



New York City Comptroller  
Scott M. Stringer

# NEWS

PRESS RELEASE

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## **COMPTROLLER STRINGER, NYC FUNDS: BOARDROOM ACCOUNTABILITY ENTERS NEXT PHASE AS CAMPAIGN ACHIEVES CRITICAL MASS**

*Agreements reached with 50 of 72 companies targeted by New  
York City Pension Funds for 2016*

*Chipotle, Netflix and ExxonMobil among the closely-watched  
upcoming votes*

(New York, NY) – The campaign to give investors a meaningful voice in the boardrooms of corporate America has entered a new phase in 2016, with [more than two-thirds](#) of companies that received proxy access proposals filed by the New York City Pension Funds agreeing to implement the proposal, according to New York City Comptroller Scott M. Stringer. The surge in negotiated agreements marks a sea change from 2015, when 66 of the 75 companies that received the City’s Pension Funds’ proxy access proposals took the resolution to a vote, the majority of which passed.

“The rapid uptake of proxy access following more than a decade of corporate resistance is the result of an extraordinary chain of events set in motion by the Boardroom Accountability Project,” Comptroller Stringer said. “Today, companies across the market are enacting meaningful proxy access at an astonishing rate and that’s welcome news for investors. Now, more than ever, shareowners are focused on having the right people in the boardroom to drive long-term, sustainable value. Proxy access gives investors a seat at the table and a voice in the process of how corporate directors are chosen.”

Begun in fall 2014, the [Boardroom Accountability Project](#) is a nationwide campaign, supported by a coalition of investors with more than \$1 trillion in assets under management, to give shareowners the right to nominate directors at U.S. companies using the corporate ballot. At the time, only six companies had bylaws that provided shareowners with meaningful proxy access. In 2015, [proxy access proposals filed](#) by the New York City Pension Funds averaged 56 percent support. Many companies have subsequently adopted the reform and to date, more than 210 corporations have enacted meaningful proxy access bylaws.

For the 2016 proxy season, the New York City Pension Funds filed proxy access proposals at 72 companies to allow a group of shareowners that collectively own at least three percent of the company for three years or more to nominate up to 25 percent of a board in any given year. The list includes 36 companies from the 2015 focus list which had not yet enacted (or agreed to enact) viable proxy access and 36 new companies, including the funds' largest portfolio companies, coal-intensive utilities, firms with few women and minority directors, and companies with excessive CEO pay.

To date, 50 of these 72 companies have agreed to enact the proposal and additional companies may enact the proposal in the coming weeks. The City's Pension Funds anticipate that up to twenty remaining proposals will be voted upon in this year's upcoming proxy season, which kicks off with the annual meetings of Noble Energy, Inc. and PACCAR Inc. on April 26, 2016. The remaining two proposals are moot.

Notable votes in the coming months include Netflix, where the board failed to enact proxy access despite a 71% vote in favor of the City Pension Funds' proxy access proposal in 2015; Chipotle, where the proposal received 49.9% support in 2015 despite a competing proposal from management; and ExxonMobil, where the proposal received 49.4% support in 2015, the highest-ever support for a shareowner proposal at that company. In addition, binding votes will be held at Cabot Oil & Gas as well as Noble Energy to amend overly restrictive proxy access bylaws put in place by those companies in 2015.

In 2016, the New York City Pension Funds are once again partnering with the California Public Employees' Retirement System (CalPERS) to conduct exempt solicitations in support of the proxy access proposals (example: [exempt solicitation for Chipotle](#)). As part of this effort, the two systems, which have \$433 billion in combined assets, are sending joint letters to shareowners of each company urging them to support the proposals; the letters are filed with the U.S. Securities and Exchange Commission.

