

U.S. ASSET OWNER MEMBERS' BUSINESS MEETING

Thursday, March 11, 2021

3:15 – 4:15 PM ET

Virtual Meeting

Registration link for Zoom:

<https://us02web.zoom.us/j/88627770610?pwd=emNsT2g2QlhhNWljYUVwU3VzTzFY>

Business Meeting Booklet Publication Date: Feb. 17, 2021

Business Meeting Agenda

1. Board Chair Report (Ash Williams)
2. Staff Report (Amy Borrus)
3. Financial Report (Scott Zdrazil, board treasurer)
See Appendix 1, page 4.
4. Policies Committee Report and Action Item (Ron Baker, chair)
See Appendix 2, page 9, and Appendix 3, page 11.
5. Shareholder Advocacy Committee Report (*Renaye Manley*)
See Appendix 4, page 16.
6. International Governance Committee Report (*Lucy Nussbaum, staff liaison*)
See Appendix 5, page 17.
7. U.S. Asset Owners Advisory Council Report & Request for Nominations for members to serve for 2021-2022 (Alec Stais and Amy Borrus)
See Appendix 6, page 19.
8. Corporate Governance Advisory Council Report (Rosemary Lally, staff liaison)
See Appendix 7, page 21.
9. Markets Advisory Council Report (Jeff Mahoney, staff liaison)
See Appendix 8, page 23.
10. Constituency Reports and Introduction of Board Members for 2021-2022 (Peggy Foran, Michael Garland, John Keenan, Glenn Davis)

Comments from the Membership

Any member wishing to present information is invited to address the membership.

Planned CII Conferences

September 22 – 24, 2021: Chicago, IL, Westin Chicago River North

March 6 – 9, 2022: Washington, D.C., Mandarin Oriental

September 21 – 23, 2022: Boston, MA, Westin Copley Place

March 5 – 8, 2023: Washington, D.C., Mandarin Oriental

September 10-13, 2023: Long Beach, CA, The Westin Long Beach

March 4-6, 2024: Washington, D.C., Mandarin Oriental

September 9-11, 2024: Brooklyn, NY, New York Marriott at the Brooklyn Bridge

APPENDIX 1 FINANCIAL REPORT

Operating Income and Expenses: 2020 Budget and Preliminary Unaudited Results and 2021 Budget*

	2020 Budget	2020 Preliminary Unaudited Results	Variance of 2020 Projected from 2020 Budget	2021 Budget
Membership Dues				
Renewing Members	2,765,000	\$ 2,910,844	105%	2,597,225
<i>Renewing U.S. Asset Owner Members</i>	1,740,000	1,714,094	99%	1,574,887
<i>Renewing Associate Members</i>	1,025,000	1,196,750	117%	1,022,338
New Members	270,000	98,408	36%	128,000
<i>New U.S. Asset Owner Members</i>	120,000	25,658	21%	49,900
<i>New Associate Members</i>	150,000	72,750	49%	78,100
Total Membership Dues	3,035,000	3,009,252	99%	2,725,225
Other Income				
Interest and dividend income	65,000	80,642	124%	55,000
Conferences	950,000	529,250	56%	553,500
<i>Sponsorships</i>	280,000	<i>201,850</i>	72%	143,750
<i>Member-hosted meeting fees</i>	38,000	<i>38,500</i>	101%	38,500
<i>Classes/training</i>	42,000	<i>17,535</i>	42%	12,000
<i>Attendance fees</i>	590,000	<i>271,365</i>	46%	359,250
Corporate Governance Bootcamp	90,000	54,735	61%	95,000
Contributions	0		NA	
Miscellaneous	2,000	71,986	3599%	
Total Revenue Before Unrealized Gain/Loss	4,142,000	\$ 3,745,865	90%	\$ 3,428,725
Operating Expenses				
Conference/Meetings	863,000	576,295	67%	566,250
Communication	65,000	56,603	87%	60,000
Corporate Governance Bootcamp	60,000	35,708	60%	100,000
Depreciation	17,500	26,913	154%	22,000
Dues and Subscriptions	98,000	97,022	99%	90,000
Duplication and Printing	4,000	-	0%	2,000

Financial Fees**	23,000	42,919	187%	35,000
Insurance/Life/Health	220,000	282,026	128%	286,125
Legal Fees	70,000	84,384	121%	70,000
Maintenance	2,500	3,070	123%	2,500
Marketing	47,000	34,309	73%	30,000
Meals and Entertainment	12,500	2,453	20%	10,000
Office Equipment and Furniture	8,000	11,250	141%	4,000
Office Supplies	12,000	5,178	43%	7,000
Postage and Delivery	4,000	765	19%	2,000
Professional Services***	165,000	123,925	75%	130,000
Rent	170,000	154,336	91%	161,500
Retirement Plan	304,000	373,799	123%	523,259
Salaries/Payroll Taxes	1,896,000	1,889,205	100%	1,741,000
Travel	75,000	27,632	37%	35,000
Taxes	2,500	(924)	-37%	
Total Operating Expense	4,119,000	3,826,867	93%	3,877,634
CII Operating Gain/Loss	23,000	(81,002)		(448,909)

* The audit will be conducted in March and April 2021. Audited financial statements will be available for members on CII's website by the end of April.

** "Financial Fees" is a new category. Most items included previously (including in the 2020 budget) were listed under "Miscellaneous," which consisted almost entirely of credit card fees. The new "Financial Fees" category includes credit card fees and some other financial transaction fees. As a result, the 2020 results and figures for 2021 are not comparable to the 2020 budget for this category. Changes in other categories from these changes are not material.

***Retirement plan administrative fees have been moved from this category to "Retirement Plan" (including for the 2020 budget) which formerly consisted of just contributions to the plan. As a result, 2020 results and figures for 2021 are not comparable to the 2020 budget items for professional services and retirement plan.

CII's member-approved budgets are based on operating income and expenses. As shown above, 2020 total revenue was 10% below budget while total operating expenses were 7% below budget, based on unaudited information. We project that CII incurred an operating loss of \$81,000 compared with a budgeted gain of \$23,000 for 2020.

Staff believes all bills for activity in 2020 have been received, but we anticipate some other adjustments when financial results are audited in late March and early April.

Operating figures exclude realized and unrealized investment gains on investments and the results of the CII Research and Education Fund (CII-REF), a CII subsidiary. They also do not factor in any of the \$67,000 in insurance claims CII filed for the spring conference under our infectious disease coverage. Our claim is still in process. While staff continues

to believe we have a strong claim, we cannot predict the likelihood that the insurer will pay up, in part or in full.

2020 Revenues

- Membership dues revenues totaled just over \$3 million, 99% of the budgeted amount. Renewals were strong (5% above budget overall), especially so for Associate Members (17% above budget). But the pandemic made it harder to recruit new members. New member revenues totaled \$98,400, or 36% of the budgeted amount.
- Conference revenues were just over half (56%) of the budgeted amount, reflecting the impact of holding a virtual-only fall conference (much lower attendance fees, sponsorship and member-hosted event fees).
- CII benefitted, however, from a strong stock market. Dividend and interest income 24% was above budget.
- CII also gained from generous *cy pres* contributions (distributions from class action settlements), which we do not budget. These account for virtually all of the nearly \$72,000 in Miscellaneous income.

Expenses

- Many expense categories were below budget, due to the impact of the pandemic. These include travel, office supplies, board meetings and meals and entertainment.
- Most significant was the drop in conference expense, at 67% of the budgeted amount, due to the much lower cost of hosting a virtual conference in the fall. Expenses for the fall conference totaled just under \$148,000 vs spring conference total expenses of about \$417,000.
- Some traditionally large expense categories increased. Retirement plan payments, which are based on a formula, were 23% higher (\$69,800) than budgeted.
- Insurance expense also spiked as premiums increased toward the end of the year. Total payments were 28% higher (\$62,000) than budgeted.

- Payroll expenses were essentially on budget. Staff implemented steps to reduce payroll expense, including deferring filling an open position until later in 2021 and modest salary cuts for the executive director (both Ken Bertsch, beginning in the spring and Amy Borrus, starting in August). Less work than budgeted by the CII Research and Education Fund (CII-REF) added to payroll expense. While our reported financial results are on a consolidated basis, the member-approved operating budget excludes CII-REF. If less employee salary expense is covered by CII-REF work, more is covered under the CII operating budget.
- Legal expenses were 21% over budget. In part, this was due to the \$30,000 cost of filing an amicus brief in support of ISS's lawsuit against the SEC challenging the commission's assertion that proxy advice is a solicitation.

Below the operating line, we expect realized and unrealized gains from investments totaling about \$312,300.

CII's balance sheet is strong, with ample reserves and no debt. Total assets as of December 31, 20120 were \$8.4 million before adjustments to be made during the audit. The unaudited CII balance sheet for Dec. 31, 2020 appears below.

