

**THE CORPORATE GOVERNANCE COMMITTEE
OF THE
BOARD OF TRUSTEES
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

MINUTES OF MEETING

February 16, 2016

The Corporate Governance Committee met on Tuesday, February 16, 2016, following the Board of Trustees meeting. The meeting was held in the Board Room on the 16th floor of the State Retirement Agency, 120 E. Baltimore Street, Baltimore, MD 21202.

Members Attending:	David Blitzstein, Chairman	Charles Johnson
	Eric Brotman	Treasurer Nancy Kopp
	James Harkins	Theresa Lochte (phone)
	Sheila Hill	

Members Not Attending: David Brinkley

Also Attending:	Colleen Bower	Fassil Michael (ISS)
	Kathy Brady (OAG)	Kosmas Papadopoulos (ISS)
	Suzanne Brogan	Toni Voglino
	Corina Florea (ISS)	

Mr. Blitzstein called the meeting to order at 12:47 p.m.

Minutes

On a motion made by Mr. Johnson and seconded by Ms. Hill, the minutes from the November 17, 2015 meeting were unanimously accepted.

Update and Review of Iran-Sudan Divestment

The Committee considered staff's recommendation to reaffirm the System's Iran-Sudan Restricted List as no new companies meet the requirements of the Maryland Iran-Sudan divestment statute and no companies are eligible for removal from the Restricted List at this time. Ms. Voglino confirmed that all 21 companies on the Iran-Sudan Restricted List currently meet the requirements of the Maryland Iran-Sudan divestment statute SPP 21-123. 1.

Ms. Voglino provided the semi-annual Iran & Sudan Divestment Impact Analysis to the Committee as prepared by Meketa Investment Group, the System's general investment consultant. The report provided an updated analysis of all companies on the Iran-Sudan Restricted List and the divestment impact regarding these companies.

On a motion by Ms. Hill and seconded by Mr. Brotman, the Committee unanimously agreed to approve Staff's recommendation to reaffirm the Iran-Sudan Restricted List, and to recommend the list to the Board of Trustees.

The Iran-Sudan Restricted List approved by the Corporate Governance Committee will be presented at the Board of Trustees meeting on March 15, 2016, for approval.

Institutional Shareholder Services Presentation of the 2015 Proxy Season

Institutional Shareholder Services (ISS), the System's proxy advisor, presented information on the 2015 Proxy Season. Specifically, Mr. Papadopoulos and Mr. Michael (ISS) highlighted proxy proposals related to director elections and proxy access.

Update and Review of the Proxy Voting Guidelines

The Committee reviewed staff's memorandum outlining the recommended changes to the System's Proxy Voting Guidelines. After discussion by the Committee on the specific proxy topics and suggested changes, the Committee considered the recommendations to alter the language of the Proxy Voting Guidelines related to contested director elections and executive compensation. The Committee requested staff provide an example of a case study analysis for a contested director election proxy proposal. In addition, Treasurer Kopp requested the language in the executive compensation guideline include the word "or" to clarify the requirements of the guideline.

On a motion by Ms. Hill, and seconded by Mr. Johnson, the Committee voted, all in favor, to approve staff's recommended changes to the System's Proxy Voting Guidelines as outlined in the memorandum.

The Proxy Voting Guideline changes approved by the Corporate Governance Committee will be presented at the Board of Trustees meeting on March 15, 2016, for approval.

Information Articles Submitted by David Blitzstein

Mr. Blitzstein submitted two articles for the Committee's reference, "Top US Financial Groups Hold Secret Summits on Long-termism" and "Some Heresy on Wall Street-Look Past the Quarter." Mr. Blitzstein requested staff send the Committee the letter by Larry Fink, the CEO of Blackrock.

Council of Institutional Investors Update and Spring Conference Agenda

The Committee discussed the CII Spring Conference that will be held March 21, 2016 through March 23, 2016 and was provided an agenda.

Adjourn Meeting

On a motion made by Mr. Johnson and seconded by Mr. Brotman, the Committee adjourned at 1:45 p.m.

The next Corporate Governance Committee meeting is scheduled for Tuesday, August 16, 2016.

Toni Voglino