

FOR IMMEDIATE RELEASE
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CII Welcomes Introduction of Shareholder Empowerment Act

Washington, D.C., June 12, 2009—The Council of Institutional Investors enthusiastically welcomes the efforts of Rep. Gary C. Peters (D-Mich.) to strengthen investor oversight of management and boards through the Shareholder Empowerment Act of 2009.

Empowering investors to hold companies and their directors accountable is a fundamental part of the broad change needed to restore trust in the integrity of U.S. capital markets and guard against future crises. If enacted, the bill would make boards of directors and managers of public companies more responsive to all shareowners and especially large, long-term investors seeking sustainable growth and responsible risk-taking. Many of the provisions of the Act are consistent with long-standing Council best practices.

The bill implements all eight of the proposed corporate governance reforms included in a December 2008 Council letter urging members of Congress to provide investors with the tools necessary to exercise vigorous oversight of public companies alongside strong government regulation. “Rep. Peters has clearly heeded the message of investors,” said Ann Yerger, executive director of the Council of Institutional Investors. “The Council applauds his leadership to strengthen investor protection and market discipline.”

The bill would enhance board independence and strengthen shareowner authority over the election of directors and the compensation of senior executives. Specific Council policies endorsed by the bill include:

- Electing directors by a majority of the votes cast in uncontested elections
- Allowing long-term investors to nominate their own director candidates on the management proxy card
- Eliminating uninstructed broker votes in director elections
- Separating the roles of board chair and CEO
- Providing annually for an advisory shareowner vote on the compensation of senior executives
- Requiring outside executive compensation advisers to be independent of both management and the company
- Strengthening clawback provisions for unearned incentive compensation
- Barring severance payments to executives who are terminated for poor performance

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

The Shareholder Empowerment Act is an important element in a much-needed, comprehensive overhaul of financial markets and corporate governance regulation. The Council looks forward to working with Rep. Peters, House Financial Services Committee Chairman Barney Frank (D-Mass.) and Rep. Spencer Bachus (R-Ala.), ranking member of the committee, on comprehensive reform legislation.

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.