ASSETS		LIABILITIES & EQUITY	
Current Assets		Liabilities	
Bank Accounts	2,947,256	Current Liabilities	
Accounts Receivable	8,968	Total Accounts Payable	4,235
		Total Credit Cards	10,091
Other Current Assets			
Equity Funds	1,322,787	Other Current Liabilities	
Treasury Bills	764,609	Accrued Expense	6,155
Bond Funds	756,936	Accrued Salary	59,802
Interest Receivable	26,674	Accrued Pension Liability	225,817
Prepaid Expense	40,120	Accrued Vacation	165,814
Security Deposits	12,876	Deferred Leasehold Improvement	3,426
Total Other Current Assets	2,924,003	Deferred Rent	44,901
Total Current Assets	5,880,227	Deferred Revenue	<u>2,196,744</u>
		Total Other Current Liabilities	2,702,660
Fixed Assets			
Accumulated Depreciation	(136,045)	Total Current Liabilities	2,716,986
Furniture & Equipment	186,048	Total Liabilities	2,716,986

Leasehold Improvements	<u>9,925</u>		
Total Fixed Assets	59,927	Equity	
		Board Designated for Reserve	3,764,500
Other Assets		Unrestricted Net Assets-General	1,727,294
Total CDs	<u>2,498,872</u>	Net Income	230,246
Total Other Assets	2,498,872	Total Equity	5,722,040
TOTAL ASSETS	<u>8,439,026</u>	TOTAL LIABILITIES & EQUITY	<u>8,439,026</u>

2021

Looking ahead, it is too early to project 2021 financial performance. Membership renewal revenues are running stronger than budgeted. As of February 14, the cutoff date for 2021 renewals, 96% of 2020 member organizations had renewed. Staff is still tallying membership renewal revenues and anticipates the total will be 6% above budget. Ten organizations dropped membership for 2021 but CII has welcomed 13 new members already this year.

The ongoing pandemic is a wild card. The member-approved budget anticipated a hybrid spring conference, with some in-person attendance. Having to host a virtual-only spring conference will mean lower expenses. But it also limits revenues from sponsorship, attendance fees and member-hosted events. And the fall conference, set for Chicago in September, is a question mark. Even if Covid-19 vaccine uptake expands widely and we can host an in-person or hybrid conference in the fall, many members may still be reluctant to travel or face continued employer prohibitions on travel.

APPENDIX 2 POLICIES COMMITTEE REPORT

The Policies Committee, comprised of the non-officer members of CII's board, reviews and recommends updates to CII's official positions on corporate governance and other matters of importance to institutional investors. These positions serve as a foundation for CII's advocacy work with policymakers and market participants. Colorado Public Employees Retirement Association Executive Director Ron Baker serves as the current chair of the committee.

At the spring 2021 conference, U.S. Asset Owner members will vote on proposed minor revisions to CII's statement on defined benefit plans. Initially adopted in 2005, the statement as amended preserves the core support for defined benefit plans, while refreshing the background and statistics that buttress the message and updating the style for consistency with other CII statements.

The committee is currently undertaking a review of certain aspects of board practices that are likely to result in some proposed revisions in the fall to Section 2 of CII's corporate governance policies. In particular, the committee is exploring the topics of board succession planning; CEO succession planning; board role in management team diversity; board oversight of human capital management; and director participation in/accessibility at shareowner meetings. Additionally, following the 2021 proxy season, the committee will consider whether virtual-only shareholder meeting experiences improved relative to 2020, and whether to further relax CII's traditional stance against virtual-only shareholder meetings following the 2021 proxy season.

In 2020 U.S. Asset Owners adopted eight policies and statements developed by the committee: support for comparable and decision-useful disclosure on sustainability performance; support for the transparency of Public Company Accounting Oversight Board enforcement actions; a strengthened policy on when boards should consult shareholders following abnormally low shareholder support for auditor ratification; support for shareholders' ability to communicate electronically with boards; tolerance for virtual-only shareholder meetings in cases where providing an in-person opportunity would require delaying or postponing the meeting; recognition that customers, workers suppliers, creditors, communities and regulators make critical contributions to companies' ability to generate long-term value for shareowners; a statement proposing reforms to enhance the integrity of 10b5-1 "automatic" trading plans and suggesting improvements to the

transparency of company share repurchase activity; and a statement establishing criteria for CII to support proposals to expand mandatory corporate reporting.

The committee expresses its gratitude to U.S. Asset Owner members for their critical and ongoing input on issues that are important to them, whether through participation in comment periods, involvement in the U.S. Asset Owner Advisory Council, or informal outreach to the chair, the committee as a whole and/or CII staff.

APPENDIX 3

ACTION ITEM: APPROVE UPDATE TO CII STATEMENT *SUPPORT OF DEFINED BENEFIT PLANS*

Initially adopted in 2005, *Support of Defined Benefit Plans* preceded the board's strategic decision to focus CII on corporate governance and seed the National Institute on Retirement Security (NIRS) to focus on improving the strength of defined benefit plans.

The proposed update reflects the view that while the general thrust of the statement need not be changed, the background and statistics used to buttress the core message could be refreshed. Additionally, the committee felt that statement's unusual style (examples of which include a 'Resolution' at the conclusion that generally repeats language covered by the first paragraph; footnoted citations; and the placement of supporting statistics and background in the statement itself rather than under Background & Intent), could be amended to be more consistent with other CII statements.

The CII board voted unanimously on Jan. 20, 2021 to approve the proposed update shown below, which the Policies Committee adopted on January 7. The committee's review began July 2020 and included an all-CII member comment period in October. CII staff did not receive any comments from members on the proposed revised wording.

Proposal

To amend *Support of Defined Benefit Plans* as follows (clean version follows):

The Council of Institutional Investors (CII) supports defined benefit plans (DB plans) as a critical component of the nation's retirement system and advocates for the retention of ~~defined benefit plans~~ DB plans as the central element of retirement programs offered to workers.

Ensuring that workers have the ability to retire with dignity is one of the most complex issues facing public and private sector entities in the United States. The challenges in structuring retirement programs are considerable. One size does not fit all, and considerations such as an employer's size and resources, the size and structure of employee pay packages, employee preferences and demographics influence what type of retirement benefits are most appropriate for an employer and its employees.

Today a broad variety of retirement programs are available for consideration by private and public sector entities. Different plan structures offer unique pros and cons for employees and employers.

Only one structure—the defined benefit plan—offers retirees a secure and guaranteed benefit upon retirement.

Background & Intent

CII is concerned that eliminating public and private DB plans ~~defined benefit plans~~, which according to the National Institute on Retirement Security (NIRS) currently cover about ~~35 million Americans and their families~~, 70 million Americans (active and retired), could severely impact the ability of workers, particularly lower-income employees, to be financially secure at retirement. The end result could be even more pressure on already over-burdened federal, state and local government assistance programs.

~~CII believes that defined benefit plans~~ DB plans have played an important role in stabilizing the U.S. financial markets. Due to their extended benefit horizons, pension funds are long-term investors, particularly in the U.S. markets. In contrast, the average mutual fund portfolio turnover ratio is 79%, according to research published in the Journal of Corporation Law.

As of 2020, the largest 1,000 U.S. retirement plan sponsors hold over \$7 trillion in assets under defined benefit plans, according to data from Pensions & Investments. These resources, which flow into public equity, fixed income and alternative investments, promote not only plan participants' retirement security, but also business development, innovation, infrastructure improvement and economic growth from which non-plan participants benefit. Today pension funds, including private insured, private trustee and state and local plans, are estimated to hold more than \$4 trillion in U.S. publicly traded equities representing more than 26 percent of the U.S. public equity market.⁴

⁴The Committee on Investment of Employee Benefit Assets, “The U.S. Pension Crisis: Evaluation and Analysis of Emerging Defined Benefit Pension Issues,” March 2004

²John C. Bogle, “The Mutual Fund Industry 60 Years Later: For Better or Worse,” Financial Analysts Journal, Vol. 61, Number 1, January/February 2005.

³According to the National Venture Capital Association, companies receiving venture capital financing between 1970 and 2003 accounted for 10.1 million jobs and \$1.8 trillion in revenue in 2003, representing about 9.4 percent of total U.S. jobs and revenues, and

DB plans are proven to be a particularly cost-effective method of managing retirement assets. Analysis by NIRS found that the cost to deliver the same level of retirement income was 46% lower for DB plans than for defined contribution plans.

~~Given their heavy reliance on passive investment strategies, pension funds are a critical source of stable, “patient capital” for the U.S. economy. In sharp contrast, mutual funds have become increasingly short term oriented, as evidenced by the sharp increase in mutual fund turnover from 17 percent between 1945 and 1965 (an average holding period of six years) to more than 100 percent since 2000 (an average holding period of 11 months).²~~

~~Not only do pension funds provide patient capital to publicly traded companies, they also increasingly invest in alternative and private equity vehicles and private real estate investments that provide funding for start-ups, buy-outs, and other arrangements that are vitally important to the U.S. and local economies but unable to access other forms of capital.³~~

CII believes the involvement of ~~defined benefit~~ DB plans, particularly state and local government and union pension systems, in corporate governance issues has benefited investors at large in the U.S. capital markets and contributed to the vitality of the U.S. economy and U.S. corporations. Pension fund advocacy has resulted in regulatory and legislative reforms to strengthen rights for shareowners, improved corporate governance standards for U.S. companies and boards, increased accountability of corporate directors and executives and enhanced transparency of governance activities and financial accounting. Weakening the voice of defined benefit plans in matters of corporate governance would be detrimental to U.S. investors and companies and the U.S. financial markets.

