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LEADING INVESTORS LAUNCH HISTORIC INITIATIVE FOCUSED ON U.S. INSTITUTIONAL INVESTOR STEWARDSHIP AND CORPORATE GOVERNANCE

Unveils Framework of Guiding Principles with Expectation of
Long-Term Value Creation, Investor Protection

\$17 Trillion in AUM Represented by U.S. and International Investors

New York, January 31, 2017 – The Investor Stewardship Group, a collective of some of the largest U.S.-based institutional investors and global asset managers, along with several of their international counterparts, today announced the launch of the Framework for U.S. Stewardship and Governance, a historic, sustained initiative to establish a framework of basic standards of investment stewardship and corporate governance for U.S. institutional investor and boardroom conduct.

The Investor Stewardship Group represents some \$17 trillion in assets under management, largely comprising the retirement and long-term savings of millions of individual investors around the world, and is being led by the senior corporate governance practitioners at institutional investor and investment management firms. At launch, the Investor Stewardship Group comprises BlackRock, CalSTRS, Florida State Board of Administration (SBA), GIC Private Limited (Singapore's Sovereign Wealth Fund), Legal and General Investment Management, MFS Investment Management, MN Netherlands, PGGM, Royal Bank of Canada (Asset Management), State Street Global Advisors, TIAA Investments, T. Rowe Price Associates, Inc., ValueAct Capital, Vanguard, Washington State Investment Board, and Wellington Management.

“In markets around the world, there are well-established governance and stewardship codes. The Investor Stewardship Group’s goal is to codify the fundamentals of good corporate governance and establish baseline expectations for U.S. corporations and their institutional shareholders,” said Anne Sheehan, Director of Corporate Governance at the California State Teachers' Retirement System. “The Group brings all types of investors together and enables us to speak with one voice on these fundamental issues.”

The initial standards focus on corporate governance principles for listed companies and investment stewardship principles for institutional investors. Taken together, the standards form a framework for promoting long-term value creation for U.S. companies and the broader U.S. economy.

“This initiative reveals the depth and breadth of agreement amongst institutional investors,” said Rakhi Kumar, Managing Director and Head of Asset Stewardship at State Street Global Advisors. “The stewardship principles encourage all investors to take responsibility for owning the stewardship process and being accountable to those whose assets they manage. We encourage all institutional investors to join the Investor Stewardship Group to further these corporate governance and stewardship principles.”

The Framework is the result of a two-year effort by a broad range of investors. As an ongoing, dynamic effort, the Investor Stewardship Group is calling on every institutional investor and asset management firm investing in the U.S. to sign the Framework at www.isgframework.org.

Noted Glenn Booraem, Principal & Fund Treasurer at Vanguard, “We believe that the principles detailed in the Framework will further the productive dialogue and, most importantly, continue to drive positive change among institutional investors and the companies in which they invest. By articulating this set of shared behavioral expectations, we seek to promote our common objectives to create sustainable, long-term value for all shareholders.”

The Framework goes into effect January 1, 2018 to give U.S. companies time to adjust to its standards in advance of the 2018 proxy season.

The Framework’s principles are as follows (for additional information on these principles, please visit www.isgframework.org):

STEWARDSHIP PRINCIPLES FOR INSTITUTIONAL INVESTORS¹:

Principle A. Institutional investors are accountable to those whose money they invest.

Principle B. Institutional investors should demonstrate how they evaluate corporate governance factors with respect to the companies in which they invest.

Principle C. Institutional investors should disclose, in general terms, how they manage potential conflicts of interest that may arise in their proxy voting and engagement activities.

Principle D. Institutional investors are responsible for proxy voting decisions and should monitor the relevant activities and policies of third parties that advise them on those decisions.

Principle E. Institutional investors should address and attempt to resolve differences with companies in a constructive and pragmatic manner.

Principle F. Institutional investors should work together, where appropriate, to encourage the adoption and implementation of the Corporate Governance and Stewardship principles.

¹ Institutional investors include asset owners and asset managers.

CORPORATE GOVERNANCE PRINCIPLES FOR U.S. LISTED COMPANIES

Principle 1: Boards are accountable to shareholders.

Principle 2: Shareholders should be entitled to voting rights in proportion to their economic interest.

Principle 3: Boards should be responsive to shareholders and be proactive in order to understand their perspectives.

Principle 4: Boards should have a strong, independent leadership structure.

Principle 5: Boards should adopt structures and practices that enhance their effectiveness.

Principle 6: Boards should develop management incentive structures that are aligned with the long-term strategy of the company.

For more on the Investor Stewardship Group, the Framework for U.S. Stewardship and Governance, and to follow the signatories page, visit www.isgframework.org

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