

**THE CORPORATE GOVERNANCE AND  
SECURITIES LITIGATION COMMITTEE OF  
THE  
BOARD OF TRUSTEES  
MARYLAND STATE RETIREMENT AND  
PENSION SYSTEM  
MINUTES OF MEETING  
September 21, 2021**

The Corporate Governance Committee (the “Committee”) for the Maryland State Retirement and Pension System (the “System”) convened, via videoconference call, with the host site at the SunTrust Building, 120 East Baltimore Street, 16<sup>th</sup> Floor, Board Room, Baltimore, Maryland, beginning at 9:06 a.m.

Committee Members Attending:	David Brinkley David Hamilton	Nancy K. Kopp Douglas Prouty
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Also Attending:

Thomas Brandt Rachel Cohen (OAG) Mimi Forbes Anne Gawthrop Michael Golden Alex Harisiadis (OAG)	Martin Noven Andrew Palmer Jody Shaw (OAG) Toni Voglino
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Mr. Prouty called the meeting to order at 9:06 a.m.

**Action Item #1: Minutes**

On a motion made by Mr. Hamilton, and seconded by Ms. Kopp, the open session minutes from the February 16, 2021 and March 1, 2021 meetings were ratified by the Committee.

**Action Item #2: Update and Review of Iran-Sudan Divestment**

The Committee considered staff’s recommendation to approve the proposed Iran and Sudan Restricted List. Ms. Voglino informed the Committee that staff recommends the addition of six (6) companies: CNPC Global Capital Limited, Gaz Finance PLC, Kontrolmatik Teknoloji, Siemens Energy (“Siemens”), Sinopec Group Overseas Development (2015) Limited, and Sinopec Group Overseas Development (2018) Limited to the Iran and Sudan Restricted List.

Ms. Voglino further explained that CNPC Global Capital Limited, Gaz Finance PLC, Sinopec Group Overseas Development (2015) Limited and Sinopec Group Overseas Development (2018) Limited issue capital for companies that are currently on the Iran and Sudan Restricted List due

to oil related activities in Iran or Sudan. Kontrolmatik and Siemens Energy have power production activities in Sudan.

Ms. Voglino explained to the Committee that engagement letters were sent to all six (6) companies asking for comments on their activities in Iran and Sudan. The Agency did not receive a response from any of the six (6) companies. As such, staff is recommending divestment per SPP §21-123.1.

Ms. Voglino reported to the Committee that the divestment analysis, performed by the System's general investment consultant Meketa, detailed that the divestment impact to the portfolio is minimal. Specifically, Meketa estimates the equity impact to be between 0 and 5 basis points and less than 1 basis point for the bond impact.

Ms. Kopp asked if Siemens invests directly in Iran or Sudan or if its involvement is through a subsidiary. Ms. Voglino replied that Siemens Energy invests in power production activities itself and not through a subsidiary. Mr. Palmer commented that Siemens does provide some jobs in Maryland and noted that Siemens is a little different and there is some additional sensitivity when it comes to that corporation due its involvement in Maryland. Ms. Kopp further asked if staff could post the engagement letters with Siemens to illustrate our compliance with the law. Ms. Voglino agreed.

Ms. Kopp asked that a copy of the Iran and Sudan divestment law be included in the agenda package going forward. Ms. Voglino agreed.

Ms. Kopp asked if staff could reach out to peers and provide informal research to the Committee on the impact of engagement by our peers. In addition, Ms. Kopp asked if corporations respond to the Iran and Sudan engagement letters. Ms. Voglino responded that when the Maryland divestment law was initially passed we would occasionally receive responses. However, in the past five years we have not received a response to our engagement letters.

Mr. Brandt strongly underscored that based on his years of experience, if he received an Iran and Sudan business activity inquiry letter, he would not reply. He said that the inquiries are merely theatre and the market is so big and the System's position is not going to move the value of Siemens' stock.

Ms. Kopp moved to accept staff's recommended Iran and Sudan Restricted List, and Mr. Hamilton seconded the motion. The Committee unanimously approved the motion. Below is the Iran and Sudan Restricted List as approved by the Committee.