~~NOW THEREFORE BE IT RESOLVED, that the Council of Institutional Investors supports defined benefit plans as the central component of the nation's public and private retirement system and it opposes public and private efforts to limit employers' ability to provide these plans and employees' rights to participate in them.~~

~~states where venture capital has been the strongest—such as California, Texas and Massachusetts—have produced the most jobs and revenues for the U.S.~~

Proposal (clean)

To amend *Support of Defined Benefit Plans* as follows:

The Council of Institutional Investors (CII) supports defined benefit plans (DB plans) as a critical component of the nation's retirement system and advocates for the retention of DB plans as the central element of retirement programs offered to workers.

Ensuring that workers have the ability to retire with dignity is one of the most complex issues facing public and private sector entities in the United States. The challenges in structuring retirement programs are considerable. One size does not fit all, and considerations such as an employer's size and resources, the size and structure of employee pay packages, employee preferences and demographics influence what type of retirement benefits are most appropriate for an employer and its employees.

Today a broad variety of retirement programs are available for consideration by private and public sector entities. Different plan structures offer unique pros and cons for employees and employers.

Only one structure—the defined benefit plan—offers retirees a secure and guaranteed benefit upon retirement.

Background & Intent

CII is concerned that eliminating public and private DB plans, which according to the National Institute on Retirement Security (NIRS) currently cover about 70 million Americans (active and retired), could severely impact the ability of workers, particularly lower-income employees, to be financially secure at retirement. The end result could be even more pressure on already over-burdened federal, state and local government assistance programs.

DB plans have played an important role in stabilizing the U.S. financial markets. Due to their extended benefit horizons, pension funds are long-term investors, particularly in the U.S. markets. In contrast, the average mutual fund portfolio turnover ratio is 79%, according to research published in the Journal of Corporation Law.

As of 2020, the largest 1,000 U.S. retirement plan sponsors hold over \$7 trillion in assets under defined benefit plans, according to data from Pensions & Investments. These resources, which flow into public equity, fixed income and alternative investments, promote not only plan participants' retirement security, but also business development, innovation, infrastructure improvement and economic growth from which non-plan participants benefit.

DB plans are proven to be a particularly cost-effective method of managing retirement assets. Analysis by NIRS found that the cost to deliver the same level of retirement income was 46% lower for DB plans than for defined contribution plans.

CII believes the involvement of DB plans, particularly state and local government and union pension systems, in corporate governance issues has benefited investors at large in the U.S. capital markets and contributed to the vitality of the U.S. economy and U.S. corporations. Pension fund advocacy has resulted in regulatory and legislative reforms to strengthen rights for shareowners, improved corporate governance standards for U.S. companies and boards, increased accountability of corporate directors and executives and enhanced transparency of governance activities and financial accounting. Weakening the voice of defined benefit plans in matters of corporate governance would be detrimental to U.S. investors and companies and the U.S. financial markets.

APPENDIX 4 SHAREHOLDER ADVOCACY COMMITTEE REPORT

The Shareholder Advocacy Committee is co-chaired by Max Dulberger, investment operations manager, Office of the Illinois State Treasurer; Renaye Manley, deputy director, Service Employees International Union Pension Fund; and Gianna McCarthy, director, corporate governance, New York State Common Retirement Fund.

The committee is a conduit for members to discuss and recommend activities that promote effective corporate governance, increase participation in the advocacy of corporate governance and enhance the value of CII membership. The committee fosters member dialogue through in-person and electronic meetings and email communication.

In the past several months, the committee hosted:

- A January 2021 proxy season preview webinar during which 17 CII members shared their plans for the 2021 proxy season. More than 100 CII members participated virtually.
- A 2020 fall conference plenary session during which Carissa Rodeheaver, chairman of the board, president and CEO of First United Bank & Trust, spoke about the response that the bank had to the pandemic and to the nation's reckoning with racial justice. Immediately following, a lineup of CII members discussed their proxy season plans during the 'lightning round.'
- A June 2021 proxy season wrap up teleconference during which 14 CII members shared their accomplishments from the 2020 proxy season and offered a glimpse at their plans for 2021. Ninety-five members dialed in to participate.
- A plenary session at the 2020 spring conference during which former Committee Co-Chair Louis Malizia moderated a panel discussion about proxy voting on shareholder proposals that address corporate political spending and lobbying. Panelists were Bruce Freed, president and co-founder of the Center for Political Accountability; Adam Kanzer, head of stewardship-Americas for BNP Paribas Asset Management; and John Keenan, corporate governance analyst for the AFSCME Employees' Pension Plan. A line up of CII members shared their 2020 proxy season initiatives following the panel discussion.

APPENDIX 5 INTERNATIONAL GOVERNANCE COMMITTEE REPORT

The International Governance Committee supports efforts to expand CII's geographic scope by educating members and coordinating globally on non-U.S. corporate governance issues. Our committee brings CII members global perspectives on areas such as investor-company engagement, shareholder rights, governance codes, exchange listing standards, executive compensation and other market-specific dynamics. Michael Herskovich, global head of corporate governance, BNP Paribas AM, chairs the committee. An ad hoc steering committee helps guide the work of the committee.

The committee's 2020 virtual fall conference plenary session examined the landscape of shareholder meetings in different markets, focusing on differences in shareholder rights. Georgina Marshall, global head of research at ISS, and Rients Abma, executive director of Eumedion in the Netherlands, discussed current challenges and areas for improvement in future proxy seasons. Committee Chair Michael Herskovich moderated the session, although due to technical issues CII staff served as moderators for portions of the session.

The committee's 2021 virtual spring conference plenary session will focus on the governance lessons from the scandal at German payment processing company Wirecard. Alexander Juschus, managing partner at Governance and Values GmbH, and Katja Langenbacher, professor of law at Goethe-University's House of Finance, will explore the factors that contributed to the long-running fraud and governance and regulatory implications in Germany and other markets. Michael Herskovich will moderate.

The steering committee will meet in late March to discuss areas for future CII content, including the European sustainable corporate governance consultation and the EU Taxonomy for sustainable finance.

Recent global developments followed by the committee and reported in Alert include: the IFRS Foundation's plan for a global Sustainability Standards Board; the European sustainable corporate governance consultation; the UK listings regime review, which may allow dual-class stock; Brazil's consultation to expand super-voting shares; the uptick in minority shareholder nominated directors in Italy during the 2020 proxy season; the approval of the House bill (the Holding Foreign Companies Accountable Act) that could curb U.S. listings of Chinese companies; an executive order sanctioning Chinese

companies with military ties; Deutsche Börse Group's acquisition of a majority stake in ISS; and a roundup of reports from the Global Network of Investor Associations (GNIA).

APPENDIX 6

U.S. ASSET OWNERS ADVISORY COUNCIL REPORT

The U.S. Asset Owners Advisory Council, chaired by Alec Stais (CIO, Providence St. Joseph Health), advises the CII board and staff on issues, trends, proposed policy development, topics and speakers for CII events and membership benefits and services. The CII Board of Directors appoints up to 16 members of the advisory council, with up to four each from the following constituencies:

- Corporate Fund Asset Owner Members
- Labor Fund Asset Owner Members
- Public Fund Asset Owner Members
- Other Asset Owner Members

CII members approved creation of the advisory council at the March 2019 spring conference. Current members of the U.S. Asset Owners Advisory Council are:

Public Funds

Jill Johnson (Seattle City Employees' Retirement System)

Tom Robinson (State of Wisconsin Investment Board)

Michael Trotsky (Massachusetts Pension Reserves Investment Management Board)

Jeffrey Warshauer (State of New Jersey Division of Investment)

Corporate Funds

Laura O. Hewett (Southern Company)

Theresa Molloy (Prudential Financial)

Mark Preisinger (Coca-Cola)

Labor Funds

Jeffrey Dokho (UAW Staff Retirement Income Plan)

Jennifer O'Dell (LIUNA Staff and Affiliates Pension Fund)

Elizabeth Parisian (American Federation of Teachers)

Tejal Patel (SEIU Affiliates' Supplemental Retirement Savings Plan/CtW Investment Group)

Other U.S. Asset Member Funds

Chloe Moss (Casey Family Programs)

Wendy Pulling (University of California Office of the CIO)

Alec Stais (Providence St. Joseph Health)

CII will seek nominations for the U.S. Asset Owner Members Advisory Council for 2021-2022 after the spring conference. Members are appointed for one-year terms, with a limit of three consecutive one-year terms.

At its meetings last year, the U.S. Asset Owners Advisory Council discussed:

- Board practice in reviewing M&A
- CII policies on credit rating agencies and corporate culture
- Impact of the Covid-19 crisis on financial reporting, virtual shareholder meetings
- CII initiatives aimed at improving virtual shareholder meetings
- SEC proposed policies on proxy advice, shareholder proposals and other matters
- CII compendium of empirical research on ESG factors in investing
- Corporate Governance Bootcamp
- Updates on CII policies under consideration, including board tenure
- CII advocacy priorities for 2021
- Suggestions for speakers and topics for CII events

CII staff acted on an advisory council member's suggestion for a webinar focused on fall engagement topics. The webinar, held in late July, attracted more than 100 members.

