



MINUTES

**Meeting of the Corporate Governance Committee
of the Board of Trustees of the
State Universities Retirement System
2:55 p.m., Thursday, October 30, 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, Ms. Jacqueline Berger, Dr. John Engstrom, Mr. Paul R. T. Johnson Jr., Mr. Andrew Matthews, Mr. Craig McCrohon, Ms. Dorinda Miller, 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. Alex Ramos and Mr. Shane Willoughby, Investment Officers; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Mr. Jeff Houch, Legislative Liaison, Ms. Brenda Dunn, Director of Human Resources, Ms. Lori Kern, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Douglas Moseley, Ms. Kristin Finney-Cooke and Mr. Kevin Cress of NEPC, and Ms. Patti Somerville-Koulouris of the Northern Trust Company.

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

CONSIDERATION/APPROVAL OF SHAREHOLDER PROPOSAL

Trustee Mitchell Vogel stated that he was approached at the last Council of Institutional Investors meeting by the New York City Pension Funds (New York Funds) regarding an opportunity to co-file on three shareholder proposals. The proposals would request American Express Company, The Charles Schwab Corporation and Omnicom Group Inc. to annually disclose EEO-1 data, which is a comprehensive breakdown of the firm's workforce by race/ethnicity, gender and job category. Trustee Vogel expressed favor for co-filing and remarked that it would be valuable in supporting the commitment that the Board has made to promote diversity.

Discussion followed. Trustee Vogel recounted the history of how the Board has handled this type of activity in the past. Concern was raised regarding the economic benefits or legal ramifications for the System and Ms. Mary Patricia Burns reminded the Board that they must

be conscious of whether there is an economic benefit to the fund before acting on issues of this nature. The question was then posed as to whether or not there was time to investigate further and reconsider the issue at the December meeting; however, Trustee Vogel noted that the deadlines for submission of these shareholder proposals are prior to the December meeting.

Trustee Vogel moved:

- That SURS participate as a co-filer with the New York City Pension Funds on 2014 shareholder proposals requesting disclosure of EEO-1 reporting by American Express Company, The Charles Schwab Corporation and Omnicom Group Inc.

Discussion continued Ms. Marilyn Branson noted that a copy of last year's proposal was distributed since those being prepared for this year are not yet available; however, the New York Funds advised that the wording would be similar. Trustee Johnson asked if it would be appropriate for Trustees to sign this as individuals and Ms. Burns advised she does not recommend that Trustees sign this in their individual capacity unless clearly stated as such, as opposed to signing on as a Trustee of the State Universities Retirement System.

After discussion, Trustee Vogel changed his motion to state the following:

- That SURS participate as a co-filer with the New York City Pension Funds on 2014 shareholder proposals requesting disclosure of EEO-1 reporting by American Express Company, The Charles Schwab Corporation and Omnicom Group Inc., provided that staff is supportive of the wording of the final proposal consistent with the Board's direction during the discussion.

Trustee Andrew Matthews seconded the motion, and after further discussion, a roll call vote was taken:

Trustee Anderson	– did not vote
Trustee Berger	– no
Trustee Engstrom	– no
Trustee Figueroa	– absent
Trustee Johnson	– no
Trustee Matthews	– yes
Trustee McCrohon	– did not vote
Trustee Miller	– yes
Trustee Newell	– no
Trustee Vasquez	– yes
Trustee Vogel	– yes

Since the vote was four in favor and four against, Trustee Anderson elected to vote in favor to move the motion out of Committee. As a result, the motion carried with the final vote tally as follows:

Trustee Anderson – yes
Trustee Berger – no
Trustee Engstrom – no
Trustee Figueroa – absent
Trustee Johnson – no
Trustee Matthews – yes
Trustee McCrohon – did not vote
Trustee Miller – yes
Trustee Newell – no
Trustee Vasquez – yes
Trustee Vogel – yes

Trustee Anderson commented that she understands the time constraint in this particular situation; however, she would suggest that the Board engage in more discussion on items of this nature in the future and that the Board use caution when taking action on shareholder proposals.

A copy of the staff memorandum, entitled “Opportunity to Co-file on EEO-1 Shareholder Proposals,” and a copy of the New York Funds’ 2013 proposal to American Express Company, “Annual Disclosure of EEO-1 Data,” are incorporated as a part of these Minutes as [Exhibit 1](#) and [Exhibit 2](#).

PUBLIC COMMENT

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

Since there was no further business before the Committee, the meeting adjourned.

Respectfully submitted,



Mr. William E. Mabe
Secretary, Board of Trustees

WEM:lk