

FOR IMMEDIATE RELEASE  
July 15, 2010

**Contact:**  
Amy Borrus  
Deputy Director  
202.261.7082  
[amy@cii.org](mailto:amy@cii.org)

## CII Welcomes Senate Passage of Financial Reform

**Washington, D.C., July 15, 2010** — The Council of Institutional Investors applauded the Senate's passage today of legislation to overhaul the U.S. system of financial market regulation. The House already has approved the bill, which President Obama is expected to sign into law soon.

"This is a big win for investors," said Ann Yerger, executive director of the Council, referring to the Dodd-Frank Wall Street Reform and Consumer Protection Act. "Congress has taken a significant step to restore trust in U.S. financial markets and strengthen investor protections."

The Council is especially pleased that the legislation includes corporate governance improvements that give shareowners important tools to hold the boards of companies they invest in accountable for their actions. Better corporate governance at U.S. companies will be a bulwark against the kind of excessive risk-taking that brought the financial markets to the brink of collapse two years ago. Chief among these improvements are provisions that:

- **Pave the way for shareowner access to the proxy.** The legislation reaffirms the Security and Exchange Commission's authority to adopt rules making it easier for long-term shareowners to nominate their own directors when change is needed on corporate boards.
- **Require companies to seek advisory shareowner votes on the compensation** of senior executives ("say on pay") at least once every three years.
- **Restrict discretionary broker voting on management proposals relating to executive compensation, including "say on pay" votes.**

The Council also pressed hard for provisions in the bill that will bring trading in derivatives contracts out of the shadows. The reform legislation requires most standardized over-the-counter derivatives contracts to be traded on exchanges and cleared centrally. These improvements will increase the transparency, lower the costs and reduce the risks of these complex but essential financial instruments that were at the heart of the financial crisis.

Council members are also pleased that Congress recognized the need to beef up regulation of credit rating agencies and make them more accountable to investors.

---

*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.*