



Council of  
Institutional  
Investors®

The voice of corporate governance

Membership Information  
Prospective Asset Managers

## 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 Associate Member?

Associate Member Members are law firms, money managers, financial consultants and others. By joining CII, Associate Member members gain access to professionals who manage 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.

Associate Member Members do not vote on policies or elect board members. However, these members are eligible to serve on CII's two Advisory Councils, which gives input to CII's Board of Directors and staff and may serve in a leadership role on specific CII committees.

## What are the benefits of membership?

Membership dues are all-inclusive.

- Network or become a sponsor at CII's members-only spring and fall conferences
- Connect with members through the members-only directory, which includes phone and email information
- Hold your own panel sessions by participating in CII's Member-hosted Meeting Program
- Participate and share ideas as part of Council-hosted teleconferences, webinars and podcasts
- Receive the weekly Governance Alert newsletter and have access to all of CII's private research, resources and toolkits, including our member-roundup of proxy voting guidelines and stewardship resources
- Get the scoop on CII analyses, comment letters and testimony on issues that have significant implications for investors.
- Join our private proxy voter working group or other working committees
- Serve on one of two of our Board Advisory Councils
- Participate in the Engagement Exchange program or utilize CII conferences to arrange private investor meetings with CII staff administrative assistance.

## What does it cost?

Annual membership dues are affordable for any size organization and are based on your organization's total assets under management. See the grid below:

<b>Associate Member: Money Manager</b>	
<b>AUM Range (billions)</b>	<b>Dues Cost</b>
\$0-\$10	\$3,500
\$10-\$25	\$5,500
\$25-\$100	\$7,500
\$100-\$400	\$9,000
>\$400	\$10,500

## How Do I Join?

Becoming a CII member is easy! Please contact Melissa Fader at [Melissa@cii.org](mailto:Melissa@cii.org) or call 202.822.0800 for an application.

## 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).

## 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.

## 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.

## Sponsorship Program

CII offers some limited opportunities for members to sponsor select events at our spring and fall conferences. Sponsorship gives members enhanced visibility, brand awareness, networking opportunities and access to key business and policy decision-makers.

As the premier U.S. shareowner rights organization, CII attracts an influential and diverse audience to its conferences. Typically, we welcome 500 attendees, including executive directors, CIOs and other senior investment professionals of most of the major U.S. institutional investors. CII also provides opportunities for members to network and learn from each other. CII members regard our conferences as the place to nurture relationships with long-term institutional investors.

## Who can become a sponsor?

Only current CII member organizations in good financial standing may apply to become a conference sponsor.

## Why should my organization be a sponsor?

Sponsorship opportunities are limited, offering sponsors maximum exposure. Below are some of the benefits CII members enjoy as a conference sponsor:

- Greater visibility with institutional investors via signage in the sponsored event space
- Recognition leading up to and throughout the conference
- Enhanced brand recognition through logo placement and links on conference marketing materials, the mobile app and on CII's website
- Increased networking power with complimentary conference registrations for your organization
- Opportunities to attend invitation-only events with CII directors and special guests
- Seating at CII VIP tables

## What are the limitations?

CII has a firm commitment to providing quality content and programming that is unbiased and free of influence, or any type of “pay-to-play” scenario. Because of this commitment none of the areas of CII's conferences that have speakers or content may be eligible for sponsorship. Additionally, sponsors are assigned specific sponsorship roles, but CII is directly responsible for all conference expenses and all events are paid for by CII. Sponsorship revenues are applied in the aggregate to offset conference costs.

## How do I become a sponsor?

Interested member organizations may request a current sponsorship program by contacting Melissa Fader at [Melissa@cii.org](mailto:Melissa@cii.org).

## Application for Associate Membership: Money Manager

Any financial institution or organization who manages assets on behalf of other individuals or organizations and is interested in the work of CII may become a non-voting Associate Member upon payment of an annual fee established by the General Membership. Associate Members may not vote, but can attend CII semi-annual conferences other CII events, serve on advisory councils and have access to all of CII's private research, publications and other resources.

Annual dues for CII members are for the calendar year. Associate Member dues are calculated based on the size of the organization as follows:

Annual Dues Scale	
AUM Range (billions)	Dues Cost
\$0-\$10	\$3,500
\$10-\$25	\$5,500
\$25-\$100	\$7,500
\$100-\$400	\$9,000
>\$400	\$10,500

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

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

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

Global assets under management: \_\_\_\_\_

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

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

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

\_\_\_\_\_

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

Mailing address (if different than physical): \_\_\_\_\_

**Please provide all applicable data for the employees that you wish to have access to CII's membership benefits**

Please note: there is no limit to the amount of employees that may receive our materials

**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):

\_\_\_\_\_

**Proxy Voting 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

**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):

\_\_\_\_\_

If you would like to add more contacts than this form allows, please include contact details in email along with the completed application.