of a company-wide policy on excessive or luxury expenditures;
- Mandated non-binding "Say on Pay" vote to approve proxy CD&A and related disclosure tables;
- Prohibition on incentives that involve "unnecessary and excessive risks;"
- Required "clawback" provisions to recoup bonus, retention and incentive compensation for SEOs and up to the next 20 most highly-compensated employees;
- Prohibition on any compensation plan that would encourage manipulation of earnings to enhance compensation;
- Limitation on the tax deductibility of annual compensation of SEOs to $500,000;
- Requirement of an annual certification by the CEO and CFO of the company's compliance with the restrictions; and
- Required review of employee compensation plans by a compensation committee consisting solely of independent directors.

On June 15, 2009, Treasury Department guidance on the compensation restrictions and corporate governance requirements under the provisions of the ARRA, applicable to financial institutions receiving assistance under TARP, was published in the Federal Register. In addition to providing guidance on the restrictions above, the guidance prohibited any tax gross-ups, required disclosure of whether the TARP recipient, its board of directors or compensation committee has engaged a compensation consultant and a description of the consultant's services during the prior three years, and disclosure of any perquisite provided to certain SEOs and other highly-compensated employees with a value greater than $25,000. Under the guidance, the Office of the Special Master for Executive Compensation was established; the Treasury Department appointed Kenneth R. Feinberg as the Special Master. The Special Master was given interpretative authority over the compensation restrictions of ARRA and the Treasury

[1] Generally the Company's CEO, CFO and three other most highly-compensated executive officers.

Department guidance, approval of certain compensation to SEOs and other highly-compensated employees of TARP recipients of exceptional financial assistance, and the authority to determine whether any payments paid before February 17, 2009 (the date of ARRA's enactment) to employees of TARP recipients that received financial assistance prior to ARRA were inconsistent with the purposes of ARRA, or otherwise contrary to the public interest and, if so, to seek reimbursement to the Federal government of such payments.

The Corporate and Financial Institution Compensation Fairness Act of 2009 (H.R. 3269)

On July 31, the House passed H.R. 3269 which contains the following key executive compensation features:

- Shareholders must be provided with an annual, non-binding vote on executive compensation matters as disclosed in the proxy statement, including the compensation committee report, the CD&A, and the compensation tables
- Shareholders must be provided with a non-binding vote on named executive officer compensation related to a change in control transaction ("golden parachute" compensation)
- Each member of the compensation committee must be independent and the committee must also have the authority to retain an independent compensation consultant, independent counsel and other independent advisers
- The compensation committee's compensation consultant must meet independence standards to be defined by the SEC
- The proxy statement must disclose whether the compensation committee has retained an independent compensation consultant
- Additional features for financial institutions with assets of $1 billion or more, including requirements to report to the appropriate regulatory agency details of all its incentive compensation arrangements in sufficient detail for the regulatory agency to determine whether the compensation structure: (1) is aligned with sound risk management, (2) is structured to account for the time horizon of risks, and (3) meets other criteria appropriate to reduce unreasonable incentives for employees to take undue risks that could threaten the firm or have serious effects on economic conditions or financial stability

The Wall Street Reform and Consumer Protection Act of 2009, later passed by the House in December, has the same executive compensation provisions as the Corporate and Financial Institution Compensation Fairness Act of 2009 noted above.

Executive Compensation and Corporate Governance Provisions in Restoring Financial Stability Act of 2009

On November 10, 2009 Senator Christopher Dodd and eight other members of the Senate Banking Committee, including Senator Charles Schumer, introduced the Restoring Financial Stability Act of 2009, which was referred to the Senate Banking Committee for consideration. Although the vast majority of the bill relates to financial services reform, it includes executive compensation and corporate governance provisions, many of which are similar to provisions in the Corporate and Financial Institution Compensation Fairness Act of 2009, and the Shareholder

Bill of Rights Act of 2009 (S. 1074) that was introduced on May 19 by Senator Schumer. The bill (now named the Restoring American Financial Stability Act of 2010) was approved by the Senate Banking Committee on March 22, 2010. The following executive compensation and corporate governance provisions are among those included in the bill that would apply to public companies:

