



## **MINUTES**

**Meeting of the Corporate Governance Committee  
of the Board of Trustees of the  
State Universities Retirement System  
4:45 p.m., Thursday, June 13, 2013  
The Northern Trust  
50 South LaSalle Street, London Room B9  
Chicago, Illinois 60603**

The following Trustees were present: Mr. Mitchell Vogel, Chair; Ms. Jacqueline Berger, Dr. John Engstrom, Mr. Richard Figueroa, Mr. Paul R. T. Johnson Jr. 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; Ms. Kimberly Pollitt and Mr. Joseph Duncan, Senior Investment Officers; Ms. Lou Ann Fillingham and Mr. Gabriel Ayoroa, Investment Officers; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Mr. Chris Hansen, Director of Operations; Mr. Jeffrey Houch, Legislative Liaison; Ms. Lori Kern, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Ms. Patti Somerville-Koulouris of the Northern Trust Company; Ms. Renaye Manley of Service Employees International Union and Mr. Jason Parks of Loop Capital.

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 March 14, 2013. Trustee Dorinda Miller moved:

- That the Minutes from the March 14, 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 remarked that the 2013 Council of Institutional Investors (CII) Fall Meeting is scheduled to convene on September 25-27, 2013, at the JW Marriott Hotel in Chicago, and he encouraged all of the Trustees to attend the conference.

Trustee Vogel presented to the Committee a report issued by the American Federation of Teachers entitled "Ranking Asset Managers". Trustee Vogel noted that the report reveals the role that some financial firms play in seeking to eliminate public pensions or dramatically cut pension benefits.

A copy of the report entitled "Ranking Asset Managers" is incorporated as part of these Minutes as [Exhibit 1](#).

## **GOVERNANCE UPDATE**

Ms. Branson reported on recent developments and significant corporate governance activity related to this year's proxy season noting that proposals to declassify the board have been the most supported shareowner proposals. Thirty-three have achieved a majority of votes cast and the average support of these was 81%. Ms. Branson also remarked that few shareowner proposals to separate the roles of the chairman and the chief executive officer achieved a majority vote but support for separation of the positions has increased.

Ms. Branson noted that two amendments to CII's corporate governance policies were approved at CII's 2013 Spring Meeting. One of the amendments significantly expands the section regarding the audit committee's role in overseeing the independent auditor while the other serves to clarify CII's position that classes of common stock should always carry equal voting rights and that issuance of preferred stock should be approved by shareowners as well as by the board.

Ms. Branson informed the Committee that Staff conducts a due diligence meeting with SURS' proxy voting service provider on an annual basis and this year's meeting is scheduled for tomorrow, June 14, 2013, at the Marco Consulting Group's offices in downtown Chicago.

A copy of the staff memorandum, entitled "Governance Update," is incorporated as a part of these Minutes as [Exhibit 2](#).

## **ANNUAL REVIEW OF COUNCIL OF INSTITUTIONS INVESTORS**

Ms. Branson presented the annual review of CII and she advised that CII has increased its efforts in the past year to provide quality education, research and advocacy for its members. Trustee Vogel remarked that the impact of the organization's work as well as the proxy voting of SURS and other pension funds is reflected in the visible growth of the governance of large corporations. Mr. Michael Weinstein also commended CII's report and webinar pertaining to the *Morrison v. National Australia Bank* court decision and Trustee Engstrom

advised that he has communicated with CII staff since the spring conference regarding ideas to try to increase the participation of trustees of member organizations.

A copy of the staff memorandum, entitled “Council of Institutional Investors (CII) Annual Review,” is incorporated as a part of these Minutes as [Exhibit 3](#).

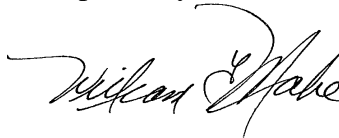
**INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION**

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

1. [Exhibit 4](#) - Staff memorandum entitled “Marco Consulting Group Proxy Vote Summary Report.”
2. [Exhibit 5](#) - Proxy Vote Summary Report for January 1, 2013 through March 31, 2013.
3. [Exhibit 6](#) - Fiscal Year 2013–2014 Work Plan – Corporate Governance Committee Schedule.

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

Respectfully submitted,



Mr. William E. Mabe  
Secretary, Board of Trustees

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