

Inviting Advice on Plan for Independent Peer Review of Dell Valuation

The process that the Shareholder Forum had proposed for an “independent, peer reviewed valuation report for the benefit of shareholders” of Dell had been developed for projects led by a company’s management,¹ and we therefore need to consider some practical adaptations for the current situation in which Dell’s management may not be supporting the process.² Following is a summary of preliminary plans that are being considered for the essential review and reporting by the Forum’s independent “Peer Reviewers,” without depending on the company for anything other than compliance with laws providing for investor access to relevant information:

1. **Independent review of valuation reports prepared by the company’s advisors:** Instead of engaging our own expert for an additional valuation report, considerable time and expense can be saved by simply conducting the independent peer review of the valuation reports that have already been provided by experts engaged to advise Dell’s Special Committee (JP Morgan) and Dell Inc. (Goldman Sachs).³ This will also avoid the distraction of arguments about the relative merits of competing valuation reports.
2. **Purpose of Peer Reviewer comments:** Each Peer Reviewer will be invited to offer professional comments on the valuation reports provided for the benefit of the company and its board committee, presenting any questions or issues the Peer Reviewer thinks should be considered by investors in their decisions about the company’s proposal. Focusing on the interests of investors who want to make their own informed decisions, Peer Reviewers should not be expected to advocate a position either for or against the proposed transaction.
3. **Representation of diverse investor interests:** Each Peer Reviewer will be encouraged to understand and represent the interests of a specific category of investors – such as public pensions, value investing funds, or individuals – in comments that address the particular decision-making criteria of those investors.⁴ The Forum will invite investor suggestions of professionally qualified Peer Reviewer candidates to cover a diverse range of perspectives.
4. **Forum access to confidential information:** Peer Reviewers will be able to examine any information the company makes available to the Forum, either voluntarily or pursuant to court orders enforcing rights to information that is “reasonably related” to an investor’s

¹ For a summary of what was presented, see [February 22, 2013 Forum Report: Progressing with Dell Example of Responsibilities for Investor Information](#); and for a description of the process, see [February 14, 2013, Gary Lutin of The Shareholder Forum: letter with enclosure to Michael S. Dell and Alex J. Mandl of Dell Inc.](#) (3 pages, 110 KB, in [PDF format](#)).

² See [March 13, 2013 Forum Report: Encouraging Dell’s Voluntary Compliance with Investor Rights to Information](#).

³ See [February 5, 2013 Dell Inc. \(as published by Business Wire\): "Dell Enters into Agreement to Be Acquired by Michael Dell and Silver Lake."](#)

⁴ See [February 28, 2013 Forum Report: Range of Dell Investor Information Requirements](#).

consideration of the company's proposal.⁵ In addition to our initial demands for the valuation reports provided by the company's advisors and all information made available to the advisors for their valuations,⁶ the Forum may make supplemental demands to accommodate Peer Reviewer requests. Peer Reviewers will of course be required to accept a confidentiality agreement that prohibits their disclosure of private information, particularly in the comments they provide for the Forum's public reporting.

5. **Integrity of Peer Review communications**: To assure confidence in the integrity of the process, a Peer Reviewer will be expected to avoid any communications with Dell and its advisors or with other Peer Reviewers until the Forum has publicly reported the Peer Reviewer's comments. The Peer Reviewer will provide the Forum with initial comments on a valuation report, and the Forum will then present those comments to the advisor that prepared the valuation report for possible response to be reported back to the Peer Reviewer. When the Peer Reviewer provides the Forum with final comments, the Forum will seek Dell advice of any confidentiality concerns and inform the Peer Reviewer of any issues that must be resolved.
6. **Forum commitment to publicly report comments**: The Forum will publicly report and post whatever comments a Peer Reviewer presents, without editing, subject only to the condition that the Peer Reviewer has complied with the Forum's communication requirements and confidentiality agreement.

Your questions and suggestions will be appreciated to help us refine this process so that we can start selecting Peer Reviewers next week. Assuming the company information will be available in two or three weeks, through either voluntary arrangements or court supervision, we will want the Peer Reviewers to be ready to start so that they can provide comments in time for investor consideration in decisions about Dell's proposal.

GL – March 15, 2013

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⁵ See [Delaware General Corporation Law, § 220. Inspection of books and records](#), which states that "A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder."

⁶ See [March 6, 2013 Forum Report: Obtaining the Same Information as Dell's Advisors](#).