In a July 2015 [study](#), economic researchers at the U.S. Securities and Exchange Commission analyzed the public launch of the Boardroom Accountability Project and found a 0.5 percent average increase in shareowner value at the 75 targeted firms. The findings are consistent with the 2014 CFA Institute [study](#) that found that proxy access on a market-wide basis would “benefit both the markets and corporate boardrooms, with little cost or disruption” and could raise overall US market capitalization by as much as one percent, or \$140.3 billion.

To view a list of current status of the 2016 target companies please click [here](#).

“Investors need boards that are truly diverse in background and experience, equipped to address risks related to climate change, and willing to rein in excessive CEO pay, and proxy access gives them the tools to make that a reality. We expect strong showings at our votes this coming proxy season as momentum grows for the boardroom accountability movement,” Comptroller Stringer said.

Comptroller Stringer serves as the investment advisor to, and custodian and a trustee of, the New York City Pension Funds. The New York City Pension Funds are composed of the New York City Employees’ Retirement System, Teachers’ Retirement System, New York City Police Pension Fund, New York City Fire Department Pension Fund and the Board of Education Retirement System.

"To secure your future, you need to have control of your finances - a principle that applies as much to individuals as to the New York City pension funds that many Brooklynites depend on for their income in retirement," said Brooklyn Borough President Eric L. Adams. "With these agreements, municipal employees will finally have a voice, with the ability to help shape the companies in which they are shareholders and protect the security of their pensions from mismanagement or unnecessary risk."

In addition to Comptroller Stringer, the New York City Pension Funds’ trustees are:

New York City Employees’ Retirement System: Mayor Bill de Blasio’s Representative, John Adler (Chair); New York City Public Advocate Letitia James; Borough Presidents: Gale Brewer (Manhattan), Melinda Katz (Queens), Eric Adams (Brooklyn), James Oddo (Staten Island), and Ruben Diaz, Jr. (Bronx); Henry Garrido, Executive Director, District Council 37, AFSCME; John Samuelsen, President Transport Workers Union Local 100; Gregory Floyd, President, International Brotherhood of Teamsters, Local 237.

Teachers’ Retirement System: Mayor Bill de Blasio’s Appointee, John Adler; Chancellor’s Representative, Raymond Orlando, New York City Department of

Education; and Sandra March, Thomas Brown and David Kazansky, all of the United Federation of Teachers.

New York City Police Pension Fund: Mayor Bill de Blasio's Representative, John Adler; New York City Finance Commissioner Jacques Jiha; New York City Police Commissioner William Bratton (Chair); Patrick Lynch, Patrolmen's Benevolent Association; Michael Palladino, Detectives Endowment Association; Edward D. Mullins, Sergeants Benevolent Association; Louis Turco, Lieutenants Benevolent Association; and, Roy T. Richter, Captains Endowment Association.

New York City Fire Department Pension Fund: Mayor Bill de Blasio's Representative, John Adler; New York City Fire Commissioner Daniel A. Nigro (Chair); New York City Finance Commissioner Jacques Jiha; Stephen Cassidy, President, James Slevin, Vice President, Edward Brown, Treasurer, and John Kelly, Brooklyn Representative and Chair, Uniformed Firefighters Association of Greater New York; John Farina, Captains' Rep.; Paul Ferro, Chiefs' Rep., and James J. McGowan, Lieutenants' Rep., Uniformed Fire Officers Association; and, Thomas Phelan, Marine Engineers Association.

Board of Education Retirement System: Schools Chancellor Carmen Fariña's Representative Raymond Orlando; Mayoral: Issac Carmignani, T. Elzora Cleveland, Gary Linnen, Vanessa Leung, Lori Podvesker, Stephanie Soto, Miguelina Zorilla-Aristy; Benjamin Shuldiner, Laura Zingmond (Manhattan BP), Fred Baptiste (Brooklyn BP), Debra Dillingham (Queens BP) and Kamillah Payne-Hanks (Staten Island BP); and employee members Joseph D'Amico of the IUOE Local 891 and Milagros Rodriguez of District Council 37, Local 372.