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CII Welcomes Senate Financial Regulation Overhaul

Washington, D.C., May 20, 2010 — The Council of Institutional Investors welcomes Senate passage of the Restoring American Financial Stability Act of 2010. The bill extends and strengthens the web of financial regulations in ways that enhance investor protections and addresses the serious failures by corporate boards that contributed to the financial crisis.

The Council is especially pleased that the bill includes corporate governance provisions that make it easier for investors to remove poorly performing directors and nominate alternative candidates. The relevant provisions require all directors of public companies to be elected by a majority of votes cast by shareowners and 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.

"These 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 financial crisis. Majority voting and proxy access will help shareowners exercise market discipline to make sure directors keep a careful eye on management and, if necessary, rein in reckless executives."

The Council also lauds critical provisions in the committee bill that would bolster the resources and independence of the SEC and establish meaningful regulation of over-the-counter (OTC) derivatives. The Council will work to support efforts to strengthen certain provisions as the bill moves to conference with the House.

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.