

FOR IMMEDIATE RELEASE  
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## CII Applauds Introduction of Shareholder Bill of Rights Act

**Washington, D.C., May 19, 2009** — The Council of Institutional Investors strongly applauds the efforts of Senator Charles E. Schumer (D-N.Y.) to improve corporate governance by introducing the Shareholder Bill of Rights Act of 2009.

Strengthening corporate governance is an essential component of the broad reforms needed to restore trust in the integrity of U.S. capital markets. The bill would go a long way toward making boards of directors and managers of public companies more accountable to shareowners. Many of the provisions of the Act are consistent with long-standing Council best practices. The Council welcomes Senator Schumer's leadership on this important measure to strengthen investor protection.

"The financial crisis represents a massive failure of oversight," said Ann Yerger, executive director of the Council of Institutional Investors. "The corporate governance reforms in the Shareholder Bill of Rights Act would empower investors to hold directors' feet to the fire."

Vigorous, effective regulation alone isn't enough to guard against abuses that contributed to the financial debacle. "Investors need tools like those in the Shareholder Bill of Rights Act to promote market discipline and accountability," said Joseph A. Dear, chair of the Council and CIO of the California Public Employees' Retirement System (CalPERS).

The bill would enhance shareowner authority over the nomination and election of directors and the compensation of senior executives. More specifically, Council policies endorsed by the bill include:

- Allowing long-term investors to nominate their own director candidates on the management proxy card
- Electing all directors annually
- Electing directors by a majority of votes cast in uncontested elections
- Separating the role of board chair and CEO
- Providing annually for an advisory shareowner vote on the compensation of senior executives

To read the Council's corporate governance policies in full, please click [here](#).

The bill is an important element in a much-needed, broad overhaul of financial markets and corporate governance regulation. The Council looks forward to working with Senator Schumer, Senate Banking Committee Chairman Christopher Dodd (D-Conn.) and Senator Richard Shelby (R-Ala.), ranking member of the committee, on comprehensive reform legislation.

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*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.*