



Council of  
Institutional  
Investors®

The voice of corporate governance

Membership Information:  
Prospective Labor Union Members

## Who is CII?

The Council of Institutional Investors (CII) is a nonprofit, nonpartisan association of pension funds, corporate funds, other employee benefit funds, endowments and foundations, with combined assets that exceed \$4 trillion. CII's non-voting members include asset management firms with more than \$35 trillion in assets under management and non-U.S. asset owners with more than \$4 trillion under management. CII is a leading voice for effective corporate governance, strong shareowner rights and vibrant, transparent and fair capital markets. CII promotes policies that enhance long-term value for U.S. institutional asset owners and their beneficiaries.

## What is an Asset Owner Member?

Asset Owner Members are voting members of CII. Members include U.S. public and private employee benefit plans, state or local agencies officially charged with investing public fund assets (such as state investment boards), charitable tax-exempt foundations and endowments, and U.S. corporations with retirement assets, subject to following limitation: Private-sector employee benefit plans may not join as voting members if the plan or plan sponsor's primary line of business includes providing financial, consulting, legal or other services to institutional investors. Funds, not their employees, are considered CII members. Asset Owner Members are entitled to one vote per fund.

Each Asset Owner Member belongs to one of four constituencies: public pension funds, corporate funds (based on the assets in their employee retirement plans), labor union funds and foundation/endowment funds and these members elect and serve on CII's Board of Directors and Asset Owner Members Advisory Council.

## What are the benefits of membership?

Membership dues are exclusive and all-inclusive. At no additional cost Asset Owner Members are entitled to access all of CII's private research, publications and advocacy tools, including:

- Be a part of the leadership of CII- Asset Owner Members may be elected to serve on the Board of Directors, Asset Owner Members Advisory Council or our other leadership committees
- Access a library of plain-English guides on the nuts and bolts of governance basics and all of CII's private research, reports and publications
- Participate and receive preference in CII programs including the Member-hosted meeting program, the Engagement Exchange and the sponsorship program.
- Gain access to CII's private membership directory and job board
- Receive the weekly Governance Alert E-newsletter, which contains exclusive, first-hand content from CII and information about hot topics in corporate governance
- Participate in exclusive CII hosted teleconferences, webinars and podcasts on topical issues
- Take part in shaping CII analyses, testimony and CII-led letter writing campaigns to regulators, legislators, companies and other service providers on key issues in corporate governance
- Shape governance policies at portfolio companies by participating in the creation and evolution of CII policies and participating in Council-led engagements with specific U.S. public companies
- Take part in CII's engagement exchange meetings or take advantage of complimentary meeting space for one-on-one meetings during conferences to engage with companies and shareholders

## What does it cost?

Annual dues for CII members are billed on a calendar year and are based on total assets. For retirement plan assets, we base dues on total defined benefit and defined contribution assets. Membership dues are calculated annually, using a formula based on a set rate per \$1 million in assets and CII offers two membership types:

### All-Inclusive (Bundled) Membership: \$0.95 per \$1 million in total assets

Includes access to all of CII's private research, education, education, membership databases and advocacy tools as well as attendance fees for employees to attend CII's two annual conferences per year. The minimum dues payment for the bundled membership is \$5,000 and the maximum is \$30,000 per calendar year. Complimentary conference attendance is based on the following annual dues scale:

- \$5,000-10,000 = 3 conference attendees per event
- \$10,001-\$14,999 = 4 conference attendees per event
- >\$15,000 = unlimited attendees

This membership type has a minimum dues level of \$5,000 and a maximum of \$30,000 in annual dues. Additional conference registrations are available for bundled members at a cost of \$650 per attendee per conference. The caps do not apply to plan trustees, on whom there is no limit to conference attendance for bundled members.

### Basic (Unbundled) Membership - \$0.65 per \$1 million in total assets

Includes access to all of CII's research, education, education, membership databases and advocacy tools with additional conference attendance fees of \$1,250 per attendee, per conference paid separately.