- Shareholders must be provided with an annual non-binding vote on executive compensation (i.e., say on pay)
- Brokers may not vote shares for which they do not receive instructions on a say on pay vote
- Each member of the compensation committee must be independent
- In selecting a compensation consultant, legal counsel or other adviser the compensation committee must take into consideration factors that would affect independence, including other services provided to the Company and the fees received as a percentage of total revenue
- The proxy statement must disclose whether the compensation consultant's work has raised any conflicts of interest and how the conflict is being addressed
- The proxy statement must include information showing the relationship between executive compensation and the company's financial performance over a 5-year period
- The proxy statement must include the median total annual compensation of all employees other than the CEO and the ratio of the CEO's total annual compensation to the total annual compensation of all employees
- The proxy statement must disclose whether any employee or director may engage in a hedging transaction to offset a decrease in value of company stock granted as compensation
- Companies must develop and implement a "clawback" policy for recovery of compensation that would apply to all executive officers in the event of a financial restatement due to material non-compliance with the financial reporting requirements of securities laws
- The proxy statement must disclose the reasons why the company has chosen to have the same person or different persons serve as chairman of the board of directors and CEO
- Directors must be elected by a majority of the votes cast in uncontested elections

The say on pay vote would not be applicable until shareholder meetings that occur six months after the Dodd bill becomes law. The effective date of the other compensation and corporate governance provisions would depend on the timing of rules to be issued by the SEC.

SEC Amendments to Proxy Disclosure and Corporate Governance Rules

On December 16th, the Securities and Exchange Commission ("SEC" or "Commission") approved amendments to improve the disclosure provided to shareholders of public companies regarding compensation and corporate governance matters that were proposed on July 10th.

Summary Compensation Table
The amendments require disclosure in the Summary Compensation Table and Director Compensation Table to include the aggregate grant date fair value of stock and option awards

computed in accordance with FASB ASC Topic 718 (formerly FAS 123(R)) instead of the dollar amount recognized for financial statement reporting purposes during the covered year. For awards subject to performance conditions, the grant date fair value is to be computed based upon probable outcome of the performance conditions and footnote disclosure is required of the maximum value assuming the highest level of performance. The SEC rejected the idea of allowing disclosure of aggregate grant date fair value of equity granted for services in the relevant fiscal year, limiting disclosure to awards granted during the relevant fiscal year.

Additional Risk Disclosure

The amendments broaden the scope of the proxy disclosure to include discussions on a company's compensation policies and practices for employees generally if risks arising from these policies or practices are "reasonably likely to have a material adverse effect on the company."

Disclosure is only required if the materiality threshold is triggered. The SEC has indicated subsequently that the absence of disclosure may lead to an inquiry as to whether the company appropriately considered the risks from its compensation policies and practices to determine if disclosure is required.

Enhanced Director and Nominee Disclosure

The amendments expand the current narrative disclosure requirements to include discussions of specific experience, qualifications or skills that qualify the individual to serve as a board member (additional qualifications for committee membership were omitted from the approved rules). The rules also expand the disclosure of any directorships held by directors or nominees currently to any directorships held at any time during the past five years at public companies (even if the individual no longer serves on that board). In an effort to enhance the ability to evaluate the competence and integrity of a director or nominee, the SEC lengthened the time during which disclosure of specific legal proceedings involving directors and nominees is required from five to ten years. A new rule was added requiring disclosure of whether, and if so how, a nominating committee considers diversity in identifying nominees for director.

Disclosure about Board Leadership Structure and the Board's Role in Risk Oversight

The rules require disclosure in the proxy of the company's leadership structure and a discussion of why the company believes it is the best structure for it at the time of the filing. The company is required to disclose whether and why the company has chosen to combine or separate the CEO and board chair positions. In cases where the two roles are combined, the company has to disclose whether and why the company has a lead independent director and the specific role the lead independent director plays in the leadership of the company.

In addition, the rules require additional disclosure about the board's role in the company's risk oversight process. This information is intended to provide investors with insight into how a company's board perceives and manages a company's risk. For example, the disclosure may address how the board implements and oversees its risk management function - through the board as a whole or through a committee, such as the audit committee.

New Disclosure Regarding Compensation Consultant Independence
In an effort to shed further light on compensation consultant independence, the rules expand the current rules to require disclosure of the aggregate fees paid to compensation consultants and their affiliates when they play a role in determining or recommending the amount or form of executive and director compensation, but only if they provide additional services to the company. The amendments require a description of any additional services provided to the company within the last year by the compensation consultants and any affiliates of the consultants and the aggregate fees for these additional services (unless the compensation consultant is not retained by the committee, which retains a separate consultant). There is a threshold of $120,000 in non-executive compensation consulting services before disclosure of fees is required. The company must also disclose whether the decision to engage the compensation consultant for the additional services was made, recommended, subject to screening or reviewed by management and whether the board or compensation committee approved the additional services.

