FOR IMMEDIATE RELEASE
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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.

Contact:
Rosemary Lally
Editor
202.261.7083
rosemary@cii.org

MEDIA ADVISORY

CII Applauds SEC Consideration of Universal Proxy Ballots

Washington, D.C., Oct. 26, 2016 — The Council of Institutional Investors (CII) welcomes the SEC’s proposed rule changes to require the use of “universal proxy” cards in contested elections for director at U.S. public companies, and to require clarity on voting standards in all director elections. CII has long supported the use of universal proxy cards, and petitioned the SEC in 2014 to amend its rules to require them.

“We are very pleased with the proposal for universal proxy cards as described at today’s SEC open meeting,” said CII Executive Director Ken Bertsch. “Currently, when there is a contest, investors voting by proxy are effectively disenfranchised because they have no practical ability to vote for the combination of management and dissident nominees they believe best serve their economic interests.”

Investors voting by marking proxy cards—the vast majority of shareholders—are limited to supporting either management’s slate of director nominees or the dissident’s slate. To “split their ticket,” investors must vote in person, which can be costly and unreasonable for individual investors and for institutions that vote shares at thousands of companies in a compressed time period.

“Universal proxy cards level the playing field for investors voting by proxy, so they have the freedom of choice to vote for the director candidates they prefer,” Bertsch said.

Bertsch also praised the SEC’s proposed requirement for clear disclosure of voting choices in director elections. CII in June 2015 petitioned the SEC to provide guidance for disclosure on the method by which votes are counted. The SEC proposal would clarify for all elections whether opposition votes have an impact on the outcome of the election.

CII looks forward to reviewing the SEC’s universal proxy proposal and submitting comments.

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