In response to another advisory council member's suggestion for more programming on racial injustice and investment, staff organized two sessions for the 2021 spring conference: 1) a panel discussion on diversity, equity and inclusion featuring executives of two companies leading the way (Bristol Myers Squibb and Intel), and 2) a panel discussion on minority-owned money managers and diversity as a goal of investment policy, featuring Illinois State Treasurer Michael Frerichs; Anyori Hernandez, director of emerging managers, New York State Common Retirement Fund; and John Rogers, chair, co-CEO & CIO, Ariel Investments.

At the March 11 meeting, U.S. Asset Owners Advisory Council members plan to discuss certain board practices, to inform the CII board's Policies Committee's review of review of aspects of Section 2 of CII Policies, which covers corporate board practices. CII staff will also brief advisory council members on 1) new and forthcoming CII publications and 2) CII priority issues for advocacy for 2021. Staff will solicit members' feedback and input.

APPENDIX 7 CORPORATE GOVERNANCE ADVISORY COUNCIL REPORT

CII's [Corporate Governance Advisory Council](#) (CGAC) provides insight and advice to the CII board and staff on key developments in corporate governance and CII activities that promote effective corporate governance. The council also advises on ways to enhance the value of CII membership.

All of the members of the Corporate Governance Advisory Council are representatives of non-U.S. asset owner Associate Members or asset manager Associate Members. In January, the CII board appointed members of the Corporate Governance Advisory Council for 2021, and named Catherine Winner, vice president, global head of stewardship for Goldman Sachs Group, as chair (see roster of members below). Rosemary Lally is the staff liaison to the council.

At its October meeting, the advisory council examined topics ranging from how to participate in collaborative engagement with companies while avoiding concerns related to 13D, lessons learned from virtual shareholder meetings held this past year and emerging policy issues in the 2021 proxy season. In December, the CGAC met virtually to discuss a final Department of Labor rule amending the agency's investment duties regulation under ERISA, changes to executive compensation as a result of the pandemic and the solution for corporate disclosure of useful, comparable environmental information.

At the business meeting, Rosemary Lally will report on the CGAC's March 11 meeting.

Catherine Winner, Goldman Sachs Group, chair

Lisa Beauvilain, Impax Asset Management

Ray Cameron, BlackRock

Sandra Carlisle, HSBC Global Asset Management

Davis Catlin, Sands Capital

Benjamin Colton, State Street Global Advisors

John Crocker, 57 Stars

Sara Donaldson, Voya Investment Management

Kristin Drake, Dimensional Fund Advisors

Drew Hambly, Morgan Stanley Investment Management

Adam Kanzer, BNP Paribas Asset Management

Gwen LeBerre, Parametric

Diana Lee, AllianceBernstein
Dianne McKeever, Ides Capital Management
Caitlin McSherry, Neuberger Berman
Adrienne Monley, Vanguard Group
Catherine Moyer, Northern Trust Asset Management
Kieran Murray, Baillie Gifford International
Britt Sahi, Charles Schwab Investment Management
Miekela Singh, Ontario Teachers' Pension Plan Board
Geoffrey Sorbello, Elliott Investment Management
Rosa van den Beemt, BMO Asset Management
Jake Walko, Thornburg Investment Management
Ted White, Legion Partners Asset Management
Tim Youmans, Federated Hermes

APPENDIX 8 MARKETS ADVISORY COUNCIL REPORT

CII's [Markets Advisory Council](#) (MAC) provides insight and advice to the CII board and staff on legal, financial reporting and investment markets and trends, topics and potential speakers for CII meetings and webinars/podcasts. It also recommends current and future CII activities that promote CII's mission and enhance value of CII membership.

In January, the CII board appointed members of the Markets Advisory Council for 2021, and reappointed Karla Bos, associate partner, Aon, as chair (see roster below). Jeff Mahoney and Connor Garvey are CII staff liaisons to the MAC. At the U.S. Asset Owners Members' Business Meeting, staff will report on the MAC's March 11 meeting.

At the MAC meeting in December, individual MAC members presented and led discussions on the impact of Covid-19 on:

- The 2020 and 2021 proxy seasons
- Non-GAAP reporting adjustments, and
- Class action litigation

At the December meeting, MAC members spoke in favor of the CII Policies Committee's proposed review of board practices. They also asked if CII planned to comment on NASDAQ's proposed listing standard on board diversity. On December 30, CII submitted a [comment letter](#) to the Securities and Exchange Commission expressing general support for the NASDAQ proposal.

Karla Bos, Aon, chair

Nathan Bear, Robbins Geller Rudman & Dowd

Barbara Berlin, PricewaterhouseCoopers

Peter Borkon, Bleichmar Fonti & Auld

Maureen Bujno, Deloitte

Sydney Carlock, Teneo Holdings

Darren Check, Kessler Topaz Meltzer & Check

Stephen Deane, CFA Institute

Adam Foulke, ISAF Management Company

Fred Fox, Kaplan Fox & Kilsheimer

Bruce Goldfarb, Okapi Partners

Tom Jenkins, FTSE Russell
Sheila Lewis, Segal Marco Advisors
Bob McCormick, PJT Camberview
Dennis McGowan, Center for Audit Quality
Fassil Michael, ISS
Daniel Oh, Morrow Sodali
Zach Oleksiuk, Evercore Inc.
John Ramsay, IEX Group
Sherri Rossoff, Rock Creek Group
Jonathan Salzberger, Innisfree M&A Incorporated
Eric Shostal, Glass Lewis
Jamie Smith, EYP
Pamela Snyder, S & P Global
Noah Wortman, Omni Bridgeway

BYLAWS

As amended by CII U.S. Asset Owners, October 24, 2018¹

ARTICLE 1 OFFICES AND AGENT

The Council of Institutional Investors (the “Council”) shall have a registered office and such other offices and a registered agent as required by the State of California Nonprofit Mutual Benefit Corporation Law (hereafter “Nonprofit Corporation Law”).

ARTICLE 2 PURPOSES

The Council studies and addresses, on a non-partisan basis, investment issues and corporate governance issues—including ones impacting investor rights, investor protections and disclosure requirements—of importance to U.S. Asset Owners in the management of their assets. The Council adopts policies, but policies do not bind U.S. Asset Owners. The Council may engage in any lawful act or activity for which a corporation may be organized under the Nonprofit Corporation Law.

ARTICLE 3 MEMBERSHIPS

The Council shall have one class of voting members consisting of U.S. Asset Owners. Only U.S. Asset Owners are considered “members” of the Council for purposes of the Nonprofit Corporation Law. The Council shall have one class of non-voting members consisting of Associate Members. Non-voting members do not have voting rights nor are otherwise considered “members” of the Council for purposes of the Nonprofit Corporation Law.

A. Voting Members

- (i) **U.S. Asset Owners.** 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 may join the Council as voting members (“U.S. Asset Owners”) subject to the following limitation: Private-sector employee benefit plans may not join as voting members if the plan or plan sponsor’s

¹ The membership amended the bylaws most recently on October 24, 2018, and on March 1, 2017, the latter to simplify Article 8, Section C. This note, which is not a part of the bylaws, relates to the March 1, 2017, amendment, and calls attention to the Nonprofit Corporation Law requirement that an annual report, as described in Article 8, Section C, be provided to each U.S. Asset Owner Member of the Council no later than 120 days after the close of the fiscal year.

primary line of business includes providing financial, consulting, legal or other services to institutional investors.

- (ii) **Dues.** A qualified applicant will become a voting member upon payment of the annual dues set by the U.S. Asset Owners. Membership is for a calendar year. Dues may be prorated to the nearest quarter. U.S. Asset Owners may terminate membership at any time, but dues are not refundable.
- (iii) **Membership Representatives.** Each U.S. Asset Owner shall designate at least one Member Representative who will receive official communications from the Council. Unless a U.S. Asset Owner obtains a waiver from the Board of Directors, only a U.S. Asset Owner's, or a U.S. Asset Owner's plan sponsor's employees, directors and trustees may serve as Membership Representatives. A U.S. Asset Owner may change its Membership Representatives at any time upon notifying the Council. A U.S. Asset Owner may request that additional employees, directors or trustees receive Council mailings.
- (iv) **Membership Rights.** Each U.S. Asset Owner's Membership Representative has the privilege of the floor at U.S. Asset Owner business meetings, is eligible for election to the Board of Directors, and may serve in other Council positions. Each U.S. Asset Owner has one vote at Council business meetings and one vote in Constituency meetings and each U.S. Asset Owner is responsible for resolving any potential conflicts that might arise if more than one Membership Representative casts votes on behalf of the U.S. Asset Owner. Each U.S. Asset Owner may send its Membership Representatives and other employees, directors and trustees to Council conferences and to Council business meetings. Each U.S. Asset Owner Member may participate by proxy on all items submitted for consideration in advance of the Council's regular business meetings or special meetings. Proxies must be signed by a Membership Representative and received in the Council's offices by mail, facsimile or email no less than two (2) business days before the start of the scheduled regular business meeting or special meeting. U.S. Asset Owners may change their votes at U.S. Asset Owners' business meetings when they have previously submitted a proxy in advance of the meetings. A Membership Representative may not vote for, or submit the proxy of, another U.S. Asset Owner.
- (v) **Constituencies.** Each U.S. Asset Owner, except foundation and endowment members, will be classified as either a (a) Corporate, (b) Public, or (c) Labor member for purposes of electing the Board of Directors or for other actions for which Constituency voting is required.

