

From: Angelo Mozilo
 Date: 09/28/2006 04:09:20 PM
 To: "John England"
 Subject: Re: Fw: Approach to Assignment - Countrywide

I spoke to Susan Bow and she failed to tell Zimmerman about the agreed upon arrangement whereby you have been engaged by the Company and not by me. I have attempted to get hold of Dougherty to validate the statements given to you by Zimmerman. It is my understanding, because Dougherty mentioned it at the Board meeting, that investment banks were to be included in the peer group. As I said I am trying to get hold of Dougherty to clear some of these issues up.

REDACTED

"John England"
 09/28/2006 11:26 AM

To "Angelo Mozilo"
 cc "James Cummings"
 Subject Fw: Approach to Assignment - Countrywide

Angelo -- here's the note I just sent to Zimmerman. Regards, John

----- Forwarded by John England/Towers Perrin on 09/28/2006 02:25 PM -----

John England	Ross Zimmerman	To
09/28/2006		cc
02:25 PM	Approach to Assignment -	Subject
	Countrywide	

Hi Ross --

Thanks for your message of yesterday. I will call you to discuss further but I wanted to respond via email so that you could share my approach with whomever you would like.

As signed via an engagement letter, Towers Perrin has been retained by Countrywide Financial, not by any individual at Countrywide. The engagement is to prepare an analysis of your proposed compensation package for the CEO, and to provide any recommended changes (if any) we believe are appropriate in this situation. I will be pleased to submit it to you and/or the Committee at the time I submit it to Countrywide Financial.

The manner in which we will proceed will be independent of influences from either management of the Committee. Although we may conclude that the peer group you have used is an appropriate benchmark, that will come after a thorough analysis of business mix, various definitions of scope of operations, and performance. A size-based regression may or may not be appropriate, given performance considerations. While founder status may not be relevant, the status, stature, and expected tenure of the incumbent may well be appropriate to consider in developing an appropriate pay package. We are, after all, paying an individual, not a position.

I do agree that we should prepare our document speedily, and we are targeting the mid-October date you mentioned.

Finally, I think you know that I serve as Towers Perrin's global practice leader for executive compensation. Like you, I serve as the Committee consultant for a number of companies, several of which have a heightened

understanding of corporate governance, learned the hard way -- The Walt Disney Company, the NYSE Group, Time Warner, and Marsh & McLennan, among others. Our reputation for independence and strong counsel is what permits us to practice our trade. I should let you know that any document I produce will be peer reviewed by a partner uninvolved in the assignment. To Towers Perrin, it is irrelevant who hires us -- our sole is to provide appropriate counsel for decision-making, independent of influences.

Look forward to speaking with you further.

Regards,

John

John D. England
Managing Principal
Global Practice Leader-Executive Compensation

office: [REDACTED]

mobile: [REDACTED]

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