



MINUTES

**Meeting of the Corporate Governance Committee
of the Board of Trustees of the
State Universities Retirement System
5:15 p.m., Tuesday, December 1, 2009
The Northern Trust
50 South LaSalle Street
Chicago, Illinois 60603**

The following Trustees were present: Mr. Mitchell Vogel, Chair; Dr. Jeffrey Beaulieu, Mr. Matthew Berns, Ms. Patricia Cassidy, Dr. John Engstrom, Dr. J. Fred Giertz, Ms. Dorinda Miller, Mr. Steven Rogers (via teleconference), and Mr. Antonio Vasquez.

Others present were: Ms. Judith A. Parker, Interim Executive Director; Mr. Daniel L. Allen, Chief Investment Officer; Mr. Kelly A. Jenkins, General Counsel; Mr. Douglas C. Wesley, Deputy Chief Investment Officer; Ms. Kimberly Pollitt, Senior Investment Officer; Ms. Lou Ann Fillingham and Mr. Tony Lee, Investment Officers; Ms. Marilyn Branson, Investment Governance and Compliance Officer; Ms. Shelley Porter, Chief Financial Officer; Mr. Steven Hayward, Director of Internal Audit; Mr. Michael Sheppard, Assistant Deputy Director of the Self-Managed Plan; Mr. Doug Steele, Director of Application Development and Research; Mr. Chris Hansen, Director of Operations; Ms. Angela Lieb, Director of Member Services; Ms. Lori Kern and Ms. Stacy Smith, Executive Assistants; Ms. Mary Pat Burns, Burke, Burns & Pinelli; Mr. Jake Baggott, SURSMAC; Mr. Steve Zahn, Governmental Consulting Solutions; and Mr. Edgar Hernandez, Service Employees International Union.

Trustee Mitchell Vogel called the meeting to order at 5:15 p.m.

Roll call attendance was taken. Trustee Beaulieu, present; Trustee Berns, present; Trustee Cassidy, present; Trustee Engstrom, present; Trustee Giertz, present; Trustee Hightman, absent; Trustee Miller, present; Trustee Rogers, present (via teleconference); Trustee Vasquez, present; Trustee Vogel, present; Trustee Williams, absent.

APPROVAL OF THE MINUTES OF THE SEPTEMBER 11, 2009
CORPORATE GOVERNANCE COMMITTEE MEETING

Trustee Giertz moved that:

- The Minutes from the September 11, 2009, Corporate Governance Committee meeting be approved as presented.

The motion carried with all trustees present voting in favor except for Trustee Berns who voted present.

CHAIRPERSON'S REPORT

Trustee Vogel presented a report of the 2009 Fall Meeting of the Council of Institutional Investors (CII). The major item of business at this meeting was the approval of the joint report commissioned by CII and the CFA Institute Centre for Financial Market Integrity. A copy of the report, entitled "U.S. Financial Regulatory Reform: The Investors' Perspective," is incorporated as a part of these Minutes as [Exhibit 1](#). Trustee Vogel encouraged the Board to review the report in order to spur further discussion at the March meeting, since the proposed reform is a major policy that could potentially affect SURS. Trustee Vogel recommended that it be placed on the March agenda for further discussion and encouraged the Board to call him with any questions in the interim. Trustee Vogel also advised that the next CII meeting is scheduled for April 11-13, 2010, in Washington, D.C., and that CII's executive director has been invited to speak at the SURS Trustee Educational Forum in February.

Trustee Vogel discussed the letter that SURS recently sent to the Illinois Representatives serving on the House Financial Services Committee, and he noted that the letter to Congresswoman Bean had particularly important impact. A copy of the letter dated September 25, 2009, is incorporated as a part of these Minutes as [Exhibit 2](#).

Ms. Marilyn Branson provided a summary of discussions held at CII's recent meeting, and she advised that the prevailing concern was that immediate action is needed to insure that corporate governance reforms are included in upcoming financial regulatory reform legislation. Ms. Branson commented on recent legislative actions, noting that an amendment to the Investor Protection Act of 2009, which reaffirms the SEC's authority to make rules regarding proxy access, was passed by the House Financial Services Committee and is now set to be reviewed by the House of Representatives. Ms. Branson also advised that SURS signed onto a letter sent to Chairman Dodd and the members of the Senate Banking Committee to express support for the corporate governance reforms included in the "Restoring American Financial Stability Act of 2009." A copy of the letter, dated November 18, 2009, is incorporated as a part of these Minutes as [Exhibit 3](#).

Trustee Giertz questioned the process of, as an institution, writing letters to support or advocate for a bill. Trustee Vogel advised that a policy is in place which provides the

Executive Director the authority to write to representatives or governmental officials in support of positions the Board has already taken. Ms. Branson confirmed that the policy was approved in September of 2007, and included as part of the Investment Policy.

Trustee Vogel requested approval for trips to future CII conferences. Ms. Judith Parker responded that approval was given at the July 10, 2009, Board meeting for trustees to attend CII conferences during the fiscal year. Trustee Vogel also noted that he has been invited to participate on a panel at Harvard University in April of 2010.

Mr. Kelly Jenkins encouraged the Board to consider the seminar on fiduciary responsibility offered by the Stanford Fiduciary College, which would fulfill a portion of the ethics training that is required of board members by Public Act 96-0006. It was noted that the Board has also pre-approved travel for trustees interested in attending this session and that the reduced price for early registration expires at the end of January.

INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION

The following items were provided for reference:

1. [Exhibit 4](#) - Staff memorandum entitled "Governance Contracts Approved."
2. [Exhibit 5](#) - Memorandum from Marilyn Branson entitled "Governance Update."
3. [Exhibit 6](#) - Memorandum from Marilyn Branson entitled "Marco Consulting Group Proxy Voting Summary Reports."
4. [Exhibit 7](#) - Executive summary from MCG entitled "Review of Issue Summary Report for Third Quarter 2009"
5. [Exhibit 8](#) - MCG 3rd Quarter 2009 vote summary report

There being no further business to come before the Committee, the meeting adjourned.

Respectfully submitted,



Ms. Judith A. Parker
Secretary, Board of Trustees

JAP:ssr