

FOR IMMEDIATE RELEASE
August 25, 2010

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

CII Applauds Historic SEC Action on Corporate Board Nominations

Washington, D.C., Aug. 25, 2010 — The Council of Institutional Investors applauds the Securities and Exchange Commission's (SEC) adoption of a rule that gives shareowners a bigger voice in electing corporate directors.

In approving a proxy access rule, the SEC has made it easier for shareowners to nominate their own candidates for director when they are dissatisfied with the board's oversight. The rule lets long-term investors place their nominees on management's proxy card, avoiding the enormous cost of sending out their own proxy cards. Proxy access has been standard practice in many foreign countries for years.

"This is ground-breaking for U.S. shareowners," said Ann Yerger, the Council's executive director. "Access to the proxy will invigorate board elections and make boards more responsive to shareowners and more vigilant in their oversight of companies."

The global financial crisis that erupted in 2008 underscored the urgency of following through on this important 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 final rule reflects the SEC's thorough, year-long review of extensive public comments and a careful balancing of investor and corporate interests.

The Council commends the SEC for giving shareowners a critical tool they can use to hold boards of directors accountable. Council members also are grateful to Congress for paving the way by including a provision in the Dodd-Frank Wall Street Reform and Consumer Protection Act that reaffirms the SEC's authority to adopt rules that require public companies to include director candidates nominated by shareowners on the company proxy ballot.

The Council encourages the SEC to monitor proxy access to ensure that the new rule operates as the Dodd-Frank Act intended, "in the interests of shareholders and for the protection of 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.