



## **MINUTES**

**Meeting of the Corporate Governance Committee  
of the Board of Trustees of the  
State Universities Retirement System  
4:00 p.m., February 6, 2014  
Chicago Board Options Exchange  
The Options Institute  
400 South LaSalle St.  
Chicago, Illinois 60605**

The following Trustees were present: Mr. Mitchell Vogel, Chair; Ms. Lindsay Anderson, Ms. Jacqueline Berger, Dr. John Engstrom, Mr. Richard Figueroa, Mr. Paul R. T. Johnson Jr., Mr. Andrew Matthews, Mr. Craig McCrohon and Ms. Dorinda Miller.

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. Phyllis Walker, Chief Financial Officer; Mr. Steve Hayward, Director of Internal Audit; Mr. Albert Lee, Associate General Counsel; Ms. Kimberly Pollitt and Mr. Joseph Duncan, Senior Investment Officers; Ms. Lou Ann Fillingham, Investment Officer; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Mr. Jeffrey Houch, Legislative Liaison; Ms. Karen Hipskind, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Douglas Moseley, Mr. Kevin Leonard and Ms. Kristin Finney-Cooke of NEPC; Mr. Greg Kinczewski and Ms. Maureen O'Brien of Marco Consulting Group; Mr. Matt Moran of CBOE; Ms. Sharon Piet of Podesta & Co.; and Ms. Lari Dierks of Speaker Michael Madigan's staff.

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

### **APPROVAL OF MINUTES**

Trustee Mitchell Vogel presented the Minutes from the Corporate Governance Committee meeting of December 12, 2013. Trustee Paul R.T. Johnson moved that:

- The Minutes from the December 12, 2013 Corporate Governance Committee meeting be approved, as presented.

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

## **CHAIRPERSON'S REPORT**

Trustee Vogel indicated that in consideration of the time, no Chairperson report will be given.

### **RECAP OF THE 2013 PROXY VOTING SEASON**

Trustee Vogel introduced Mr. Greg Kinczewski and Ms. Maureen O'Brien of Marco Consulting Group. Mr. Kinczewski and Ms. O'Brien provided an overview of the highlights of the 2013 proxy voting season and significant corporate governance developments.

Trustee Vogel asked if SURS could get a copy of the complete Proxy Report. Ms. Branson affirmed that copies of the annual proxy reports are provided to SURS and are available to any Trustee upon request. Trustee Vogel commented that the policies and guidelines that Marco Consulting Group referred to in their presentation, with a few exceptions, are the same as the policies of the Council of Institutional Investors (CII).

Copies of the staff memorandum, entitled "Marco Consulting Group 2013 Proxy Report," and Marco Consulting Group's "SURS Executive Summary 2013 Proxy Report" are incorporated as a part of these Minutes as [Exhibit 1](#) and [Exhibit 2](#).

### **ANNUAL APPROVAL OF PROXY POLICY STATEMENT**

Ms. Marilyn Branson reviewed the proposed amendment to the Proxy Policy Statement which suggests a modification to the section regarding the election of directors. The amendment would add language to specify that whether or not nominees have pledged a substantial amount of company stock will be among the factors considered. After noting the potential negative impact and the availability of research on pledged stock, Ms. Branson advised that staff recommends that the amendment to the Proxy Policy Statement be approved in order to reflect this factor.

Trustee John Engstrom moved that:

- The revised Proxy Policy Statement be approved as presented.

Motion seconded by Trustee Johnson and carried with all Trustees present voting in favor.

Copies of the staff memorandum, entitled "Review of SURS Proxy Policy Statement," and the red-lined version of the SURS Proxy Policy Statement are incorporated as a part of these Minutes as [Exhibit 3](#) and [Exhibit 4](#). A copy of CII's Corporate Governance Policies is also incorporated as a part of these Minutes as [Exhibit 5](#).

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

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

1. [Exhibit 6](#) - BBC News article “*New executive pay rules give shareholders binding vote.*”
2. [Exhibit 7](#) – Fiscal Year 2014/2015 Work Plan – Corporate Governance Committee Schedule.

### **PUBLIC COMMENT**

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

There being no further business to come before the Committee, Trustee Berger moved that the meeting be adjourned. Motion seconded by Trustee Johnson and carried.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "William E. Mabe".

Mr. William E. Mabe  
Secretary, Board of Trustees

WEM:lk