Dear Mr. Weitz:

As members of the newly reconstituted Carleton Responsible Investing Committee (CRIC) we are pleased to inform you that we have completed our review of 2009 shareholder resolutions. We request that the Board of Trustees authorize the Carleton Fund Managers to vote in favor of the following 10 resolutions at the upcoming annual meetings:

1. Sustainability Initiatives including:
   a. Sustainability Reporting
      i. Mirant Corp.
      ii. Dover Corp
      iii. Safeway Inc.
   b. Compact Fluorescent Bulbs
      i. General Electric Company
      ii. Home Depot Inc.
   c. Mountain Top Removal
      i. Citigroup

2. Health Care Reform Principles
   a. American Express Company
   b. Home Depot Inc.

3. Right to Water
   a. Intel Corp.
   b. PepsiCo Inc.

Pursuant to our mandate, we present these resolutions having conducted independent research and following to the best of our ability the values of the Carleton community. To do so we based our recommendations on the responses of the survey done in the past and through our various contacts with our constituent groups.

As you can see, the three focus areas of this year’s resolutions are Sustainability, Health Care and The Right to Water. Please find attached, summaries of the resolutions, the committee’s arguments for supporting them as well as the text of the resolutions.

We hope that the board accepts our recommendations in the near future and instructs the Fund Managers to vote for these proxy ballots. Please let us know if you require any additional information.

Committee Members:

Eilidh Higgins, student
Nora Mahlberg, student
Alexander Persaud, student
Nathaniel Rosenblum, student chair

Mike Hemesath, faculty chair
David Lefkowitz, faculty
David Schlosser, staff
Shannon Schulz, staff
Cristina Sainati, student

1. Sustainability Initiatives

   a. Sustainability Reporting (Mirant, Dover and Safeway)

      These proposals request that the companies supply shareholders with a report assessing either their current policies or plans concerning climate change. They do not contain any specific goals, but only that the companies disclose their practices to shareholders.

      Although these companies' 2009 proxy statements have not yet been posted to the SEC website similar 2008 resolutions were opposed by management on these grounds:

      - They claim it as impractical saying the cost of these reports would be too high, and are logistically complicated.
      - They claim that they already have sustainable practices and thus do not need to be encouraged through reporting.

      Those objections notwithstanding, CRIC believes that without proper transparency, good practices can not be ensured. Furthermore we do not believe that the “cost of reporting” is a compelling reason to keep practices and policies which regard climate change hidden.

      Carleton College supports sustainable practices. This has been demonstrated in projects ranging from our new LEED certified gold residence hall to our wind turbine. Thus we believe these values should be reflected in our investments as well.

   b. Compact Fluorescent Lamps (CFLs) (Home Depot and GE)

      These proposals request that the companies make clearer the presence and quantity of mercury in CFLs. They encourage the companies to either label or otherwise educate and inform consumers of the content in CFLs.

      No response to these resolutions could be found for this report.

      CRIC does not believe that these recommendations would negatively affect the companies. The average CFL contains 5 milligrams of mercury which, if not properly recycled, end up in landfills and can pose an environmental and health threats. Owing to the toxic nature of mercury we believe that it is the responsibility of both companies which sell and produce these energy saving light bulbs to properly inform consumers and facilitate proper disposal of their product. Consumer safety for companies relying on their business is in the interest of the companies and their shareholders.

   c. Mountain Top Removal (MTR) Coal Mining (Citigroup)

      This proposal targets Citigroup's financing of companies using the practice of MTR to
mine coal. There is scientific consensus that MTR is an environmentally detrimental method of surface mining which causes extreme topographical and ecological changes. Supporting this resolution would be taking a clear stance against such destructive practice which have unclear economic benefits.

A similar resolution appeared in the 2008 proxy resolution which included a request to for the company to cease all new financing of coal burning plants. The 2009 resolution does not contain that stipulation but only requests a secession of MTR financing.

-Citigroup opposed the 2008 resolution on the grounds that they felt it was not in the best interest of shareholders to cease all financing of a certain sector (as stated that is not the case for the current resolution)
-They also claimed that through financing these companies they could better affect positive change regarding Greenhouse Gas emissions.

Notwithstanding these objections CRIC believes that we should vote in favor of this resolution. MTR not only poses a grave risk to the environment, but also is not the most productive use of land for the regions in the country which tend to be poor. A 2008 study from environmental consulting firm Downstream Strategies LLC concluded that wind farm development is a more economic land-use option than mountaintop removal coal mining in West Virginia. Furthermore, Citigroup competitor, Bank of America, has already announced they will “phase out financing of companies whose predominant method of extracting coal is through mountaintop removal.” The combination of the social and environmental degradation associated with the practice lead us to believe that Carleton should follow its values and not support MTR, or its financing by Citi.

2. Health Care Reform Principles (AMEX and Home Depot)

The CRIC recommends that the trustees vote in favor of the health care reform principles resolutions set forward by the shareholders of American Express and Home Depot. These resolutions urge said companies to adopt health care reform principles following the guidelines of the Institute of Medicine. Amid growing concern for health care in our country, Carleton’s support of such recommendations would send a message that we stand on the side of adequate coverage for all. The principles set up by these resolutions are guidelines and would hopefully inform policy but are not stringent or binding standards.

- Opponents of this resolution may argue that the urging of a company to establish health care principles is micromanaging and may have adverse effects on the company’s revenue.
- Although these companies have not come out against this resolution before (it was not presented at their 2008 meetings) they may claim that the principles may alienate stakeholders who do not share those values, as did Ford Motor Co. in 2008

As these health care principles are not a mandate to alter a company’s specific actions, but a request to be guided by these values, CRIC does not find the first objection to be valid. Furthermore, standing by principles of universal and cheap health care for all would do much to
enhance the company's image, especially in these harder economic times.

With this resolution, CRIC believes that the shareholders of American Express and Home Depot have the opportunities to adopt a position that will both affect a positive change for employees of these companies and set an example of positive social change. Carleton already sets a good example by providing extensive coverage to its faculty and staff. We therefore believe that Carleton as a shareholder in American Express and Home Depot should vote in favor of these resolutions, and our shared values.

3. Right to Water (Pepsi and Intel)

   CRIC proposes a vote in favor of the Water Use resolution offered by Pepsi and Intel shareholders. Both resolutions call for a policy articulating each company’s respect for and commitment to the right to water. This policy aligns well with shareholder interests, as it constitutes a socially responsible effort to increase public safety and environmental safeguarding. In our campus survey of 2007, CRIC found that 80% of respondents supported voting in favor of such a policy change. Furthermore the Board of Trustees voted for a similarly worded resolution for Coca Cola Co. in 2007.

   -Pepsico opposed this resolution at last year's meeting on the grounds that the company's actions are proof of their commitment to the UN standards proposed by the resolution.

   Although we agree that both Intel and Pepsi have commendable policies and practices with regards to water we believe this recommendation would give both companies the opportunity to adopt a position that will be in the long-term interest of the company and its investors. These resolutions will encourage positive social change for both consumers and the environment. PepsiCo conducts business in countries that have constitutional provisions protecting the Human Right to Water, and in countries which enforce the Human Right to Water through the right to healthy environment and life. Intel is recognized as a leader in water reclamation programs, has won water efficiency awards, and is known a thoughtful and engaged corporate citizen. It is in the interests of both companies to articulate their policies and to set a clear long term goals in order to uphold their reputations and shared values. Carleton and other investors benefit from such policies.