



RiskMetrics Group, Inc.

Policy on Mitigation of Potential Conflicts of Interest

Related to the RMG Board of Directors

January 2008

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PURPOSE

RiskMetrics Group is committed to conducting its business with the highest degree of ethics and integrity in order to best serve our clients. To that end, we will continue to develop policies and procedures that will help achieve that goal. One such policy is this Policy on Mitigation of Potential Conflicts of Interest Related to the RMG Board of Directors (the "Policy") which ensures that appropriate procedures and safeguards are in place to protect fully the reputation of the Company and ensure the integrity and independence of RMG's products and services.

Specifically, the Board of Directors (the "Board") has adopted these procedures and safeguards to identify any real or potential conflict of interest situations which may be inherent in RMG's business model and, in particular, in connection with the work that certain RMG business units perform in researching, analyzing and making recommendations regarding publicly-held companies.

RMG BOARD MEMBER ELIGIBILITY

Many possible candidates for the RMG Board hold director or executive level responsibilities with other public companies. To help mitigate real or potential conflicts of interest, it is the policy of the Board that those individuals who are CEOs of other public companies shall not be considered for service on the RMG Board.

RMG DIRECTOR AFFILIATED COMPANIES

A public company shall be deemed to be a "Director Affiliated Company" by virtue of either one of the following relationships between an RMG Director and the subject company:

1. the RMG director is a member of the board of the public company; or
2. the RMG director holds a "sensitive executive position" (including chief financial officer, chief risk officer, or other executive position with governance responsibilities) within the management of the public company;

RMG shall maintain a list of any and all "Director Affiliated Companies" and shall make this list publicly available.

POLICIES RELATED TO RESEARCH ON DIRECTOR AFFILIATED COMPANIES

Potential or actual conflicts of interest could arise both for RMG and/or for members of our Board of Directors when RMG produces research that covers Director-Affiliated Companies. In order to avoid such conflicts in this area and in order to continue to ensure the independence, objectivity, and integrity of RMG research, the following procedures are implemented:

1. Discretionary Research will not be published with respect to Director-Affiliated Companies. Discretionary Research includes *M&A Edge Notes or Reports* prior to the proposed merger being included as an agenda item for a shareholder vote, and Financial Research & Analyses *Accounting Lens Research Reports, Research Briefs, Notebook Entries and Legal Edge Notes*.
2. Bespoke Research will not be undertaken with respect to Director-Affiliated Companies. Bespoke Research includes Financial Research & Analyses *Accounting Lens* or *Legal Edge* research on a particular company requested by a single client and not prepared in the ordinary course of business.
3. Non-Discretionary Research on Director-Affiliated Companies will be permitted and available to RMG clients. Non-Discretionary Research includes *M&A Edge Reports* on proposed mergers that are included as an agenda item for a shareholder vote, *Accounting Lens QuickScore* quantitative analysis, and all other research produced by the ISS Governance Services and Financial Research & Analysis units of RMG and that is not included in the category of Discretionary Research. An explicit statement noting the Director-Affiliated Company relationship shall be included in the body of any report in this category of research.
4. Educational and Industry Research that references a Director-Affiliated Company will be permitted if excluding the Director-Affiliated Company would significantly dilute or otherwise undermine the quality and credibility of the research. The research in question shall only include objective, verifiable metrics related to the Director-Affiliated Company for purposes of providing a comprehensive analysis of a sub-industry category or industry-wide issues. However, no qualitative analysis, discussion or conclusions with respect to Director-Affiliated Companies shall be included in the text of the report. An explicit statement noting the Director-Affiliated Company relationship and the disclaimer of any qualitative assessment shall be included in the body of the report.

POLICES RELATED TO BOARD CONFLICTS OF INTEREST

In order to avoid conflicts of interest in this area, the following additional policies have been implemented:

1. Non-executive directors may not participate in the formulation, development and application of Company proxy voting policies, including without limitation the establishment of voting standards. However, the staff and executives of Director-Affiliated Companies are permitted to discuss and engage with RMG employees in a manner similar to all other public companies in the development and update of governance voting policies which RMG conducts each year.
2. Non-executive directors may not participate in the formulation, development and preparation of Company proxy analyses and research reports. Further, RMG directors are not permitted to request that RMG conduct any other form of RMG research on any public companies for any purpose whatsoever.
3. Non-executive directors may not participate in the formulation, development and preparation of Company vote recommendation, or engage with Company employees with respect to any company-specific research reports.
4. Non-executive directors may not have (or seek) knowledge of the contents of any Company proxy voting policy, proxy analyses or report, or vote recommendation prior to its publication or dissemination. RMG directors shall have no access either to the research information, or to the list of companies for which either discretionary or bespoke research is being conducted, other than that information which has been published to clients or is otherwise in the public domain.
5. RMG directors are permitted to publicly express their personal views on general governance matters by participating in seminars and conferences, giving testimony at regulatory and legislative hearings, and by authoring books, articles, and other published materials. However, in all such cases, directors must make it clear that they are representing only their own views and not those of RMG. Directors and RMG employees will not be allowed to co-author any written documents on any matters related to governance issues with RMG employees, and RMG directors should not serve as co-panelists with RMG employees or conduct themselves in any other public way which might give the impression that the views of that RMG director are being represented as RMG policy.

POLICY APPLICATION

Directors and/or Company employees who have questions or concerns regarding the application of this Policy should ask the General Counsel or Chief Compliance Officer, or make use of the Company's confidential Ethics Hotline service.

ANNUAL POLICY REVIEW

On an annual basis, the Board shall undertake a review of this Policy to assess the sufficiency of the Policy in light of the regulatory, business and reputational risks posed by the Company's business activities, and to assess the effectiveness of the implementation of the Policy.