Each Constituency will meet prior to each Council business meeting. Each Constituency will be responsible for electing a specified number of members of the Board of Directors.

B. Nonvoting Members

- (i) **Associate Members.** Any individual, incorporated entity, educational institution, association or other group interested in the work of the Council may become a non-voting Associate Member upon payment of an annual fee established by the voting Membership. The U.S. Asset Owners delegate to the Board of Directors responsibility for setting Associate Member annual fees. Associate Members participate on a calendar year basis. The Board of Directors may renew or decline an Associate's membership application if it would be in the Council's interest to do so. Associate Members may attend Council conferences and other educational forums by invitation of the U.S. Asset Ownership. Associate Members also receive Council newsletters.

ARTICLE 4 MEMBER MEETINGS

- A. Frequency and Location** The Council will hold two U.S. Asset Owners' business meetings annually. Each business meeting will be preceded by meetings of the Council's Constituencies. The Council may hold additional special meetings as the Board of Directors may fix. Meetings will be held in various places throughout the U.S., selected to promote member and speaker attendance and participation. The Council will contract with union hotels, conference centers and restaurants for its meeting needs. The Council may hold meetings in members' facilities or other venues, as appropriate.
- B. General Powers** The U.S. Asset Owners maintains ultimate authority for the affairs of the Council. The U.S. Asset Owners reserves to itself (i) the power to amend the Bylaws, (ii) the power to dissolve the organization, (iii) the right to approve the Council's annual budget and any changes or amendments to the budget exceeding ten (10) percent of total annual expenditures, (iv) the right to approve Council policies, and (v) the right to set membership dues and to change members' voting rights. The U.S. Asset Owners, through its Constituencies, elects the Board of Directors.
- C. Notice** Meeting dates for the Council's two annual business meetings should be set and communicated to U.S. Asset Owners at least a year prior to those meetings. Regular business meeting agendas are to be posted on the Council's Web site and communicated to members at least ten (10) business days and no

more than ninety (90) days prior to the meeting. Notice for special meetings of the Council's U.S. Asset Owners should be posted on the Council's Web site and communicated to U.S. Asset Owners as early as practical but no less than ten (10) days and no more than ninety (90) days before the meeting.

- D. Action by Written Ballot** Any action that may be taken at a Council business meeting may be taken without a meeting, without prior notice, if the action is submitted to U.S. Asset Owners by mail, facsimile or email with a sufficient explanation. The Board of Directors must approve the taking of action by written ballot. U.S. Asset Owners must be given not less than ten (10) business days to respond. All votes are confidential.
- E. Quorum and Majority Vote Requirement** A majority of the U.S. Asset Owners must be represented in person or by proxy at Council business meetings for the transaction of business or for action to be taken. The affirmative vote of a majority of those U.S. Asset Owners voting at business meetings or voting in an action by written ballot is required for an action item to be approved or adopted. All votes are confidential.

ARTICLE 5 BOARD OF DIRECTORS

- A. Number and Makeup** The Board of Directors will consist of fifteen (15) members. Nine will be Membership Representatives of Public funds. One of these nine, who will serve as Chair of the Board, must be a full time staff member of a public fund. One public fund member of the Council's Board of Directors will serve as Treasurer. Another public fund board member will serve as Co-Chair. Four will be Membership Representatives of Labor funds, including one who will serve as Secretary and one who will serve as Co-Chair. Two will be Membership Representatives of Corporate funds including one who will serve as Co-Chair. The Chair of the Board, the Co-chairs, the Secretary and the Treasurer will collectively be known as the officers of the Board.
- B. Selection** Members of the Board of Directors will be elected by a vote of the members of their Constituency at each annual spring Council business meeting. (See Article 3.0 A (iv)). Each Constituency will decide for itself how to conduct its director elections. Director elections will include reasonable nomination and election procedures as determined by each Constituency. Each Constituency will specify which of its directors fills which of the positions open to it.
- C. Terms** Board members will serve one-year terms. If a board member resigns or ceases to represent a U.S. Asset Owner , that board member's Constituency can fill the vacancy for the remainder of the term in whatever manner the

Constituency prefers. No person can serve on the Board for more than five consecutive years.

D. Quorum and Voting Requirements A majority of each Council Constituency (but only half of any Constituency represented by only two members) or three quarters of the members (11), if each Constituency has at least one member present, in person constitutes a quorum. The affirmative vote of a majority of Board members present at any meeting at which a quorum is present shall constitute action by the Board of Directors.

E. Rights and Responsibilities

- (i) The full Board of Directors is responsible for the oversight of the operations of the Council. The Board may approve changes to the budget and recommend for membership approval any changes or amendments to the budget exceeding (ten) 10 percent of total annual expenditures. The Board approves the agenda for Council business meetings and reviews materials for Council business meetings before they are provided to U.S. Asset Owners. The Board will periodically propose strategic goals (based on input from member surveys) to the U.S. Asset Owners for review and adoption. The Board will develop a plan to implement the approved goals. Board members will act as liaisons to their respective Constituencies and make sure their views are heard in board discussions. The Board may establish and select the members for Council standing or ad hoc committees. The Board will approve minutes of Council U.S. Asset Owners business meetings. The Board is responsible for the hiring, annual evaluation, compensation and termination of the Executive Director. The Board may delegate this function to the officers if it chooses.
- (ii) The Non-Officer Board Members serve as the Council's Policies Committee, suggesting subjects for policies, reviewing staff policy drafts and deciding which proposed policies should be submitted to the full Board. The full Board will vote on whether to approve a proposed policy. If the Board approves a policy, it will submit it to the full U.S. Asset Owners for a vote at the next business meeting unless the Board decides that time is of the essence and a mail ballot needs to be used. The Policies Committee portion of the Board will meet at least on a quarterly basis for policy-related discussions.
- (iii) The Co-Chairs may sign and execute in the name of the Council, deeds, mortgages, bonds, contracts and other instruments, after obtaining any approvals required by these Bylaws.
- (iv) The Treasurer will receive monthly reports from the Council's financial staff. The Treasurer will oversee the preparation of the annual budget and

submit it to the full Board of Directors for approval to be submitted to the full U.S. Asset Owners. The Treasurer will receive the Council's audit and be responsible for Board communication with the Council's auditors. The Treasurer will recommend to the Board of Directors any changes he or she believes are in the Council's interest. The Treasurer will present the budget at the Council's annual fall business meeting and will present the audit at the Council's spring business meeting.

- (v) The Secretary will sign the Council's Bylaws and ensure that all notices required to be given by the Council are duly given and served.
- (vi) The Chair of the Board will chair meetings of the officers, the Board and the U.S. Asset Owners' business meetings. In the Chair's absence, the meetings will be chaired by the public fund Co-Chair.

F. Board Meetings The Board of Directors will meet at least quarterly. The Board may set any additional board meetings at the discretion of the Chair or a majority of the Board members. The meeting schedule will be provided in advance so members can arrange to be available for them. Absent extraordinary circumstances, Board members are expected to attend in person all Board meetings. Only elected Board members, not their representatives, may vote and be considered for purposes of constituting a quorum. When practical, the Board will publish the proposed agendas for board meetings on the Council's Web site in advance of the meetings.

G. Teleconferencing One or more directors may participate in a meeting by means of a conference telephone or similar communications equipment through which all directors participating in the meeting can speak to and hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

ARTICLE 6 EXECUTIVE DIRECTOR

The Executive Director shall be the Council's chief executive and administrative officer. The Board is responsible for the hiring, annual evaluation, compensation and termination of the Executive Director. The Board may delegate this function to the officers if it chooses. Under the direction of the Board of Directors, the Executive Director will be responsible for the general supervision and management of the affairs of the Council. The Executive Director will retain and review staff and make staff compensation decisions within budgetary limits set by the Board of Directors. The Executive Director shall be an officer of the Council for purposes of Articles 7.0 and 8.0 of these Bylaws but shall not be a voting member of the Board of Directors.

ARTICLE 7 INDEMNIFICATION

The Council shall, to the maximum extent permitted by applicable law, indemnify and hold harmless each current and former director, officer and employee of the Council and any person who is serving or served at the Council's request as a director or officer of another entity, whether for profit or not for profit, against any liability he or she may incur (including the advancement of reasonable expenses and attorneys' fees) in connection with any investigation, threatened action, suit, or proceeding in which he or she is made a party or otherwise involved by reason of his or her connection with the Council or the entity for which he or she served as a director or officer at the request of the Council, except in relation to matters as to which he or she is found to have violated applicable law in a final adjudication by a court of competent jurisdiction. Such indemnification and hold harmless shall be secondary to any other insurance or other indemnity or hold harmless by a third party that provides coverage for such amounts and shall not be deemed exclusive of any other rights to which each such individual may be entitled under any Bylaws, agreement, vote of the Board of Directors or otherwise.

ARTICLE 8 CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, GIFTS, ETC.

- A. Contracts, Bank Accounts, Etc.** The Board of Directors may prospectively or retrospectively authorize any officer, employee or agent in the name and on behalf of the Council to enter into contracts, execute documents, open and close bank accounts and otherwise conduct Council business.
- B. Fiscal Year** The fiscal year shall be determined by resolution of the Board of Directors.
- C. Auditing of Books** The Board shall cause the accounts of the Council to be audited by a certified public accountant and an annual report, including a balance sheet as of the end of the fiscal year, an income statement (or the equivalent) for the fiscal year, and a statement of cash flows for the fiscal year, shall be submitted annually to each U.S. Asset Owner of the Council. The annual audited financial statements should be posted on the Council's web site.

