

FOR IMMEDIATE RELEASE
March 23, 2010

Contact:
Amy Borrus
Deputy Director
202.261.7082
amy@cii.org

CII Lauds Senate Banking Panel Action on Financial Reform

Washington, D.C., March 23, 2010 — The Council of Institutional Investors welcomes the Senate Banking Committee's passage yesterday of the Restoring American Financial Stability Act of 2010. The bill appropriately addresses the serious failures by corporate boards that contributed to the financial crisis.

In particular, the Council is pleased that the bill includes corporate governance provisions that: 1) require all directors of public companies to be elected by a majority of votes cast by shareowners, and 2) reaffirm the Securities and Exchange Commission's (SEC) authority to issue "proxy access" rules that would make it easier for long-term investors to nominate their own director-candidates for corporate boards.

"Majority voting and proxy access are critical tools investors need to hold directors accountable," said Ann Yerger, executive director of the Council of Institutional Investors. "Boards are the first line of defense against the risks and excesses that led to the crisis. These reforms will help shareowners exercise market discipline to make sure directors keep a careful eye on management and, if necessary, rein in reckless executives. They also eliminate long-standing barriers to the exercise of the most fundamental of investor rights—the right to nominate, elect and remove directors."

The Council also lauds provisions in the committee bill that would strengthen the oversight and accountability of credit rating agencies, establish meaningful regulation of over-the-counter (OTC) derivatives and bolster the resources and independence of the SEC. We look forward to continuing to work with the full Senate on these and other provisions of the bill to secure prompt passage of comprehensive financial reform that benefits long-term investors, including the beneficiaries of Council member funds—millions of American workers and retirees.

The Council of Institutional Investors (CII) is a nonprofit association of public, union and corporate pension funds with combined assets that exceed \$3 trillion. Member funds are major long-term shareowners with a duty to protect the retirement assets of millions of American workers. The Council strives to educate its members, policymakers and the public about good corporate governance, shareowner rights and related investment issues, and to advocate on members' behalf.