

UPDATE ON THE SEC'S NEW PROXY DISCLOSURE ENHANCEMENTS

HOLME ROBERTS & OWEN LLP

February 18, 2010

Examples – Compensation Consultant

Eli Lilly & Co. – Preliminary Proxy Statement (Feb. 8, 2010)

- *Role of Independent Consultant.* The committee has retained Frederic W. Cook and his firm, Frederic W. Cook & Co., as its independent compensation consultant to assist the committee. Mr. Cook reports directly to the committee, and neither he nor his firm is permitted to perform any services for management. The consultant's duties include the following:
 - Review committee agendas and supporting materials in advance of each meeting and raise questions with the company's global compensation group and the committee chair as appropriate
 - Review the company's total compensation philosophy, peer group, and target competitive positioning for reasonableness and appropriateness
 - Review the company's executive compensation program and advise the committee of plans or practices that might be changed in light of evolving best practices
 - Provide independent analyses and recommendations to the committee on the CEO's pay
 - Review draft Compensation Discussion and Analysis report and related tables for the proxy statement
 - Proactively advise committee on best practices for board governance of executive compensation
 - Undertake special projects at the request of the committee chair.

The consultant interacts directly with members of Lilly management only on matters under the committee's oversight and with the knowledge and permission of the committee chairperson.

- *Role of Executive Officers and Management.* With the oversight of the CEO and the senior vice president of human resources, the company's global compensation group formulates recommendations on matters of compensation philosophy, plan design, and the specific compensation recommendations for executive officers (other than the CEO as noted below). The CEO gives the committee a performance assessment and compensation recommendation for each of the other executive officers. Those recommendations are then considered by the committee with the assistance of its compensation consultant. The CEO and the senior vice president of human resources attend committee meetings but are not present for executive sessions or for any discussion of their own compensation. (Only nonemployee directors and the committee's consultant attend executive sessions.)

The CEO normally does not participate in the formulation or discussion of his pay recommendations; however, for 2010 Dr. Lechleiter requested that no increases be made to his base salary or incentive targets. The CEO has no prior knowledge of the recommendations that the consultant makes to the committee.

[Governance – Compensation Committee:]

The Compensation Committee has retained Towers Watson as an independent consultant with respect to executive compensation matters. Towers Perrin merged with Watson Wyatt effective January 2010 and became Towers Watson. This merger had no material effect on the executive compensation services provided by Towers Perrin to Schlumberger during 2009. The consultant reports to and acts solely at the direction of the Compensation Committee. Schlumberger management does not direct or oversee the activities of Towers Watson with respect to the Company's executive compensation program. Towers Watson prepares compensation surveys for review by the Compensation Committee each October, in advance of the annual executive officer compensation review the following January. Towers Watson works with the Company's human resources function to compare compensation paid to the Company's executive officers with compensation paid for comparable positions at companies included in the compensation surveys conducted by Towers Watson at the direction of the Compensation Committee. Towers Watson and the Company's human resources function also compile annual compensation data for each executive officer. The Compensation Committee has also instructed Towers Watson to prepare an analysis of each named executive officer's compensation. The design and day-to-day administration of all compensation and benefits plans and related policies, as applicable to executive officers and other salaried employees, are handled by teams of the Company's human resources, finance and legal department employees.

The Compensation Committee evaluates all elements of executive officer compensation each January, after a review of financial and personal objectives with respect to the prior year's results. The purpose is to determine whether any changes in the officer's compensation are appropriate. The CEO does not participate in the Compensation Committee's deliberations with regard to his own compensation. At the Compensation Committee's request, the CEO reviews with the Committee the performance of the other executive officers, but no other executive officer has any input in executive compensation decisions. The Compensation Committee gives substantial weight to the CEO's evaluations and recommendations because he is particularly able to assess the other executive officers' performance and contributions to the Company. The Compensation Committee independently determines each executive officer's mix of total direct compensation based on the factors described in "Compensation Discussion and Analysis—Elements of Compensation—Relative Size of Direct Compensation Elements." Early in the calendar year, financial and personal objectives for each executive officer are determined for that year. The Compensation Committee may, however, review and adjust salaries or grant stock options at other times as the result of new appointments or promotions during the year.

The following table summarizes the approximate timing of significant compensation events: [Table omitted.]

The Compensation Committee has also retained Towers Watson as an independent consulting firm with respect to director compensation matters. The consultant reports exclusively to and acts solely at the direction of the Compensation Committee. The consultant prepares an analysis of competitive non-employee director compensation levels and market trends using the same peer groups as those used in the executive compensation review.

[CD&A:]

Role of Compensation Consultant

The Compensation Committee has engaged the independent consulting firm of Towers Watson with respect to executive compensation matters. For more information on this engagement, see “Corporate Governance—Board Committees—Compensation Committee” above.

Weyerhaeuser Company – Preliminary Proxy Statement Feb. 12, 2010

RELATIONSHIPS WITH COMPENSATION COMMITTEE CONSULTANT

The Compensation Committee has the sole authority from the Board of Directors for the appointment, compensation and oversight of the Company’s outside compensation consultant. The Committee has retained Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (“MMC”), as its consultant to assist the Committee with its responsibilities related to the Company’s executive and board of director compensation programs. Mercer’s fees for executive compensation consulting to the Committee in fiscal year 2009 were \$277,782. The executive compensation services provided include assisting in defining the Company’s executive compensation strategy, providing market benchmark information, supporting the design of incentive compensation plans, advising on the competitiveness of board of director compensation, and providing regulatory and governance guidance.

During the fiscal year, Mercer and its MMC affiliates were retained by Company management to provide services unrelated to executive compensation, including insurance brokerage and actuarial services for the Company’s pension plans. The aggregate fees paid for those other services in fiscal 2009 were \$2,257,840. The Committee did not review or approve the other services provided by Mercer and its affiliates to the Company, as those services were approved by management in the normal course of business. Based on policies and procedures implemented by the Committee and by Mercer to ensure the objectivity of Mercer’s individual executive compensation consultant, the Committee believes that the consulting advice it receives from Mercer is objective and not influenced by Mercer’s or its affiliates’ other relationships with the Company.