



MINUTES

**Meeting of the Corporate Governance Committee
of the Board of Trustees of the
State Universities Retirement System
3:30 p.m., Thursday, September 12, 2013
The Northern Trust
50 South LaSalle Street, London Room B9
Chicago, Illinois 60603**

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, Ms. Dorinda Miller 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. 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 and Mr. Gabriel Ayoroa, Investment Officers; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Mr. Jeffrey Houch, Legislative Liaison; Ms. Lori Kern and Ms. Karen Hipskind, Executive Assistants; 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 June 13, 2013. Trustee Paul R. T. Johnson moved:

- That the Minutes from the June 13, 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 referenced the letter to Oaktree Capital that he distributed at the June meeting regarding the possible future sale of the Chicago Tribune to the Koch brothers. Trustee Vogel reported that several public pension funds and union pension representatives met with Oaktree Capital and it has ultimately turned out that the sale of the Tribune will be going public and the Koch brothers have indicated that they are no longer interested.

Trustee Vogel also reminded the Trustees about the upcoming Council of Institutional Investors Fall Meeting that will convene at the JW Marriott Hotel in Chicago on September 25-27, 2013. Trustee Vogel encouraged all of the Trustees to attend if their schedules permit.

GOVERNANCE UPDATE

Ms. Branson presented an update of recent developments, governance news and activity since the June Meeting. Noting that majority voting is considered one of the top governance reforms, Ms. Branson remarked that the term “zombie directors” has recently appeared to describe instances where boards that have adopted majority voting have nevertheless acted to either reappoint directors who failed to win majority support or to refuse their resignations. In June of 2013, the Council of Institutional Investors wrote to both the NYSE and NASDQ regarding this particular issue and a copy of one of the letters is incorporated as part of these Minutes as [Exhibit 1](#).

Ms. Branson remarked that when a shareowner proposal receives majority support, companies may agree to include a management-sponsored proposal on the next year's proxy ballot but a supermajority vote requirement may also be attached. Ms. Branson noted that such requirements, typically 67-80% of outstanding shares, are often difficult to achieve.

Ms. Branson advised that board tenure is another issue being debated since some believe that long-serving directors may lose their independence, and in addition, that low board turnover tends to suppress board diversity.

Ms. Branson also reported on the Dell buyout offer proposed by Silver Lake Partners earlier this year, remarking that SURS owns approximately 335,000 shares of Dell with a market value of over \$4 million. Ms. Branson advised that the opposing plan proposed by a group of activist investors was recently dropped and the Silver Lake Partners buyout offer is expected to be approved at the company's meeting being held today.

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

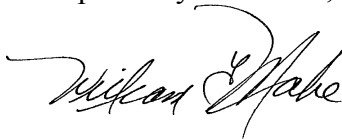
INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION

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

1. [Exhibit 3](#) - Staff memorandum entitled “Securities Litigation Class Actions Activity.”
2. [Exhibit 4](#) - Staff memorandum entitled “Annual Review of Marco Consulting Group.”
3. [Exhibit 5](#) - Staff memorandum entitled “Marco Consulting Group Proxy Vote Summary Report.”
4. [Exhibit 6](#) - Marco Consulting Group’s Proxy Vote Summary Report for Second Quarter 2013.
5. [Exhibit 7](#) - Fiscal Year 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 Antonio Vasquez and carried with all Trustees present voting in favor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William E. Mabe". The signature is written in a cursive style with a large initial "W".

Mr. William E. Mabe
Secretary, Board of Trustees

WEM:lk