This membership type has a minimum dues level of \$3,500 and a maximum dues level of \$24,000. Prospective member organizations will be charged dues based on assets in both their defined contribution and defined benefit plans. Members without defined contribution plans will be charged dues based on the assets in their defined benefit plans.

## How do I learn more?

Individuals from prospective new public pension funds, endowment or union funds may attend one of CII's private conferences completely free of charge to "audit" CII and see if membership is the right fit for you. Corporate funds may attend one CII conference as a guest, paying the prospective member rate for registration. Any individual from a prospective new Asset Owner Member fund may request to join a teleconference or webinar or gain temporary access to CII's private weekly newsletter, the Governance Alert, to gain a better understanding of the benefits of membership.

## How do I join?

Becoming a member is easy! CII memberships are based on the calendar year and mid-year membership is prorated. If you need help calculating your fund's costs or would like an application for membership, please email Melissa Fader at [Melissa@cii.org](mailto:Melissa@cii.org) or call 202.822.0800.

## Current priority issues

### Public vs private companies

The ongoing debate over the decline in the number of U.S. public companies has spurred calls for lighter securities regulation. It has also been used to justify multi-class capital structures with unequal voting rights; tech-company founders believe super-voting shares make going public more appealing. They contend that having a dual-class moat lets them focus on building long-term value without having to worry about short-term share price pressures.

But these trends have tradeoffs for investors:

- Concentrating voting rights in a few hands entrenches management and makes managers less accountable to shareholders. Also, research shows that the valuation premiums that dual-class companies tend to have over single-class firms in the early years dissipate into discounts six to nine years post-IPO.
- Private companies have less transparent financial reporting, weaker internal controls and the market for them is less liquid.

CII has fostered robust discussion of these trends—at our conferences, in member webinars and publications and by highlighting relevant research. Our May 17 event in NYC will feature a discussion on “Public Company vs. Private Company: Does it Matter?” led by investment professionals and academics.

CII strongly supports the principle of one-share, one-vote: Public companies should have one class of common stock with equal voting rights; companies that make their debut on the public markets with multiple classes of common stock with differentiated voting rights should commit to sunset provisions that collapse to one-share, one-vote within a limited period of time.

### Market structure

Market structure issues have become a critical focus for CII members because of advances in technology and the transformation of stock exchanges into for-profit corporations. While CII does not have specific policies on market structure issues, we provide a forum for balanced discussion of developments such as high-frequency trading and blockchain innovation, by hosting knowledgeable speakers at our conferences and on member webinars, and via teleconference calls and publications.

Corporate governance concerns have gotten short shrift at the exchanges themselves. Now public companies, they compete fiercely with each other for listings. In the heat of competition, they sometimes ignore best-practice as they jockey for companies to list their shares. CII supports the SEC’s proposed transaction fee pilot that could shed light on the extent to which broker-dealers route orders to specific exchanges in ways that benefit them at the expense of their customers.

### Independent proxy research

Independent research helps institutional investors cast informed proxy votes. But access to independent research is threatened by proposed legislation that could drive up the cost of voting responsibly--and possibly drive proxy advisory firms out of business.

The legislation would require proxy advisory firms to share their research reports and proxy voting recommendations with the companies about whom they are writing *before* they are shared with the institutional investors who are their paying clients. CII believes the legislation would bias proxy advisory firms in favor of corporate management. We also believe that the new requirements it would impose are unnecessary, overly burdensome and counter-productive. CII has played a leading role in advocating against the bill—in briefings for members, in meetings on Capitol Hill and in a stream of letters to policy makers.

## Director elections

The board of directors is the first line of defense for shareholders. As agents for investors, directors have a responsibility to make decisions in the company's best interest. That's why CII pays close attention to how directors are elected and removed.

