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**ITEM 10: STOCKHOLDER PROPOSAL REGARDING ADOPTION OF PRINCIPLES FOR HEALTH CARE REFORM**

The Corporation has received the following stockholder proposal from the AFL-CIO Reserve Fund, 815 Sixteenth Street, N.W., Washington, D.C. 20006. According to information provided to the Corporation by the AFL-CIO, the AFL-CIO owned 2,901 shares of our Common Stock as of the date the proposal was submitted to the Corporation.

RESOLVED: Shareholders of Bank of America Corporation (the "Company") urge the Board of Directors to adopt principles for health care reform based upon principles reported by the Institute of Medicine:

1. Health care coverage should be universal.
2. Health care coverage should be continuous.
3. Health care coverage should be affordable to individuals and families.
4. The health insurance strategy should be affordable and sustainable for society.
5. Health insurance should enhance health and well being by promoting access to high-quality care that is effective, efficient, safe, timely, patient-centered, and equitable.

**Stockholder's Supporting Statement Item 10:**

The Institute of Medicine, established by Congress as part of the National Academy of Sciences, issued five principles for reforming health insurance coverage in a report, Insuring America's Health: Principles and Recommendations (2004). We believe principles for health care reform such as those set forth by the Institute of Medicine, are essential if public confidence in our Company's commitment to health care coverage is to be maintained.

Access to affordable, comprehensive health care insurance is the most significant social policy issue in America according to polls by NBC News/*The Wall Street Journal*, the Kaiser Foundation and *The New York Times*/CBS News. In our opinion, health care reform also is a central issue in the presidential campaign of 2008.

Many national organizations have made health care reform a priority. In 2007, representing "a stark departure from past practice," the American Cancer Society redirected its entire \$15 million advertising budget "to the consequences of inadequate health coverage" in the United States (*The New York Times*, 8/31/07).

John Castellani, president of the Business Roundtable (representing 160 of the country's largest companies), has stated that 52 percent of the Business Roundtable's members say health costs represent their biggest economic challenge. "The cost of health care has put a tremendous weight on the U.S. economy," according to Castellani, "The current situation is not sustainable in a global, competitive workplace." (*Business Week*, July 3, 2007.)

The National Coalition on Health Care (whose members include some of the largest publicly-held companies, institutional investors and labor unions) also has created principles of health insurance reform. According to the National Coalition on Health Care, implementing its principles would save employers presently providing health insurance coverage an estimated \$595-\$848 billion in the first 10 years of implementation.

We believe that the 47 million Americans without health insurance results in higher costs, causing an adverse effect on shareholder value for our Company, as well as all other U.S. companies which provide health insurance to their employees. Annual surcharges as high as \$1,160 for the uninsured are added to the total cost of each employee's health insurance, according to Kenneth Thorpe, a leading health economist at Emory University. Moreover, we feel that increasing health care costs further reduces shareholder value when it leads companies to shift costs to employees, thereby reducing employee productivity, health and morale.

**The Board recommends a vote "AGAINST" Item 10 for the following reasons:**

While we recognize there is an ongoing national dialogue related to health care, and also recognize the importance of providing comprehensive employee benefits, including health care, to attract and retain associates, the Board has considered the proposal and believes its adoption is unnecessary.

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The Board believes that supplying efficient and effective health care coverage at the company level is an important employee benefit issue best addressed by the Corporation's management. We are committed to providing our associates and their families with quality, cost-effective health and life management benefits designed to meet their diverse and changing needs. We provide medical, dental and vision coverage with the majority of the cost borne by the Corporation. In addition, we have added Corporation funded health care accounts for associates whose compensation does not exceed certain levels to help offset rising health care costs. We also continue to invest in other life management benefits including child care reimbursement, tuition reimbursement, and paid maternity, paternity and adoption leave. These benefits are highly valued by our associates. In a recent survey, associate satisfaction with our benefits program was above the 90<sup>th</sup> percentile.

Comprehensive health care reform involves complex legislative and public policy issues. The Board believes that such issues are best addressed by elected officials through the governmental process. The Board does not believe that the Corporation's adoption of the broad and vague health care principles in the proposal would effectively contribute to the ongoing debate surrounding health care provision and reform.

Moreover, it is not in the best interests of the Corporation and our stockholders to be potentially constrained in our ability to provide health care to our associates by adopting the principles of any single organization. We must be able to make appropriate determinations about what health care policies are in the best interests of our associates and their families and to offer innovative health care solutions.

For the foregoing reasons, the Board recommends a vote against the proposal.

### **ITEM 11: STOCKHOLDER PROPOSAL REGARDING LIMITS ON EXECUTIVE COMPENSATION**

The Corporation has received the following stockholder proposal from the Indiana Laborers Pension Fund (the "ILPF"), P.O. Box 1587, Terre Haute, Indiana 47808. According to information provided to the Corporation by the ILPF, the ILPF owned 38,675 shares of our Common Stock as of the date the proposal was submitted to the Corporation.

**Resolved:** Given that Bank of America Corporation ("Company") is a participant in the Capital Purchase Program established under the Troubled Asset Relief Program ("TARP") of the Economic Emergency Stabilization Act of 2008 ("Stabilization Act") and has received an infusion of capital from the U.S. Treasury, Company shareholders urge the Board of Directors and its compensation committee to implement the following set of executive compensation reforms that impose important limitations on senior executive compensation:

- A limit on senior executive target annual incentive compensation (bonus) to an amount no greater than one times the executive's annual salary;
- A requirement that a majority of long-term compensation be awarded in the form of performance-vested equity instruments, such as performance shares or performance-vested restricted shares;
- A freeze on new stock option awards to senior executives, unless the options are indexed to peer group performance so that relative, not absolute, future stock price improvements are rewarded;
- A strong equity retention requirement mandating that senior executives hold for the full term of their employment at least 75% of the shares of stock obtained through equity awards;
- A prohibition on accelerated vesting for all unvested equity awards held by senior executives;
- A limit on all senior executive severance payments to an amount no greater than one times the executive's annual salary; and
- A freeze on senior executives' accrual of retirement benefits under any supplemental executive retirement plan (SERP) maintained by the Company for the benefit of senior executives.

#### **Stockholder's Supporting Statement Item 11:**

**Supporting Statement:** Many Company shareholders are experiencing serious financial losses related to the problems afflicting our nation's credit markets and economy. The Company's financial and stock price performance has been challenged by these credit market events and their impact on the nation's economy. The Company's participation in the Stabilization Act's TARP is the result of these broad capital market problems and decisions made by Company senior executives.