

# THE COMMUNITY CHURCH OF NEW YORK

UNITARIAN UNIVERSALIST  
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September 19, 2013

Ms. Michelle Browdy  
Corporate Secretary  
International Business Machines  
Mail Drop 301  
1 New Orchard Road  
Armonk, NY 10504

Dear Ms. Browdy:

Community Church of New York holds at least 550 shares of IBM stock. We believe that companies with a commitment to customers, employees, communities and the environment will prosper long-term. Among our top objectives is the assurance that companies we invest in are doing all that they can with regards to corporate accountability and lobbying disclosure

Therefore, we are submitting the enclosed shareholder proposal as a co-sponsor with First Affirmative Financial Network for inclusion in the 2014 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of the above mentioned number of IBM shares.

We have been a shareholder for more than one year and will provide verification of ownership. We will continue to be an investor through the stockholder meeting and will hold at least \$2,000 of IBM stock through the next annual meeting. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We consider First Affirmative Financial Network as the "primary filer" of this resolution, and ourselves as a co-filer. Please copy correspondence both to me and to Timothy Smith ([tsmith@bostontrust.com](mailto:tsmith@bostontrust.com)) at Walden Asset Management. We hereby deputize First Affirmative Financial Network to withdraw this resolution on our behalf.

Sincerely,



Robert Martin  
Business Administrator

Encl. Resolution Text  
Cc: Timothy Smith  
Holly Testa – First Affirmative Financial Network

Rev. Bruce Southworth  
Senior Minister

Gerald A. Brown  
Director of Music

Esther Rosado  
Director of Lifespan Religious Education

Garnett Losak  
Administrator

Valerie Lynch  
Membership Coordinator

Rev. Anthony P. Johnson  
Affiliated Minister



Boston Trust & Investment  
Management Company

September 19, 2013

To Whom It May Concern:

Boston Trust & Investment Management Company, a state chartered bank under the Commonwealth of Massachusetts, and insured by the FDIC, manages assets and acts as custodian for the **Community Church of New York** through its Walden Asset Management division.

We are writing to verify that our client **Community Church of New York** currently owns **550** shares of **International Business Machines Corporation** (Cusip #**459200101**). These shares are held in the name of Cede & Co. under the custodianship of Boston Trust and reported as such to the SEC via the quarterly filing by Boston Trust of Form 13F.

We confirm that **Community Church of New York** has continuously owned and has beneficial ownership of at least \$2,000 in market value of the voting securities of **International Business Machines Corporation** and that such beneficial ownership has existed for one or more years in accordance with rule 14a-8(a)(1) of the Securities Exchange Act of 1934. Additional documentation confirming ownership from our sub-custodians who are DTC participants will be provided.

Further, it is our intent to hold at least \$2,000 in market value in the **Community Church of New York** account through the next annual meeting.

Should you require further information, please contact Timothy Smith at 617-726-7155 or [tsmith@bostontrust.com](mailto:tsmith@bostontrust.com) directly.

Sincerely,

Timothy Smith  
Senior Vice President

## Request for Disclosure of Lobbying Policies and Practices

**Whereas**, corporate lobbying exposes IBM to risks that could affect the company's stated goals, objectives, and shareholder value, and

**Whereas**, we have strong interest in full disclosure of our company's lobbying activities and expenditures to assess whether our company's lobbying is consistent with its expressed goals and in the best interests of shareholders and long term value.

**Resolved**, the shareholders of IBM request the Board authorize the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing direct and indirect lobbying practices.
2. Payments by IBM used for direct or indirect lobbying, in each case including the amount of the payment and the recipient.
3. IBM's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of the decision making process and oversight by management and the Board for making payments described in sections 2 and 3 above

For purposes of this proposal, "indirect lobbying" is lobbying engaged in by any trade association or other organization of which IBM is a member. Both "direct and indirect lobbying" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee of the Board or other relevant oversight committees of the Board and posted on the company's website.

### Supporting Statement

As shareholders, we encourage transparency and accountability in the use of staff time and corporate funds to influence legislation and regulation both directly and indirectly. Absent a system of accountability, company assets could be used for objectives contrary to IBM's long-term interests.

IBM is to be commended for its appropriate disclosure with regard to the political contributions that represent the bank's participation in the **electoral process**. IBM should establish equally high standards for evaluating and disclosing the extensive spending that represents the bank's participation in the **legislative process** through lobbying and public policy work.

IBM does disclose direct federal lobbying activities as is required by law, reporting \$9.7 million total expenditures in 2011 and 2012 (*Senate Records*). However, this total *does not* include payments made to trade groups used for lobbying purposes, nor does it include lobbying expenditures made at the state level to influence legislation or regulation.

IBM belongs to many trade associations who conduct extensive lobbying activities. For example, IBM is on the Board of the United States Chamber of Commerce, an organization characterized as “by far the most muscular business lobby group in Washington” (“Chamber of Secrets,” *Economist*, April 21, 2012), which has spent more than half a billion dollars on lobbying since 2009. Yet IBM does not disclose its Chamber payments, the portions used for lobbying, or the issues and positions supported.

Without disclosure of 1) policies guiding the use of corporate dollars by third parties to lobby on our company’s behalf and 2) amounts spent on lobbying by third parties, shareholders are left with an incomplete understanding of scope, risks and benefits of IBM’s lobbying activities.