



## **MINUTES**

**Meeting of the Corporate Governance Committee  
of the Board of Trustees of the  
State Universities Retirement System  
9:00 a.m., Thursday, March 14, 2013  
Abraham Lincoln Presidential Library and Museum  
Governor's Conference Room, Library  
212 North Sixth Street  
Springfield, IL 62701**

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

Others present: Mr. William Mabe, Executive Director; Mr. Daniel Allen, Chief Investment Officer; Mr. Douglas Wesley, Deputy Chief Investment Officer; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Mr. Steve Hayward, Director of Internal Audit; Mr. Michael Weinstein, General Counsel; Ms. Beth Spencer, Communications Manager; Ms. Lori Kern, Executive Assistant; Ms. Brenda Dunn, Director of Human Resources; Ms. Phyllis Walker, Chief Financial Officer; Mr. Jeffrey Houch, Legislative Liaison; Ms. Mary Pat Burns of Burke, Burns & Pinelli and Ms. Patti Somerville-Koulouris of the Northern Trust Company.

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 February 14, 2013. Trustee Dorinda Miller moved that:

- The Minutes from the February 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.

Trustee Paul R.T. Johnson, Jr. arrived at the meeting following the approval of the Minutes.

### **CHAIRPERSON'S REPORT**

Trustee Vogel extended his thanks to Trustee John Engstrom for chairing the February meeting in his absence.

Trustee Vogel advised that he is unable to attend the upcoming meeting of the Council of Institutional Investors (CII), which is scheduled to convene on April 17-19, 2013, in Washington, D.C. He reminded everyone that CII's 2013 Fall Meeting is scheduled for September 25-27, 2013, in Chicago and encouraged the Trustees to consider attending both conferences if possible. Mr. Daniel Allen and Ms. Marilyn Branson will also be attending on behalf of SURS.

Trustee Vogel reported that a roundtable comprised of a group of public and TAFT-Hartley pension funds met last week in Chicago to discuss fee reduction issues. Trustee Vogel remarked that the roundtable, which has met quarterly in Los Angeles and New York for a number of years, is forming in Chicago, and he will advise when their next meeting date is scheduled.

### **GOVERNANCE UPDATE**

Ms. Branson noted that controversy continues over whether or not public companies should be required to disclose their political contributions. The Securities and Exchange Commission received an unprecedented number of letters in support of such disclosure and there has been some indication that they may take up a rulemaking this spring on this issue.

Ms. Branson reported on recent developments and governance activity related to Chesapeake Energy Corporation, the Walt Disney Company and Hewlett Packard.

Ms. Branson also provided an overview of featured speakers scheduled to present at the upcoming CII conference in April. Trustee Vogel gave a brief overview of the organization for the new Trustees. He highly encouraged the Trustees to attend if their schedules allow.

A copy of the staff memorandum, entitled "Governance Update," is incorporated as a part of these Minutes as [Exhibit 1](#).

### **APPROVAL OF REVISED PROXY POLICY STATEMENT**

Per the request made at the February meeting, Ms. Branson advised that staff consulted with Marco Consulting Group to modify the Proxy Policy Statement language regarding the ratification of auditors in order to clarify that attestation services provided by audit firms are not categorized as non-audit work.

Trustee Engstrom moved that:

- The revised Proxy Policy Statement be approved as presented.

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

Copies of the staff memorandum, entitled “Review of SURS Proxy Policy Statement,” and the redlined version of the SURS Proxy Policy Statement are incorporated as part of these Minutes as [Exhibit 2](#) and [Exhibit 3](#).

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

Ms. Branson briefly summarized the Fourth Quarter 2012 Proxy Vote Summary Report and the Annual 2012 Proxy Vote Summary Report.

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

1. [Exhibit 4](#) - Staff memorandum entitled “Marco Consulting Group Proxy Voting Summary Report.”
2. [Exhibit 5](#) - Proxy Vote Summary Report for Fourth Quarter 2012.
3. [Exhibit 6](#) - Proxy Vote Summary Report for January 1, 2012 through December 31, 2012.
4. [Exhibit 7](#) - Fiscal Year 2013–2014 Work Plan – Corporate Governance Committee Schedule.

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

Respectfully submitted,



Mr. William E. Mabe  
Secretary, Board of Trustees

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