

FOR IMMEDIATE RELEASE
September 29, 2010

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

Council Vows to Fight Legal Assault on Proxy Access

Washington, D.C., Sept. 29, 2010 –The Council of Institutional Investors regards the business community’s legal challenge to the Securities and Exchange Commission’s (SEC) “proxy access” rules as an assault on a fundamental shareowner right. The Council plans to file an *amicus curiae* brief in support of the rules.

The U.S. Chamber of Commerce and the Business Roundtable today filed a lawsuit against SEC rules that give shareowners a bigger voice in corporate board elections. The rules, adopted on August 25, make it easier for shareowners to nominate their own candidates for director when they are dissatisfied with the board’s performance. Under the rules, long-term investors can place the names of their nominees for board seats on the company’s proxy card, avoiding the enormous expense of sending out their own proxy materials.

“The Council fought long and hard for U.S. shareowners to gain the right to have their board candidates considered alongside those of management,” said Ann Yerger, the Council’s executive director. “Proxy access will make companies more responsive to their shareowners and more vigilant in their oversight of companies. This basic right is widely accepted in many other countries and the Council will fight to preserve it here.”

The global financial crisis underscored the urgency of following through on this important corporate governance reform. “The market meltdown represented a massive failure of oversight—by boards as well as by regulators,” said Yerger. “Proxy access gives investors a way to hold directors accountable so they will be motivated to do a better job of monitoring and, if necessary, reining in management.”

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.