



BBT urges Brethren to take immediate action against proposed rules that would squelch the voice of minority shareholders

Sept. 26, 2007, Elgin, Ill. — Brethren Benefit Trust is asking its members and those who uphold the values of the Church of the Brethren to publicly oppose proposed rule changes by the Securities and Exchange Commission (SEC) that, if implemented, would render the voice of minority shareholders silent.

Such action will only take five minutes, but needs to be done no later than Oct. 2.

BACKGROUND

The SEC currently is holding a 60-day open comment period for feedback on several proposals related to shareholders. If implemented, these proposals would severely limit the capabilities of minority investors to sponsor shareholder resolutions by eliminating non-binding resolutions, by allowing companies to opt out of receiving shareholder resolutions, or by doubling the current voting percentages needed by resolutions to be allowed to be refiled with the same companies the following year. The proposed changes would also limit or eliminate the ability of shareholders to nominate members of corporate boards.

Over the past 35 years, 95 percent of shareholder resolutions filed have been non-binding, in an attempt to give shareholders the ability to advise companies on shareholder sentiment. Such resolutions do not force companies to run at the whim of their shareholders; rather, they allow shareholders to address a number of critical issues, such as non-responsive corporate boards, a history of pollution and/or inaction on climate change, a history of racial- or gender-based lawsuits, failure to recognize indigenous peoples rights, and other issues of sustainability.

Faith-based investors, such as BBT, are nearly always minority investors. And yet the voice of faith-based investors is important. Early this year, a proposed resolution submitted to Aflac that pertained to executive compensation, which was filed by Boston Common Asset Management using BBT's shares in the firm, prompted the company to agree to giving shareholders a non-binding vote on executive compensation. The initiative, which included Interfaith Center on Corporate Responsibility (ICCR) members petitioning 50 Fortune 500 companies, proved to be a success. Not only did Aflac become the first major company in the United States to agree to give its shareholders such a vote, similar resolutions with other companies also garnered a good percentage of votes.

Sometimes resolutions can fail but yet ultimately help lead to the desired outcome. In 2002, 2003, and 2004, BBT filed a shareholder resolution with Yum! Brands asking the firm to ban smoking in its corporately owned KFC, Pizza Hut, Long John Silver's, and A&W restaurants. Each year the resolution received enough votes to be allowed to return for up to three years, but not enough to



receive approval. In 2005, the year the resolution no longer was allowed to be returned to the company, Yum! announced that it was banning smoking in all of its corporately owned restaurants, stating, “In our opinion, going smoke-free is simply the right thing to do.”

“Although the Church of the Brethren and other faith-based investors are small in voice, the impact our organizations have had in effecting change in corporate board rooms over the past 35 years has been remarkable,” said Nevin Dulabaum, BBT’s interim director of Socially Responsible Investing. “Demanding that companies be good corporate citizens through fair treatment of all employees, safe and prudent environmental practices, and respect for indigenous peoples is in keeping with the values of the Church and are rights that we believe should not be eliminated from shareholders.

CALL TO ACTION

BBT staff, which learned of the SEC comment period last week during the ICCR’s fall meetings, would like to encourage its individual and organizational members and others who uphold the values of the Church of the Brethren to send letters to the SEC and to members of Congress, asking that the SEC not adopt any of its proposed changes.

ICCR and the Social Investment Forum has established www.saveshareholderrights.org to allow organizations and individuals to quickly send such letters.

It will only take five minutes. However, the comment period ends on Oct. 2, and so action must be taken immediately.

Log onto www.saveshareholderrights.org. There are a number of links that lead to additional resources that further explain the issue, as well as links for organizations and individuals to have letters sent to the SEC and to Congress. Fill out the contact information form and click on the “send e-mail” link and your voice will be heard.

Brethren Benefit Trust manages \$435 million for more than 5,000 Church of the Brethren Pension Plan and Insurance members and Brethren Foundation clients. All of these funds are invested in a socially responsible manner, with investment screens and activist initiatives guided by Church of the Brethren Annual Conference statements and resolutions.

SAVE SHAREHOLDER RIGHTS!

Social Investment Forum | ICCR

A Joint Initiative of the Social Investment Forum and the Interfaith Center on Corporate Responsibility

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HERE'S HOW THE SEC AND CONGRESS CAN HEAR YOUR VOICE TODAY!

DO YOU REPRESENT AN INSTITUTION? ARE YOU A FINANCIAL PROFESSIONAL?
CLICK HERE TO JOIN THE 500-GROUP ALLIANCE TO SAVE SHAREHOLDER RIGHTS!

The Securities and Exchange Commission is considering proposals that would severely limit the ability of investors to file shareholder resolutions and help nominate directors of corporate boards. The Social Investment Forum and the Interfaith Center on Corporate Responsibility are asking you to be part of our 500-organization alliance to stop this attack on shareholder rights! Click [here](#) to sign on **today**!

ARE YOU AN INDIVIDUAL INVESTOR?
CLICK HERE TO SEND A MESSAGE TO THE SEC AND CONGRESS!

Your rights as a shareholder are in serious jeopardy today under proposals being considered by the U.S. Securities and Exchange Commission (SEC). You can tell the SEC and your elected members of Congress that you do not want your voice as an investor to be silenced! Click [here](#) to send a message to the SEC and Congress **today**!

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