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## CII Hails SEC for Ending Uninstructed Broker Votes in Director Elections

**Washington, D.C., July 1, 2009** — The Council of Institutional Investors applauds the Securities and Exchange Commission (SEC) for voting today to eliminate uninstructed broker votes in director elections at U.S. public companies.

“Investors everywhere are grateful to the SEC for doing the right thing in the face of vigorous opposition from many corners of the business community,” said Ann Yerger, the Council’s executive director. “Eliminating discretionary broker votes will ensure that director elections are no longer tainted by phantom votes.”

For more than a decade, the Council has pressed for an end to New York Stock Exchange Rule 452, which lets brokers vote on certain “routine” proxy proposals, on behalf of owners who hold their shares in brokerage account, if the beneficial owner has not provided voting instructions at least 10 days before a scheduled shareowner meeting. The uncontested election of directors is among the proposals that until now was considered routine. Discretionary broker votes accounted for 16.5 percent of all votes at shareowner meetings in the 2008 proxy season, according to Broadridge Financial Solutions.

The NYSE had proposed ending broker votes in director elections, a move that requires SEC approval, three times in the past three years.

“Counting uninstructed broker votes is akin to stuffing the ballot box for management as broker votes almost always are cast in favor of management’s candidates for board seats,” Yerger said.

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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.*