**Recommended Iran and Sudan Restricted List  
September 21, 2021**

<b>ISSUER NAME</b>	<b>Country</b>	<b>Sudan or Iran</b>
Bharat Heavy Electricals Limited	India	Sudan

China National Petroleum Corporation (PetroChina Co)	China	Both
China Petrochemical Corporation	China	Both
CNOOC Curtis Funding NO.1 PTY LTD	Australia	Iran
CNPC (HK) Overseas Capital Ltd	British Virgin Islands	Both
CNPC General Capital Limited	British Virgin Islands	Both
CNPC Global Capital Limited	China	Both
El Sewedy Electric Co. SAE	Egypt	Sudan
Energy House Holding Company	Kuwait	Sudan
Gaz Capital S.A.	Luxembourg	Iran
Gaz Finance PLC	United Kingdom	Iran
Gazprom Capital OOO	Russia	Iran
Gazprom PAO	Russia	Iran
Harbin Power Equipment Co., Ltd	China	Sudan
Kontrolmatik Teknoloji Enerji ve Muhendislik AS	Turkey	Sudan
Kuwait Finance House K.S.C.	Kuwait	Sudan
Managem S.A.	Morocco	Sudan
Oil and Natural Gas Corporation Limited	India	Sudan
Oil India International PTE. LTD.	Singapore	Sudan
Oil India Ltd.	India	Sudan
ONGC Videsh Limited	India	Sudan
Orca Gold Inc.	Canada	Sudan
Petroliam Nasional Berhad (Petronas)	Malaysia	Sudan
Petronas Capital Limited	Malaysia	Sudan
Schneider Electric S.A.	France	Sudan
Siemens Aktiengesellschaft	Germany	Sudan
Siemens Energy AG	Germany	Sudan
Siemens Financieringsmaatschappij N.V.	Netherlands	Sudan
Sinopec Group Overseas Development (2012) Limited	British Virgin Islands	Both
Sinopec Group Overseas Development (2013) Limited	British Virgin Islands	Both
Sinopec Group Overseas Development (2014) Limited	British Virgin Islands	Both
Sinopec Group Overseas Development (2015) Limited	British Virgin Islands	Both
Sinopec Group Overseas Development (2016) Limited	British Virgin Islands	Both
Sinopec Group Overseas Development (2017) Limited	British Virgin Islands	Both
Sinopec Group Overseas Development (2018) Limited	British Virgin Islands	Both

**Action Item #3: Motion by Committee to Meet in Closed Session**

On a motion made by Ms. Kopp and seconded by Mr. Hamilton, the Committee voted without objection to meet in closed session, via video/audio conference call, beginning at 9:19 a.m. for the purposes of (a) reviewing the closed session Board minutes, pursuant to General Provisions Art., § 3-103(a)(1)(i), the exercise of an administrative function and General Provisions Art., § 3-305(b)(13), to comply with a specific statutory requirement that prevents public disclosure, namely, General Provisions Art., § 3-306(c)(3)(ii), requiring that the minutes of a closed session be sealed and not be open to public inspection.

**Closed Session**

Committee Members Attending:	David Brinkley David Hamilton	Nancy K. Kopp Douglas Prouty
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Also Attending:

Thomas Brandt	Martin Noven
Rachel Cohen (OAG)	Andrew Palmer
Mimi Forbes	Jody Shaw (OAG)
Anne Gawthrop	Toni Voglino
Michael Golden	
Alex Harisiadis (OAG)	

During closed session, the Committee discussed and took action on the February 16, 2021 and March 1, 2021 closed session meeting minutes.

**Action Item #5: Adjournment of Closed Session and Return to Open Session:**

On a motion by Mr. Hamilton and seconded by Ms. Kopp, the Committee voted without objection to return to open session, via video/audio conference call at 9:20 a.m.

Committee Members Attending:	David Brinkley David Hamilton	Nancy K. Kopp Douglas Prouty
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Also Attending:

Thomas Brandt	Martin Noven
Rachel Cohen (OAG)	Andrew Palmer
Mimi Forbes	Jody Shaw (OAG)
Anne Gawthrop	Toni Voglino
Michael Golden	
Alex Harisiadis (OAG)	

**Action Item #6: Adjournment of Open Session**

There being no further business before the Committee, on a motion made by Ms. Kopp and seconded by Mr. Hamilton, the meeting adjourned at 9:21 a.m.

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Toni Voglino