CII advocates robustly for majority voting in uncontested elections—still far from the norm at many Russell 3000 companies. Hundreds still use the plurality vote standard, which results in Kremlin-style rubber-stamp elections because all a nominee needs is one vote to be elected.

CII has also pressed for universal proxy cards in contests for board seats. Universal proxies let shareholders vote for the combination of nominees from management's and the dissident's slate that they prefer. Under current SEC rules, that is generally only possible if investors vote in person at the annual meeting. In 2016, the SEC proposed requiring universal proxy cards in contested elections. CII is lobbying vigorously for the SEC to finalize the rule.

## Effective disclosure and reliable financial reporting

Investors depend on prompt, transparent disclosure of important corporate financial information. High-quality, timely disclosure gives investors a full picture of a company's businesses and helps them price risk. While eliminating disclosure overlap makes sense, CII believes regulators should focus on protecting investors when considering appeals for reduced disclosure.

Toward that end, CII comments on regulatory and legislative proposals that would affect financial disclosure. In particular, CII supports investor-useful disclosure on environmental, social and governance risks. We also support SEC registration for private equity fund advisors, an SEC proposal to require companies to disclose policies on hedging by executives and directors, and tighter curbs and more transparency of 10b5-1 trading plans that company insiders use to sell company stock.

## Forced arbitration

Institutional investors have been alarmed by reports that the SEC is considering a possible policy shift to permit IPO companies to include forced arbitration provisions in their bylaws. CII strongly opposes mandatory arbitration and has discussed concerns with members and policymakers, and submitted comment letters on the topic to the SEC.

While arbitration generally shortens the time required to resolve a dispute, it has serious tradeoffs for investors:

- The process for discovering evidence may be limited in comparison with a judicial proceeding.
- The right to appeal is rare.
- Arbitration awards are not directly enforceable and may require judicial remedy to confirm the award.
- Disputes that go to arbitration rather than the court system generally do not become part of the public record. Putting shareholder lawsuits in the dark will cause them to lose their deterrent effect.

## CII Involvement in Environmental and Social Issues

While CII's primary focus is on promoting effective corporate governance standards and practices and strong shareholder rights, our policies, advocacy and activities cover the spectrum of environmental, social and governance (ESG) issues. Below are 10 ways we do that.

1. CII best-practice policies speak directly to certain sustainability issues, such as the business case for board diversity. They also call for transparency and board oversight of corporate political spending.
2. CII's longstanding support for strong risk oversight by boards encompasses providing investors with relevant information on risk related to climate change. It also underpins our [comment letter](#) to the SEC supporting a petition filed by an investor coalition that asked the agency to explore the need for better disclosure of human capital management policies and practices.
3. CII efforts to ensure that shareholder rights are solid helps to further shareholder priorities—whether they are strategic, environmental, social or governance-related. Take, for example, CII's efforts to protect and enhance the robustness of the proxy voting process: That benefits a shareholder who wants to bring an idea for how a company should respond to climate change risk before all shareholders for a vote, through a shareholder proposal.

CII's efforts on this front also make sure that:

- the proposal submission process and the voting process work properly, and that results are transparent.
- a shareholder can propose a binding resolution if the board declines to act.
- a shareholder has reasonable ability to nominate and run his own board candidate(s)

CII led an investor coalition in an October 2017 meeting with SEC Chair Jay Clayton on the shareholder proposal rule, and has raised this issue in numerous comment letters and in testimony before the SEC and congressional committees.

Over many years, CII has worked with SEC staff to ensure that shareholder proponents are treated fairly in the SEC “no-action” process.

While none of these actions is directly tied to sustainability, many investors, including those who prioritize environmental and social issues, believe they are critical tools for moving companies on a better path.

