



## **MINUTES**

**Meeting of the Corporate Governance Committee  
of the Board of Trustees of the  
State Universities Retirement System  
2:45 p.m., Thursday, December 11, 2014  
The Northern Trust  
50 South LaSalle Street, Global Conference Center  
Chicago, Illinois 60603**

The following Trustees were present: Mr. Mitchell Vogel, Chair; Ms. Lindsay Anderson, Dr. John Engstrom, Mr. Richard Figueroa, Mr. Paul R. T. Johnson Jr., Mr. Andrew Matthews, Mr. Craig McCrohon, Mr. Peter Newell and Mr. Antonio Vasquez.

Others present: Mr. William Mabe, Executive Director; Mr. Michael Weinstein, General Counsel; Mr. Daniel Allen, Chief Investment Officer; Mr. Douglas Wesley, Deputy Chief Investment Officer; Ms. Kimberly Pollitt and Mr. Joseph Duncan, Senior Investment Officers; Mr. Alex Ramos and Mr. Shane Willoughby, Investment Officers; Ms. Phyllis Walker, Chief Financial Officer; Mr. Steve Hayward, Director of Internal Audit; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Ms. Lori Kern, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Douglas Moseley, Ms. Kristin Finney-Cooke, Mr. Sean Ruhmann and Mr. Michael Yang of NEPC.

Corporate Governance Committee roll call attendance was taken. Trustee Berger, absent; Trustee Johnson, present; Trustee Vogel, present.

## **APPROVAL OF MINUTES**

Trustee Mitchell Vogel presented the Minutes from the Corporate Governance Committee meeting of September 18, 2014, and made the following motion:

- That the Minutes from the September 18, 2014 Corporate Governance Committee meeting be approved, as presented.

Trustee Paul R.T. Johnson, Jr. seconded and the motion carried with all Trustees present voting in favor.

Trustee Vogel presented the Minutes from the Corporate Governance Committee meeting of October 30, 2014, and made the following motion:

- That the Minutes from the October 30, 2014 Corporate Governance Committee meeting be approved, as presented.

Trustee Johnson seconded and the motion carried with all Trustees present voting in favor.

### **CHAIRPERSON'S REPORT**

Trustee Vogel remarked that the shareholder proposals that were discussed at the October meeting and approved by the Board have been filed. The proposals, which were co-filed with the New York City Pension Funds, request disclosure of equal employment opportunity reporting (EEO-1) from American Express Company, The Charles Schwab Corporation and Omnicom Group Inc. Trustee Vogel also remarked that the Illinois State Board of Investment has co-filed with the New York City Pension Funds on proposals that seek to address the lack of diversity on numerous company boards. Noting that timing can be an issue for joining such initiatives, Trustee Vogel advised that he has spoken with Marco Consulting Group about developing a calendar that will provide information on these efforts well in advance.

Trustee Vogel noted that he will not be able to attend the Council of Institutional Investors (CII) Spring Conference in Washington, DC, and he encouraged other Board members to attend if their schedule permits.

### **GOVERNANCE UPDATE**

Ms. Marilyn Branson reported that she attended the Council of Institutional Investors (CII) Fall Conference and remarked on the speakers that were heard. Ms. Branson advised that an amendment to CII's corporate governance policies was approved in order to address the role of a director who has a conflict of interest with a proposed transaction under the board's consideration. Ms. Branson also noted that CII's Spring Conference is scheduled for March 30-April 1, 2015, in Washington, DC.

Ms. Branson presented the Committee with an update of governance news and activity since the September 2014 meeting, noting that fee-shifting bylaws continue to be adopted and the Oklahoma legislature recently passed a law that mandates the shifting of fees in derivative suits instituted by a shareholder where there is a final judgment. Ms. Branson also reported that the Securities and Exchange Commission (SEC) recently adopted new rules pertaining to credit rating agencies that will require them to register with the SEC as nationally recognized statistical rating organizations (NRSOs). In 2015, the SEC will study the use of universal proxy ballots that would enable shareholders to vote for a combination of dissident and management nominees. The SEC has also taken action to issue guidance on proxy advisors which directs them to disclose significant relationships or materials interests to the recipient of the proxy advice but does not include a requirement for proxy advisers to register with the SEC.

Copies of the staff memorandum entitled "Governance Update" dated November 26, 2014, and the CII Fall 2014 Policy Amendment are incorporated as a part of these Minutes as [Exhibit 1](#) and [Exhibit 2](#).

## **STATUS UPDATE ON EEO-1 SHAREHOLDER PROPOSALS**

Mr. Branson referenced the memo regarding the EEO-1 shareholder proposals, remarking that the New York City Pension Funds will advise SURS of any outcomes and an update will be provided to the Board.

Copies of the staff memorandum, entitled “Status Update on EEO-1 Shareholder Proposals ,” and the proposals submitted to American Express Company, The Charles Schwab Corporation and Omnicom Group Inc. are incorporated as a part of these Minutes as [Exhibit 3](#), [Exhibit 4](#), [Exhibit 5](#) and [Exhibit 6](#).

## **INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION**

The following items were provided for reference and are incorporated as a part of these Minutes:

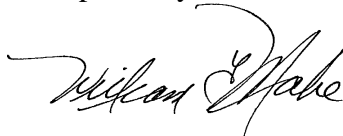
1. [Exhibit 7](#) - New York Times article “Effort Begins for More Say on Directors”.
2. [Exhibit 8](#) - New York City Comptroller Press Release on Boardroom Accountability Project.
3. [Exhibit 9](#) - 2015 New York City Pension Funds Proxy Access Shareowner Proposal.
4. [Exhibit 10](#) - Staff memorandum entitled “SURS Proxy Vote Summary Report.”
5. [Exhibit 11](#) - Marco Consulting Group’s Review of Vote Summary Report for Third Quarter 2014.”
6. [Exhibit 12](#) - Proxy Vote Summary Report for Third Quarter 2014.
7. [Exhibit 13](#) - Council of Institutional Investors Recordings.
8. [Exhibit 14](#) - Fiscal Year 2015 Work Plan.

## **PUBLIC COMMENT**

There were no public comments presented to the Corporate Governance Committee.

Since there was no further business before the Committee, Trustee Johnson moved that the meeting be adjourned. The motion was seconded by Trustee Vasquez and carried with all Trustees present voting in favor.

Respectfully submitted,



Mr. William E. Mabe  
Secretary, Board of Trustees

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