

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

**MINUTES OF MEETING**

**November 17, 2016**

The Corporate Governance Committee met on Thursday, November 17, 2016, following the Board of Trustees meeting. The meeting was held in the Board Room on the 16<sup>th</sup> floor of the State Retirement Agency, 120 E. Baltimore Street, Baltimore, MD 21202.

Members Attending:	David Brinkley Eric Brotman Kenneth Haines	Sheila Hill, Chairman Charles Johnson Treasurer Nancy Kopp
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Members Not Attending:	James Harkins
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Other Board Members Attending:	Patrick Hughes
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Also Attending:	Kathy Brady (OAG) Susanne Brogan Anne Gawthrop	Michael Golden Andrew Palmer Toni Voglino
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Ms. Hill called the meeting to order at 1:15 p.m.

**Minutes**

On a motion made by Mr. Johnson and seconded by Mr. Brotman, the minutes from the August 16, 2016 meeting were unanimously accepted.

**Review and Update of the Investment Policy Manual**

The Committee reviewed staff's memorandum and the related excerpt from the Investment Policy Manual outlining the recommended changes to the System's Investment Policy Manual. Ms. Voglino discussed the recommendation and explained that the process outlined in the proposed policy would allow for a consistent process to evaluate solicitations from other institutional investors or organizations when seeking support of particular corporate governance topics.

On a motion by Mr. Brinkley, and seconded by Mr. Brotman, the Committee voted , all in favor, to approve staff's recommended changes to the System's Investment Policy Manual as outlined in the memorandum.

The Investment Policy Manual changes approved by the Corporate Governance Committee will be presented at the Board of Trustees meeting on December 20, 2016 for approval.

### **Ratification of Vote for Principals for Responsible Investment**

As further detailed in Ms. Voglino's November 10, 2016 memorandum to the Committee, the Corporate Governance Committee executed an electronic vote via email for the 2016 PRI (Principals for Responsible Investment) Asset Owner Signatory Ballot. A majority of the Committee approved the recommendations of Ms. Hill and an electronic vote was sent for the following items on the PRI 2016 Asset Owner Signatory Ballot:

- 1) A vote for Eva Halvarsson for the 2016 Board elections
- 2) A vote for Hiromichi Mizuno for the 2016 Board elections
- 3) A vote for the 2016 Annual Report and Accounts
- 4) An abstention for the 2016 Signatory General Meeting Minutes
- 5) A vote for the proposed changes to the Articles of Association

The Committee unanimously ratified the votes cast for the PRI 2016 Asset Owner Signatory Ballot.

### **Review of the Commonsense Corporate Governance Principals**

Ms. Voglino provided the Committee with the Commonsense Corporate Governance Principals document and the Committee discussed the principals that were applicable to the System and were not already addressed in the System's proxy voting policies.

The desire of the Committee was to discuss and possibly implement changes to the System's proxy voting policy related to board leadership rotation, age limits and term limits at the February Corporate Governance Committee meeting when the policy is reviewed for necessary changes.

### **Discussion of the Climate Change Testimony to the Joint Committee on Pensions**

Mr. Palmer detailed his testimony to the Joint Committee on Pensions related to climate change and how the System is addressing the risk. Mr. Palmer detailed some of the current practices by staff to address climate change risk and provided information on what staff would likely implement over the coming year.

### **Adjourn Meeting**

On a motion made by Mr. Brinkley and seconded by Mr. Haines, the Committee adjourned at 1:50 p.m.

The next Corporate Governance Committee meeting is scheduled for Tuesday, February 21, 2017.

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Toni Voglino