4. CII believes funds should use their own judgment on how best to integrate ESG factors into investment decisions, proxy voting and engagement with portfolio companies and compiles a database of members' proxy voting and stewardship policies and guidelines that is accessible only to current CII members.
5. Our spring and fall conferences typically feature thought-provoking speakers discussing topical E&S issues.
  - 2019 conferences include sessions on fiduciary duty and ESG in investment from a CIO perspective, focusing on the “S” in ESG, sustainability reporting standards and transforming to a low-carbon economy.
  - 2017 and 2018 conferences included sessions on sustainability standards, human capital management, and climate-related financial disclosure, how Japan's national pension fund enhances stewardship and ESG and on corporate responsibility related to the U.S. opioid crisis.
6. A wide range of ESG issues are also explored in member-hosted events that take place in connection with CII's formal conference program.
  - Examples from the 2018 spring conference include events on impact investing, integrating ESG factors in investing and engaging companies on climate change risk.
7. CII regularly organizes teleconferences and webinars for members on a range of ESG topics, such as executive compensation, cybersecurity, integrated reporting, corporate culture and climate change risk.

8. CII also covers ESG news and trends in our weekly member e-newsletter and our members-only [Comment Opportunity Tracker](#), which alerts members to requests for comment by regulators and other important market actors across the globe.

9. CII's educational programs for pension fund trustees include courses on ESG issues.

10. CII members use CII conferences and online discussion forums to collaborate and to get out the word on a variety of ESG issues.

For more information on CII and our members' efforts on environmental and social issues, please contact Melissa Fader, Membership Services Manager, at [Melissa@cii.org](mailto:Melissa@cii.org).

## Member-Hosted Meeting Program

A unique benefit valuable to current CII member organizations is the opportunity to submit proposals to host their own meeting or event during specific times in our spring and fall conference programs. These events take place during CII conferences but do not conflict with any plenary sessions. Member-hosted meetings are supported in CII conference materials online, in-print and on the conference mobile app. These meetings typically draw anywhere from 40-100 attendees, depending on the subject and the host's efforts in publicizing the event. On occasion these events draw more turnout than the CII hosted breakout sessions.

### How does it work?

The hosting organization typically arranges and moderates a panel, with one of the panelists being a host representative. But in some cases, the host simply gives a presentation or some organizations have organized networking events or meet and greets during their member-hosted meeting times. Historically, the most successful events cover current topics of importance to investors and include a range of speakers and opinions. Typically there is a Q&A at these events, which is strongly encouraged by CII.

The organization and content presented in these meetings are the sole responsibility of the hosting organization and are not expressly endorsed by CII nor are these topics indicative of CII's member-approved corporate governance policies or policies on other issues. Member-hosted meetings are not sponsorships and becoming a conference sponsor does not automatically grant an organization the right to host their own meeting.

### What does it cost?

CII charges a minimal fee for the use of the hotel space, use of the CII meeting planner and other administrative costs only. Cost for the space for a member-hosted meeting varies by location but has ranged from \$1,000- \$5,000 historically. Organizations who wish to add on food and beverage or audio visual needs must pay for those costs separately as determined by the conference hotel.

### How do I apply to be a hosting organization?

Proposals must meet the following minimum criteria to be considered:

- Thematic (i.e. not specific to one company, unless that company raises broader, market-level concerns)
- Addresses a broad issue of interest to investors
- Does not focus *primarily* on building business for the author or presenting organization
- Must be open to all conference attendees.

### How does CII select hosts?

CII staff communicates the open period for members to submit member-hosted meeting proposals approximately 4-5 months prior to the conference. Members must return the meeting request form and



any supporting documentation by the deadline required. The number of meeting requests typically exceeds the number of meeting rooms available at the conference hotel so staff makes every effort to be fair and impartial with granting requests based on the following criteria:

- First preference is given to CII's voting members and organizations who have never hosted previously
- Meeting content cannot overlap CII plenary sessions
- Multiple requests for the same content will not be granted
- Space is awarded to proposals with the most engaging content that adds value to the overall success of the conference.

For more information or questions on our member-hosted meeting program, please contact Melissa Fader at [Melissa@cii.org](mailto:Melissa@cii.org) or call 202.822.0800.