ARTICLE 9 NOTICE

All notices required by these Bylaws shall be printed or written and delivered in person, by mail, telegraph, telex, cable, facsimile or email. If mailed, notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid addressed to the person entitled thereto at his or her address as it appears on the records of the

Council. Council U.S. Asset Owners must supply one or more email addresses at the time the member joins the Council, to which official notices and mail ballots can be sent.

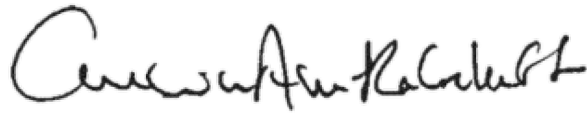
ARTICLE 10 AMENDMENTS

These Bylaws may be altered, amended, supplemented or repealed by a two-thirds vote of the U.S. Asset Owners voting at a Council regular business meeting or special meeting or voting in action by written ballot, provided quorum requirements are satisfied.

The undersigned Secretary of the Council of Institutional Investors hereby certifies that the foregoing is a true and correct copy of the Bylaws of the Council of Institutional Investors, adopted at a meeting of the U.S. Asset Ownership held on April 1, 2015.

7/28/2020

DATE



Secretary

Election of Directors & Officers - Public Fund Constituency

General Timeline for Nominations/Voting

Action	Deadline Before and After Scheduled Constituency Meeting
Notification of upcoming election and procedures	5 p.m. (ET) 6 weeks before
Deadline for nominations, bios, statements of interest	5 p.m. (ET) 4 weeks before
Deadline for Council staff distribution of ballots for directors	5 p.m. (ET) 3 weeks before
Deadline for advance voting for public fund directors	5 p.m. (ET) 3 business days before
In-person voting for public fund directors	Constituency meeting
Announcement of elected public fund directors	Constituency meeting
Deadline for Council staff distribution of ballots for officers	5 p.m. (ET) 1 week after
Deadline for voting for officers	5 p.m. (ET) 3 weeks after
Email announcement of elected officers	5 p.m. (ET) 3 weeks, 2 business days after

The Council bylaws provide that the public fund members elect nine members to the Council's Board of Directors. Public fund members also are responsible for selecting three Council officers (Chair of the Board, Treasurer & Public Fund Co-chair) from the nine public-fund-elected members of the Council's Board of Directors.

The Council's bylaws state that the election of directors shall take place at the Council's Spring Business meeting. The Council bylaws establish one-year terms for members of the Board of Directors and state that "no person can serve on the Board for more than five consecutive years." The public fund constituency is empowered to "...decide for itself how to conduct its director elections" and to "...specify which of its directors fills which of the positions open to it."

The following election procedures carry out the Council bylaw provisions for the public constituency. To maximize the ability of all public fund members to participate in the election—regardless of whether they are in attendance at the public fund constituency meeting—the procedures provide for mail/e-mail balloting for all elections, including directors and officers.

A. Election of Directors

-No later than 5:00 p.m. (ET) on the date that is six (6) calendar weeks before the public fund constituency meeting scheduled for the spring meeting, Council staff will email all public fund members to announce the upcoming election and the election procedures. Various Council communications will include reminders of the deadline, and staff will send at least one additional e-mail reminder to the public fund constituency members.

-Any public member's membership representative may seek a seat on the Council's Board of Directors by completing and submitting a nomination form to the Council's office no later than 5:00 p.m. (ET) on the date that is four (4) calendar weeks before the public fund constituency meeting scheduled for the spring meeting. Each nomination form must include the candidate's name, title and organizational affiliation, a brief biographical statement and a brief statement of interest. The nomination form shall be limited to 200 words in total, excluding the nominee's name, title and affiliation.

-If more than one representative of a public fund member submits a nomination form to CII's office, CII staff will notify the main CII contact for that member. A member representative who has submitted a nomination form may withdraw it at any time.

-No later than 5:00 p.m. (ET) on the date that is three (3) calendar weeks before the public fund constituency meeting scheduled for the spring meeting, Council staff shall assemble and distribute the submitted nomination forms together with a ballot to all public fund constituency member representatives. The ballot shall be in random order, listing each nominee by name, title and organizational affiliation. The ballot shall also include blanks for write-in candidates. Each ballot will indicate that nine candidates are to be selected. Cumulative voting will not be permitted. Ballots submitted with votes for more than nine candidates will be discarded. Voting by proxy by one public fund constituency member for another public fund constituency member shall not be allowed. Each public fund member is entitled to one vote.

-Completed ballots for the public fund directors must be received by the Council (by mail, fax, or email) no later than 5:00 p.m. (ET) on the date that is three (3) business days before the public fund constituency meeting scheduled for the spring meeting. Various Council communications will include reminders of the deadline, and staff will send at least one additional e-mail reminder to the public fund constituency members.

-Public constituency member organizations may also obtain, complete and cast their ballots during the actual conduct of the constituency meeting. In the event an organization submits a timely advance ballot, that organization shall not be entitled to vote at the constituency meeting. Council staff will tabulate the election results during the constituency meeting and confirm the election results with the board Public Fund Co-chair. If there is a tie vote such that nine directors have not been selected, there shall immediately be a runoff election to break the tie. In the event that two or more member representatives from any single public constituency member organization are included in the nine candidates with the highest vote counts, only the top vote-getter from that organization will be eligible for a Board seat. **Individual ballots will remain confidential.** The Public Fund Co-chair will announce at the constituency meeting the results of the election of the public fund directors. Following the meeting, Council staff will make available, upon request, to any Public Fund member the actual vote tabulation, indicating the number of votes received by each candidate. Public constituency members are asked to limit any disclosures of the actual vote tabulation to the public fund constituency.

-The newly elected directors will be introduced at the public fund constituency meeting and at the General Members' business meeting scheduled for the spring meeting. The newly elected directors' terms will commence following the election of officers.

B. Election of Officers

-Immediately following the election of the nine public fund directors, the public fund constituency will develop a slate of officer candidates selected from the newly elected directors. The slate may include multiple candidates for Chair of the Board of Directors, the public fund Co-Chair and the Treasurer. Each newly elected director may only stand for one officer position.

-No later than 5:00 p.m. (ET) on the date that is one (1) calendar week after the public fund constituency meeting scheduled for the spring meeting, Council staff shall assemble and distribute a ballot for officers, along with the relevant nomination forms, to all public constituency member representatives. If a candidate is running unopposed, that position will be eliminated from the ballot. Candidates for each officer position will be listed in random order, listing each nominee by name, title and organizational affiliation. Each ballot will indicate that only one candidate may be selected for each officer position. Ballots submitted with votes for more than one candidate for one or more officer positions will be discarded. Voting by proxy by one public fund constituency member for another public fund constituency member shall not be allowed. Each public fund member is entitled to one vote.

-Completed ballots for the officers must be received by the Council (by mail, fax, or email) no later than 5:00 p.m. (ET) on the date that is three (3) weeks after the public fund constituency meeting scheduled for the spring meeting.

-Council staff will tabulate the election results and confirm the election results with the existing Public Fund Co-chair. No later than 5 p.m. (ET) on the second business day following the due date for ballots, Council staff will email public fund members to announce the results of the election of the public fund officers. If there is a tie vote such that one or more officers have not been selected, there shall immediately be a runoff election to break the tie. **Individual ballots will remain confidential.** Following the meeting, Council staff will make available, upon request, the actual vote tabulation, indicating the number of votes received by each candidate. Public constituency members are asked to limit any disclosures of the actual vote tabulation to the public fund constituency.

-The newly elected directors' and officers' terms will commence three weeks and two business days following the spring meeting upon dissemination of the Council staff's email announcing the newly elected officers to the Council's General Membership.

C. Vacancies

-In the event of a vacancy of a public fund seat on the board within nine months of the most recent spring meeting, the next highest vote getter will be appointed to fill the vacancy.¹ If that candidate is unavailable or unwilling to serve, the succeeding highest vote getter will be appointed to fill the vacancy. If that candidate is unavailable or unwilling to serve, the public fund directors, by majority vote, will appoint an available and willing member of the public fund constituency to fill the vacancy. If there was no surplus of public fund candidates at the last election, the public fund directors, by majority vote, will appoint an available and willing member of the public fund constituency to fill the vacancy.

-In the event of a vacancy of a public fund seat on the board within three months of the next spring meeting, the vacancy will remain unfilled.

¹ In the event the "next highest vote getter" is shared by two or more available and willing candidates because of a tie vote, the candidate to be appointed will be decided by a coin flip.

-In the event of a vacancy of a public fund officer seat, the public fund directors, by majority vote, will appoint a replacement from the public fund directors available and willing to fill the vacancy.

-A vacancy of a public fund director or officer seat does not occur when a public fund director (or a public fund director and officer) resigns from employment with a public fund member to accept employment with another public fund member, provided that the public fund director (or public fund director and officer) continues to meet the qualifications of a public fund director (or public fund director and officer) as set forth in the Council's bylaws and these procedures.²

Revised and approved: March 10, 2020

² Those qualifications include the requirement under II.A. of these procedures that no more than one member representative from any single public constituency member organization is eligible to serve on the Board at the same time.