RiskMetrics Group 2010 Policy Updates

Each year RiskMetrics Group ("RMG") updates its voting guidelines, but for 2010 RMG reorganized three of its executive compensation policies under a new "integrated, holistic" Executive Compensation Evaluation Policy. The three formerly separate policies now included under this new policy are: Pay for Performance, Poor Pay Practices and Management Say on Pay proposals. The Management Say on Pay proposal, if applicable, is the primary vehicle for recommending for or against a company's pay practices (rather than a "withhold" or "against" vote recommendation for compensation committee or board members.

Pay for Performance
Under the prior policy, RMG may issue an adverse vote recommendation on the reelection of compensation committee members and/or against an equity plan proposal if RMG perceived a "disconnect" between CEO pay and company performance. Companies become subject to the policy if one- and three-year total shareholder returns ("TSR") are in the bottom half of their industry groups[2] and CEO pay increases on a year-over-year basis.

Under the new policy, RMG will consider the alignment of CEO pay with TSR performance over five years, focusing on companies whose TSR has underperformed their peers over one- and three-year periods. RMG will continue to take into account whether the CEO's total compensation for the most recent year increased (or did not significantly decrease) vs. the prior year as well as the mix of performance-based compensation relative to total compensation. The policy updates also stress the importance of complete and transparent disclosure of performance metrics and goals, including any adjustments if non-GAAP financial metrics are used, to permit shareholders to evaluate the rigor of performance-based incentives.

[2] Industry groups are based on each company's 4-digit Global Industry Classification Standards ("GICS") industry group developed by Standard & Poor's.

Problematic Pay Practices

For 2010, Management Say on Pay proposals will become the initial vehicle for addressing pay practices. Key changes to the policy are to identify the most serious problematic practices and a new focus on practices that may encourage excessive risk-taking.

Problematic pay practices will result in (i) an against vote recommendation on management say on pay proposals; (ii) an against/withhold vote recommendation on compensation committee members (and possibly the full board, including the CEO) in egregious situations, or where a company does not have a management say on pay proposal, or where the board has failed to respond to concerns raised in prior management say on pay proposal, or where the board has failed to respond to concerns raised in prior management Say on Pay proposals; and/or (iii) an against vote recommendation on an equity plan proposal if excessive non-performance-based equity awards are the major contributor to the pay-for-performance disconnect.

The most problematic pay practices include the following which may result in a negative vote recommendation on their own:

- Egregious employment contracts containing multi-year guarantees for salary increases, non-performance-based bonuses and equity compensation
- New CEO with generous new-hire package that contain excessive "make whole" provisions without sufficient rationale
- Abnormally large bonus payouts without justifiable performance linkage or proper disclosure (e.g., changing, canceling or replacing performance metrics during a performance period)
- Egregious pension/SERP payouts (e.g., additional years of service credit, performance-based equity awards in pension calculation)
- Excessive perquisites
- Excessive severance and/or CIC provisions (e.g., payments greater than 3X cash compensation, single-trigger payments, new or amended agreements allowing for modified single-trigger benefits or excise tax gross-ups
- Tax reimbursements on executive perquisites (e.g., personal use of company aircraft, executive life insurance, bonus, etc.)
- Dividends or dividend equivalents paid on unvested performance shares or units
- Executives using company stock in hedging activities, such as "cashless" collars, forward sales, equity swaps or other similar arrangements
- Repricing or replacing of underwater stock options/stock appreciation rights without prior shareholder approval (including cash buyouts)

The new focus on practices that may encourage excessive risk-taking will assess compensation policies and practices in the areas listed below, taking into consideration the presence of practices that mitigate these risk factors (such as rigorous claw-back provisions and robust stock ownership/holding guidelines):

- Guaranteed bonuses
- A single performance metric used for short- and long-term incentive plans
- Lucrative severance packages
- High pay opportunities relative to industry peers
- Disproportionate supplemental pensions
- Mega annual equity grants that provide unlimited upside with no downside risk

Option Exchanges

The exercise prices of underwater stock options eligible for a shareholder approved option exchange should generally be at the higher of the 52-week high or 50% above the current stock price. This clarification was precipitated by the fact that in a recovering market, current stock prices may be close to 52-week highs and outstanding options have a reasonable chance of becoming valuable during their remaining term.

