



FOR IMMEDIATE RELEASE
July 21, 2016

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

CII Statement on Corporate Governance Principles Endorsed by Corporate Leaders

Washington, D.C., July 21, 2016 — The Council of Institutional Investors (CII) welcomes the [corporate governance principles](#) endorsed today by leaders of 13 major companies. Most are in sync with CII's long-standing [policies](#) on corporate governance.

"That such an elite group has backed a broad governance framework makes clear that corporate governance has entered the mainstream and should be a focus for *all* public companies," said CII Executive Director Ken Bertsch. "The publication of these principles is a call to action for U.S. companies large and small to adopt effective corporate governance standards and practices.

"In particular, CII applauds the principles' robust expectations for boards of directors and endorsement of such fundamental shareholder rights as electing directors by majority vote and rejection of dual class voting structures. The principles' call for consideration of 'sunset' provisions at dual class companies echoes, to some degree, CII [policy](#) that calls on newly public companies without 'one share, one vote' provisions to **commit** to their adoption over a reasonably limited period through sunset mechanisms." (emphasis added)

"The principles should have gone further on shareholder rights," Bertsch added. "While they acknowledge the recent adoption of proxy access mechanisms by dozens of U.S. companies, they stop short of endorsing the common-sense right of long-term shareholders at all public companies to place their nominees for director on a company's proxy card."

In addition, the principles are silent on the duty of boards to act on shareholder proposals that a majority of shareholders have endorsed.

The Council of Institutional Investors (CII) is a nonprofit association of pension funds, other employee benefit funds, endowments and foundations, with combined assets that exceed \$3 trillion. CII's non-voting members include asset management firms with more than \$20 trillion under management. CII is a leading voice for effective corporate governance and strong shareowner rights. CII educates its members, policymakers and the public about corporate governance, shareowner rights and related investment issues, and advocates on its members' behalf.