2021 CII Public Pension Fund Director Nominations

Name: Ron Baker

Title: Executive Director

Organization (CII Member): Colorado Public Employees' Retirement Association (Colorado PERA)

Biography/Statement of Interest:

As Executive Director of Colorado PERA, I deeply value the collective voice represented by the membership of CII. By submitting this statement of interest in ongoing service to the CII Board, I pledge to continue upholding CII's core values, and contributing my expertise to CII for the benefit of its members.

CII's Board and staff have worked diligently to advocate for investor interests over the years. As market and regulatory environments shift, we find new opportunities to build on those foundations of solid corporate governance and to fortify our positions on rapidly evolving concepts that can impact long-term value. This past year, the membership approved a highly deliberated statement on sustainability disclosures, maintaining its position as a body of engaged and forward-thinking market participants. Issues of climate change, board diversity, stakeholder relations, transparent and useful disclosures, mandatory arbitration, fair financial rules and other ESG matters will continue to evolve and present us with new opportunities for engagement.

I am honored to have had the opportunity to serve on the CII Board of Directors for the past three years, and I look forward to continuing to advance the work of CII in that capacity. Thank you for your consideration.



2021 CII Public Pension Fund Director Nominations

Name: Mitchell Vogel

Title: Trustee

Organization (CII Member): Illinois State University Retirement System

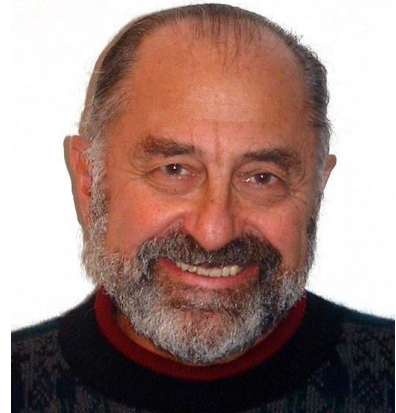
Biography/Statement of Interest:

It is with much enthusiasm and commitment that I am seeking re-election to the Council's Board of Directors.

In the past, I have benefitted from CII's superb training and education. Since I have been a Board Director, I am even more impressed with the work done by CII staff. This is extremely important during these uncertain times when pension fund participants are rightly concerned about the future of their pensions. As a Board Director, I have provided support and advice to the CII staff enabling them to do their important work protecting and advancing our pensions.

I have served as a Illinois SURS Trustee since 2005, including five years as its President. As a CII Trustee Director and a retiree, I will continue to bring a unique and I hope valuable perspective to CII's Board while representing the interests of its public fund members. It is interesting to note that I am the only public fund trustee on the Board.

I retired, as a Professor Emeritus from Northeastern Illinois University. I have also served seventeen years as President of the University Professionals of Illinois-AFT.



2021 CII Public Pension Fund Director Nominations

Name: Scott Zdrazil

Title: Senior Investment Officer

Organization (CII Member): Los Angeles County Employees Retirement Association (LACERA)

Biography/Statement of Interest:



It has been a pleasure serving as CII Board Treasurer. CII's financial stability in uncertain times is crucial to advance its mission, serve members, and advocate prudent corporate governance, investor rights, and financial market policies that support long-term value.

CII is strongest when we harness the collective voice of institutional investors of diverse profiles and sizes to achieve our shared objectives.

In the coming year, CII has a significant opportunity to advance longstanding priorities for investor protections, sensible corporate disclosures, and market integrity in its leadership and advocacy.

I would welcome the opportunity to continue serving on the CII board and appreciate your consideration.

Bio

Scott works within LACERA's investment team to oversee all corporate governance initiatives (proxy voting and engagements); lead ESG integration into portfolio analytics and due diligence; and develop investment policy and strategic planning for the \$64 billion portfolio.

He has been active with CII for 15 years, contributing to policy development and supporting advocacy efforts. He is also a member of the Society for Corporate Governance, PRI Private Equity Advisory Committee, and Sustainability Accounting Standards Board Investor Advisory Group. He previously served in governance roles at Amalgamated Bank and the New York City Retirement Systems.

2021 CII Public Pension Fund Director Nominations

Name: Simiso Nzima

Title: Investment Director & Head of Corporate Governance

Organization (CII Member): California Public Employees' Retirement System (CalPERS)



Biography/Statement of Interest:

- **Extensive investment management and corporate governance experience**
- Seven years corporate governance experience at CalPERS
 - Investment Director & Head of Corporate Governance, 2016 – current
 - Corporate Governance Analyst, 2005 – 2007
- Twelve years portfolio management experience
 - Internally managed \$8B+ emerging markets equity portfolios and \$10B+ synthetic equity exposure at CalPERS, 2008 – 2016
 - Fundamental equity research analyst and portfolio manager in Zimbabwe, 1999 - 2003
- Director, Council of Institutional Investors, since 2019
- MBA, UC Berkeley Haas School of Business
- BCom (Hons) in Finance, National University of Science & Technology, Zimbabwe
- CFA charterholder

As CalPERS' director of corporate governance, I leverage my 12+ years of portfolio management experience to advocate for improved corporate governance and investor rights. At CalPERS, corporate governance is an integral part of managing the fund's public equity portfolio to generate long-term sustainable investment returns. CalPERS has always been an active participant in, and a strong supporter of, CII, and consistently advocates for sound corporate governance practices.

It would be a privilege to serve for a third term on the CII Board. If elected, I will continue to use my experience to protect investors' interests and commit my time to advancing CII's initiatives on the behalf of the membership.

2021 CII Public Pension Fund Director Nominations

Name: Patti Gazda

Title: Corporate Governance Officer

Organization (CII Member): Ohio Public Employees Retirement System

Biography/Statement of Interest:

- CII Board Member
- Thirty Percent Coalition Board Member
- Public Pension Financial Forum Committee Member
- B.S. University of Pittsburgh, Masters University of Phoenix



OPERS is the 12th largest public pension system in the U.S. with over \$106 billion in assets under management, more than one million members and an active to retiree ratio of 1.3:1. In addition to CII, we are participating members of organizations such as the Thirty Percent Coalition, Human Capital Management Coalition, Midwest Investor Diversity Initiative and the Investor Stewardship Group. Our corporate governance platform is based on diplomatic engagement. We actively engage with issuers, industry organizations, the Securities and Exchange Commission (SEC), and with our state legislature advocating for corporate governance best practices and rules and policies that lead to increased financial performance. Key initiatives of our program are enhanced human capital management disclosures, increasing gender, cognitive, racial, and ethnic diversity on corporate boards, and maximizing shareholder rights.

It has been my privilege to serve the CII members. I strongly believe that CII is a formidable organization that effectively advances best corporate governance practices and I would appreciate your vote to enable me to continue to serve you on the CII board in 2021.

2021 CII Public Pension Fund Director Nominations

Name: Aeisha Mastagni

Title: Portfolio Manager

Organization (CII Member): California State Teachers' Retirement System (CalSTRS)

Biography/Statement of Interest:

Aeisha helps lead the Sustainable Investment & Stewardship Strategies (SISS) team, furthering CalSTRS' mission to secure the financial future and sustain the trust of California's educators.

The SISS activities center around its mission is to be a catalyst in transforming the financial markets, to focus on long-term value creation that fully integrates sustainability considerations.



- Director, Council of Institutional Investors, 2015-2019
- Board Member, International Corporate Governance Network, 2014
- Director, Golden 1 Credit Union, 2012 - present
- California State University, Sacramento, B.S., Economics

Statement of Interest:

Beginning in 2003, when I joined CalPERS and later CalSTRS, I have dedicated my career to advancing stewardship practices around the world. I believe that investors can use their collective influence to promote sustainable business practices at portfolio companies and through public policies.

As a collective body, I believe CII is an effective and impactful organization that advances governance standards on behalf of its members. I was honoured to serve on the CII Board on behalf of CII members, for five years, and it would be a privilege to serve the organization again. I know that my experience, enthusiasm, and perspective as a major global asset owner will be a value-add to the CII Board.

2021 CII Public Pension Fund Director Nominations

Name: Andrew Junkin, CFA, CAIA

Title: Chief Investment Officer

Organization (CII Member): State of Rhode Island, Office of the General Treasurer

Biography/Statement of Interest:

Andrew Junkin is the Chief Investment Officer for the State of Rhode Island. He oversees the state's defined benefit plan, the defined contribution plans, and the 529 program – totaling more than \$15 billion. Prior to joining the State, Andrew was the President of Wilshire Consulting and has worked in the institutional investment industry for more than 25 years.

The State of Rhode Island actively supports and promotes responsible stewardship as an asset owner and actively works with portfolio company holdings and asset managers on issues surrounding governance, transparency, and sustainability. The continued success and sustainability of the companies in Rhode Island's pension system investment portfolio is vital to ensure that our members, who have spent their career in service to others, have a retirement that is safe and secure. We believe that institutional asset owners can, and should, affect positive changes at individual companies, with regulators, and with other critical market participants.

Additionally, Andrew serves on the Board of Pensions of the Presbyterian Church, which provides pension and health benefits to clergy and staff across the country. Andrew was named a 2020 Diversity and Inclusion Leader by the Defined Contribution Institutional Investment Association.



