



Office of the Executive Vice President

August 11, 2005

Malcolm Lazin, Executive Director
Equality Forum
1420 Locust Street, Suite 300
Philadelphia, PA 19102

Dear Mr. Lazin:

Thank you for this opportunity to respond to your inquiry to the University of Pennsylvania related to proxy voting and the inclusion of sexual orientation in workplace discrimination protection.

Prior to 2004, the University delegated voting on proxy resolutions to its external fund managers. Beginning in 2004, the University implemented a new procedure, in which the Penn Social Responsibility Advisory Committee (Penn SRAC), composed of faculty, students, alumni and staff, makes recommendations to a Trustee Subcommittee on Proxy Voting, which in turn communicates to the external fund managers. The University is currently assessing this first year of operation, and making plans for next season's proxy voting.

As you may be aware, the University has a long-established policy of non-discrimination on the basis of sexual orientation. SRAC has recently confirmed its commitment to equal employment opportunities for all segments of the population, and this principle is also strongly supported by the Trustee Proxy Subcommittee.

In the coming proxy voting season, both SRAC and the Trustees will evaluate proposed resolutions on an individual basis, and ultimate voting decisions will, of course, be guided by the specific texts and remedies offered. That said, the University is comfortable endorsing the principle of including sexual orientation in workplace discrimination protection, and would evaluate any proposed proxy resolutions on the basis of that principle.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig R. Carnaroli".

Craig R. Carnaroli
Executive Vice President

Cc: Ian Ayres, Professor
Louis Thomas, Professor