## Engagement Exchange Program

The Engagement Exchange program is an opportunity for investor and public company members to engage in one-on-one or small group meetings ahead of the start of CII's fall conference. Members may participate in up to four 30-minute meetings at tables scattered throughout the room.

### Who can participate?

The Engagement Exchange is open to all CII members that are asset owners, asset managers or public companies.

### When is it held?

The Engagement Exchange program is held prior to the start of the CII fall conferences.

### How does it work?

CII staff will canvas all investor and public company members for their interest in participating. Then we send investor members the names of the interested corporate members and ask them to list up to four companies they most want to engage; we will send corporate members the names of interested investor members and ask them to list up to four they wish to engage. We will also solicit a preference for one-on-one or small-group meetings. Then we will do our best to arrange meetings for as many as possible.

### How do I participate?

Staff notifies current member organizations of the period to send their request to be involved in the Engagement Exchange, usually in May each year. Investors and companies are then paired together and meetings are finalized by late August. For more information please call 202.822.0800.

### Does CII offer other times for private engagement?

Yes, we reserve a few additional meeting rooms during both the spring and fall conferences for members to hold very brief private meetings with investors and clients.

## Application for U.S. Asset Owner Membership

U.S. Asset Owner membership is open to public and private employee benefit plans, state or local agencies officially charged with investing public fund assets (such as state investment boards) and charitable tax-exempt foundations and endowments, subject to following limitation: Private-sector employee benefit plans may not join as voting members if the plan or plan sponsor's primary line of business includes providing financial, consulting, legal or other services to institutional investors. Funds, not their employees, are considered CII members. U.S. Asset Owner Members are entitled to one vote per fund.

Annual dues for CII members are billed on a calendar year and are calculated based on total assets in employee defined benefit and defined contribution plans. Where possible, CII uses figures reported annually by the Pensions and Investments (P&I) Research Center. For retirement plan assets, we base dues on total defined benefit (DB) plus defined contribution (DC) assets.

Please select one from the following types of memberships:

**Bundled Membership - \$0.95 per \$1 million in total assets**

Includes access to all of CII's research, education, education, membership databases and advocacy tools as well as attendance fees for employees to attend CII's two annual conferences per year. The minimum dues payment for the bundled membership is \$5,000 and the maximum is \$31,000 per calendar year.

Complimentary conference attendance limits\* are based on the following annual dues scale:

- \$5,000-10,000 = 3 conference attendees per event
- \$10,001-\$14,999 = 4 conference attendees per event
- >\$15,000 = unlimited attendees

This membership type has a minimum dues level of \$5,000 and a maximum of \$31,000 in annual dues. Members who are at the maximum rate will be billed increases indexed with U.S. inflation rates beginning in 2019.

\*Trustees of public pension funds are exempt from these limits.

**Unbundled Membership - \$0.65 per \$1 million in total assets**

Includes access to all of CII's research, education, education, membership databases and advocacy tools with additional conference attendance fees of \$1,500 per attendee, per conference paid separately. This membership type has a minimum dues level of \$3,500 and a maximum dues level of \$24,800. Members who are at the maximum rate will be billed increases indexed with U.S. inflation rates beginning in 2019.

### Please provide all applicable data for your organization:

Legal name of organization: \_\_\_\_\_

Abbreviated name or acronym (if applicable): \_\_\_\_\_

Number of employees: \_\_\_\_\_ Global assets under management: \_\_\_\_\_

Phone number: \_\_\_\_\_ Fax number: \_\_\_\_\_

Web site: \_\_\_\_\_

Reason for joining CII: \_\_\_\_\_

Physical address: \_\_\_\_\_

Mailing address: \_\_\_\_\_

**Please provide all applicable data for your organization's contacts and mark if they should be included in CII's online directory:**

Please note: there is no limit to the number of employees that may have access to our membership benefits, excluding conference attendance. If you have additional contacts please forward complete contact details by email along with your completed application.