2021 CII Public Pension Fund Director Nominations

Name: Nathan A. Saunders

Title: Active Teacher Trustee; Teacher

Organization (CII Member): District of Columbia Retirement Board; DC Public Schools

Biography/Statement of Interest:

Active Teacher Trustee three times (2012, 2016 and 2020).

Since my initial election, I have **overseen a 65.7% growth in retirement funding resources** as the formerly Vice Chairman/Member of the Pension and Investment Committees. The FY 2019 fund status was \$8.6 Billion.



As the immediate Past President of the Washington Teachers Union (2013), I created and funded Option 2 WTU contract (VEBA Option) which **paid \$100,000 annuity to DCPS excessed teachers in addition to regular retirement benefits**. Served as the VEBA funds first Chairman.

Pension Related Credentials

BA in Accounting (Morehouse College), HTUP Graduate (Harvard Law School), MA in Law and Ethics.

Graduate level pension-related course work - Johns Hopkins University, The Wharton School at University of Pennsylvania, and Pension/Capital Stewardship Program at Harvard Law School.

Established fighter for Teacher Economic Justice regardless of the opposition

When WTU union officials stole \$5 million in dues from teachers, I single handedly wrote, filed, and won in court resulting in jail sentences, and fines to restore teachers. Saunders v. Hankerson et al. (2004) set the standard for US labor union financial management.

2021 CII Public Pension Fund Director Nominations

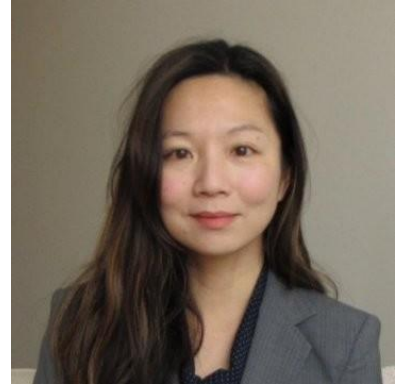
Name: Yumi Narita

Title: Executive Director of Corporate Governance

Organization (CII Member): NYC Pension Funds

Biography/Statement of Interest:

Yumi Narita is the Executive Director of Corporate Governance at the Comptroller's Office of New York City. She is responsible for developing and implementing active ownership programs for public equities, including updating proxy voting strategies, engaging companies on their ESG policies/practices, and advocating for regulatory reforms to protect investors and strengthen investor rights.



- Global Head of Governance, AllianceBernstein
- Vice President of Investment Stewardship, BlackRock
- Broadridge Steering Committee
- The Test of Corporate Purpose
- Investment Company Institute Proxy Issues Working Group
- SASB Standards Advisory Group
- SASB Corporate Engagement Working Group
- Human Capital Management Coalition
- ICGN Shareholder Rights Committee

I have worked in the corporate governance field for 17 years – and throughout that time, have been a participant and speaker at numerous CII conferences, and until recently, served on its Corporate Governance Advisory Council. CII is an active, thoughtful organization, and I'd be honored to serve on its Board of Directors. I also have many fond memories of working with CII staff (Ken and Amy, amongst others.)

Given the unprecedented issues we currently face, both as a society and as investors, I believe it is incredibly important for CII to continue to advocate for robust shareholder rights and for enhanced disclosure from market participants.

2021 CII Public Pension Fund Director Nominations

Name: Mansco Perry

Title: Executive Director and Chief Investment Officer

Organization (CII Member): Minnesota State Board of Investment

Biography/Statement of Interest:

- Board Member, CII (2020- present)
- Board Member, former Chair, NASIO (1998 – 2010, 2013 – present)
- Member, Investment Advisory Council, NYSTRS (2011 – 2013)
- CIO, Maryland State Retirement System (2008 – 2010)
- CFA, CAIA, CIPM Certificant
- JD, Mitchell Hamline School of Law
- MBA, University of Chicago Booth School of Business
- BA, Carleton College



It has been a privilege and honor to serve on the Council’s Board of Directors during the past year. As the Executive Director and Chief Investment Officer of the Minnesota State Board of Investment, a Founding Member of CII, I believe it’s very important that public fund members be strong advocates for the organization’s missions. Corporate governance is an important factor in the evaluation of investment performance. Proxy voting is the gateway to better shareholder rights. As fiduciaries for plan beneficiaries, public fund members have a responsibility to continue to advocate stronger education of these principals.

It would be my pleasure to have the opportunity to serve another year as a Board Member of CII.

I would greatly appreciate your consideration to allow me to contribute to the advancement of the organization’s mission.

2021 CII Public Pension Fund Director Nominations

Name: Michael P. McCauley

Title: Senior Officer, Investment Programs & Governance

Organization (CII Member): State Board of Administration (SBA) of Florida

Biography/Statement of Interest:

- 1997 to Present, Florida SBA; responsible for global corporate governance activities and non-pension investment programs (Florida PRIME); previously managed the defined contribution component within the Florida Retirement System.
- BA, University of Florida; MPA, Florida State University
- Past member of the CFA Institute's Global Corporate Governance Task Force subcommittee.
- Past CII Chair, International Corporate Governance Committee and past Treasurer



As an active participant and strong supporter of CII activities for over two decades, I've been honored to work alongside other CII members and be a strong advocate for desired corporate governance practices. I've demonstrated the ability to work towards coordinating activities among CII members aimed at achieving desired governance reforms, and have brought a global focus to many different CII initiatives. I continue to be a strong advocate for shareowner rights and believe investors should work to not only maintain those rights but to also strengthen corporate governance features of the firms in which they invest. I offer experience in institutional investment management practices and a wide variety of corporate governance topics. As a board member, I pledge to contribute fully and devote the necessary time to all functions and activities.

2021 CII Public Pension Fund Director Nominations

Name: Kathleen Hoffman

Title: Chief of Staff

Organization (CII Member): Teacher Retirement System of Texas

Biography/Statement of Interest:

Biography: Katy Hoffman is the Chief of Staff, Chair of TRS' Internal Investment Committee and member of the Executive Committee leading the Investment Division. Prior to this position, Ms. Hoffman was a Senior Director on the External Public Markets team managing investments in the Trust's long-oriented equity, hedge fund portfolios and opportunistic credit allocation. Further, Ms. Hoffman developed TRS first enterprise risk management system, initiated the fund's use of derivative instruments and helped to develop the Trust's existing strategic asset allocation. She started at TRS in 2004 as an investment grade credit analyst. Prior to joining TRS, Ms. Hoffman was a credit analyst for the Credit Portfolio Group at JPM. Ms. Hoffman received an MBA from Vanderbilt University, and a BA in Mathematics from Trinity University.



Statement of Interest: I believe my broad investment background from top-down oversight to bottom-up implementation along with my expertise in asset allocation and security selection can add a diverse view and voice to the important discussions that CII leads for Institutional investors. I have a passion for governance and believe in its power to drive long term value for our members. Serving on the board of CII will allow me to both extend my knowledge and positively impact the CII organization.

CII U.S. Asset Owner Members' 2021 Spring Conference Proxy

Date: _____

CII Member (Organization/Fund Name): _____

Member Representative (Print Name & Signature): _____

Business Meeting Action Item: Approve Update to CII Statement *Support of Defined Benefit Plans*

(See Appendix 3 for details) _____ FOR _____ AGAINST _____ ABSTAIN

Board of Director Candidates: You may vote for **up to nine** candidates. Ballots returned with more than nine supported candidates will be discarded. No cumulative voting. In accordance with the election procedures the order of candidates presented is the result of a random drawing.

Ron Baker , Executive Director, Colorado Public Employees' Retirement Association (Colorado PERA)	
Mitchell Vogel , Trustee, Illinois State University Retirement System	
Scott Zdrzil , Senior Investment Officer, Los Angeles County Employees Retirement Association (LACERA)	
Simiso Nzima , Investment Director & Head of Corporate Governance, California Public Employees' Retirement System (CalPERS)	
Patti Gazda , Corporate Governance Officer, Ohio Public Employees Retirement System	
Aeisha Mastagni , Portfolio Manager, California State Teachers' Retirement System (CalSTRS)	
Andrew Junkin , CFA, CAIA, Chief Investment Officer, State of Rhode Island, Office of the General Treasurer	
Nathan A. Saunders , Active Teacher Trustee, District of Columbia Retirement Board; Teacher, DC Public Schools	
Yumi Narita , Executive Director of Corporate Governance, NYC Pension Funds	
Mansco Perry , Executive Director and Chief Investment Officer, Minnesota State Board of Investment	
Michael P. McCauley , Senior Officer, Investment Programs & Governance, State Board of Administration (SBA) of Florida	
Kathleen Hoffman , Chief of Staff, Teacher Retirement System of Texas	

Write-in candidate(s) name, title and organization: _____

PLEASE NOTE: One vote per member organization. All ballots must be signed by a membership representative. U.S. Asset Owner Members may change their votes for business meeting action items at business meetings when they have previously submitted a proxy in advance of the meetings. A majority of U.S. Asset Owners must be represented in person or by ballot at Council meetings for the transaction of business. Ballot items require the affirmative vote of a majority of those voting. All ballots are confidential. Votes for directors may not be changed in person if cast in advance.