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General questions about the subjects in this letter may be directed to Martin L. Katz in our San Francisco office at (415) 659-0203 or by email at mlkatz@fwcook.com, or to Brandon Fenton in our San Francisco office at (415) 659-0205 or by email at bfenton@fwcook.com. Questions regarding specific topics covered in this letter may also be addressed directly to the consultant(s) referenced at the end of the related "Alert" letters listed below, which may be found along with additional information about our firm and other executive compensation topics, on our Web site at www.fwcook.com.

2009-2010 ALERT LETTERS

02/11/09	US TREASURY DEPARTMENT ANNOUNCES NEW RESTRICTIONS ON EXECUTIVE COMPENSATION FOR FINANCIAL INSTITUTIONS
02/18/09	CONGRESS EXPANDS RESTRICTIONS ON EXECUTIVE COMPENSATION FOR FINANCIAL INSTITUTIONS UNDER TROUBLED ASSET RELIEF PROGRAM
03/11/09	U.K. FINANCIAL SERVICES AUTHORITY ISSUES CODE OF PRACTICE ON REMUNERATION POLICIES
04/28/09	EXECUTIVE COMPENSATION – THE YEAR IN REVIEW & THE ROAD AHEAD
05/19/09	DESIGNING A “REPAYMENT” POLICY MAY BE HARDER THAN YOU THINK: ISSUES THAT A COMPANY SHOULD CONSIDER
05/22/09	SHAREHOLDER BILL OF RIGHTS ACT OF 2009 INTRODUCED IN SENATE
06/04/09	SEC RELEASES INTERPRETIVE GUIDANCE ON NEW EXECUTIVE COMPENSATION DISCLOSURE RULES
06/12/09	OBAMA ADMINISTRATION RELEASES EXECUTIVE COMPENSATION PRINCIPLES AND PROPOSALS FOR U.S. PUBLIC COMPANIES
06/18/09	TREASURY ISSUES TARP GUIDANCE ON COMPENSATION AND CORPORATE GOVERNANCE
07/14/09	SEC PROPOSES PROXY DISCLOSURE AND CORPORATE GOVERNANCE REVISIONS
07/23/09	TREASURY PROPOSES LEGISLATION TO CONGRESS FOR SAY-ON-PAY AND COMPENSATION COMMITTEE INDEPENDENCE
08/18/09	HOUSE PASSES THE CORPORATE AND FINANCIAL INSTITUTION COMPENSATION FAIRNESS ACT OF 2009 (H.R. 3269)
09/02/09	SEC RELEASES INTERPRETIVE GUIDANCE ON NEW EXECUTIVE COMPENSATION DISCLOSURE RULES
09/02/09	ACCOUNTING FOR STOCK COMPENSATION UNDER FASB ASC TOPIC 718

09/03/09	FASB LAUNCHES NEW ACCOUNTING STANDARDS CODIFICATION ALL PREEXISTING NON-SEC ACCOUNTING STANDARDS ARE SUPERSEDED
09/28/09	FASB LAUNCHES NEW ACCOUNTING STANDARDS CODIFICATION ALL PREEXISTING NON-SEC ACCOUNTING STANDARDS ARE SUPERSEDED
10/30/09	FEDERAL RESERVE ISSUES PROPOSED GUIDANCE ON SOUND INCENTIVE COMPENSATION POLICIES
11/17/09	EXECUTIVE COMPENSATION AND CORPORATE GOVERNANCE PROVISIONS IN RESTORING FINANCIAL STABILITY ACT OF 2009
11/23/09	RISKMETRICS GROUP 2010 POLICY UPDATES
12/18/09	SEC APPROVES AMENDMENTS TO PROXY DISCLOSURE RULES RELATING TO COMPENSATION AND CORPORATE GOVERNANCE
01/22/10	ACCOUNTING FOR STOCK COMPENSATION UNDER FASB ASC TOPIC 718
02/25/10	SEC AND RISKMETRICS GROUP SEEK GREATER EXPLANATION OF COMPENSATION RISK ASSESSMENTS IN 2010 PROXY STATEMENTS
03/03/10	RISKMETRICS GROUP RELEASES GOVERNANCE RISK INDICATORS (GRId)
03/16/10	SEC STAFF RELEASES INTERPRETIVE GUIDANCE ON EXECUTIVE AND DIRECTOR COMPENSATION DISCLOSURE RULES
3/24/10	RISKMETRICS GROUP DISCLOSES COMPLETE METHODOLOGY OF GOVERNANCE RISK INDICATORS (GRId)