**Main Organization Representative**

Name: \_\_\_\_\_ Online Directory: Yes / No

Title: \_\_\_\_\_

Direct phone: \_\_\_\_\_ Email: \_\_\_\_\_

Do you agree to receive email correspondence from the association and its members? Yes / No

Mailing address (if different than organization):

\_\_\_\_\_

## Invoicing Representative (if different from main representative)

Name: \_\_\_\_\_ Online Directory: Yes / No

Title: \_\_\_\_\_

Direct phone: \_\_\_\_\_ Email: \_\_\_\_\_

Do you agree to receive email correspondence from the association and its members? Yes / No

Mailing address (if different than organization):

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## Proxy Voting Contact (if applicable):

Name: \_\_\_\_\_ Online Directory: Yes / No

Title: \_\_\_\_\_

Direct phone: \_\_\_\_\_ Email: \_\_\_\_\_

Do you agree to receive email correspondence from the association and its members? Yes / No

Mailing address (if different than organization):

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## Trustee Administrator/Board Secretary:

Name: \_\_\_\_\_ Online Directory: Yes / No

Title: \_\_\_\_\_

Direct phone: \_\_\_\_\_ Email: \_\_\_\_\_

Do you agree to receive email correspondence from the association and its members? Yes / No

Mailing address (if different than organization):

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**Additional Contact:**

Name: \_\_\_\_\_ Online Directory: Yes / No

Title: \_\_\_\_\_

Direct phone: \_\_\_\_\_ Email: \_\_\_\_\_

Do you agree to receive email correspondence from the association and its members? Yes / No

Mailing address (if different than organization):

\_\_\_\_\_

**Additional Contact:**

Name: \_\_\_\_\_ Online Directory: Yes / No

Title: \_\_\_\_\_

Direct phone: \_\_\_\_\_ Email: \_\_\_\_\_

Do you agree to receive email correspondence from the association and its members? Yes / No

Mailing address (if different than organization):

\_\_\_\_\_

**Additional Contact:**

Name: \_\_\_\_\_ Online Directory: Yes / No

Title: \_\_\_\_\_

Direct phone: \_\_\_\_\_ Email: \_\_\_\_\_

Do you agree to receive email correspondence from the association and its members? Yes / No

Mailing address (if different than organization):

\_\_\_\_\_

## Pension Fund Trustee Training and Roundtable Events

CII offers pension fund trustees high-quality, low-cost training programs, exclusive roundtables and networking events at no charge where trustees can discuss common issues and learn from each other in a relaxed, private setting.

### Trustee training courses

Trustee training courses are offered in conjunction with CII's spring and fall conferences and CII works with the CFA Institute to develop the program and curriculum.

- Courses are half-day sessions
- Offered in conjunction with CII spring/fall conference so that trustees can maximize their time with us
- Faculty are investment professionals who are exceptional teachers
- Curriculum and materials developed by senior CFA Institute executives, for both new and experienced trustees
- Course units cover mastering the fundamentals of ethical dilemmas and investment skills and more advanced topics of fund governance and investment strategies (active vs passive, private equities and other alternatives, factoring ESG into investment strategies, fee and other disclosure issues)

### Trustee Roundtables & Dinner

A private dinner and discussion just for pension fund trustees. After a short update on CII initiatives from senior staff, trustees will have ample time to talk among themselves and to discuss issues of mutual interest.

- Informal opportunities for fund trustees to network and share ideas with fellow trustees, and get an update CII activities, priorities and efforts to support the important work of trustees
- Dinners are paid for by CII and offered at no charge
- Trustee-led event: a trustee(s) of a member fund(s) chairs the meeting and develops topics for discussion with input from fellow trustees and CII staff

For more information on CII's trustee training and other educational events, please contact Amy Borrus at [Amy@cii.org](mailto:Amy@cii.org).