

Press Release  
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## **The Ohio Public Employees Retirement System and the Shareholder Rights Project Announce the Results of their 2012 Collaboration**

CAMBRIDGE, MA – The Ohio Public Employees Retirement System (OPERS) and the Shareholder Rights Project (SRP) are pleased to announce the results of their work during 2012. OPERS and the SRP worked together on board declassification proposals submitted to five S&P 500 companies for presentation at their 2012 annual meetings. This work led to the following outcomes:

- negotiated agreements for four companies to bring management declassification proposals;
- a successful precatory proposal recommending declassification, with support of 81%;
- two companies that have already declassified; and
- at least two companies that will be bringing management proposals to declassify to a vote in 2013 or 2014.

Following active engagements by OPERS and the SRP, four S&P 500 companies receiving proposals entered into agreements to put forward management declassification proposals (see the table below for a list of these companies and additional details). Two of these agreements called for the companies to put forward agreed-upon management proposals for approval at the companies' annual meeting in 2012, one in 2013, and one in 2014.

One of the two agreed-upon management proposals voted on in 2012 passed, resulting in the declassification of one S&P 500 company (listed in the table below). At one company the agreed-upon management proposal won a substantial majority but did not pass due to a supermajority provision requiring approval by 80% of shares outstanding. However, the company has since declassified. One agreed-upon management proposal will go to a vote of shareholder approval in 2013, and another one in 2014.

Where OPERS and the SRP were unable to reach negotiated outcomes, shareholder proposals urging board declassification went to a vote at the 2012 annual meetings of one S&P 500 company (listed in the table below). The shareholder proposals passed, receiving shareholder support of 81% of votes cast.

OPERS and the SRP have continued to engage with the other S&P 500 companies where proposals received majority support in 2012. The SRP, on behalf of OPERS, has submitted new shareholder declassification proposals to those companies that had not committed to declassify prior to the proposal submission. It is hoped that, as occurred during the 2012 proxy season, the dialog with these companies will result in further agreements to bring management declassification proposals for a shareholder vote.

Annual elections are widely viewed as corporate governance best practice. A move to annual elections could make directors more accountable and thereby contribute to improving performance and increasing firm value.

OPERS, the largest public pension fund in Ohio and the 11th largest public pension fund in the U.S., manages assets with a value exceeding \$80 billion, and provides retirement benefits and savings for more than a million members. More information regarding OPERS can be found at <http://www.opers.org>.

The SRP is a clinical program at Harvard Law School. The SRP is working on behalf of 8 public pension funds and charitable organizations seeking to improve corporate governance at publicly traded companies in which they are shareowners, as well as on research and policy projects related to corporate governance. During 2012, the SRP assisted SRP-represented investors with selecting companies for proposal submission, designing proposals, engaging with companies, negotiating and executing agreements by companies to bring management declassification proposals, and presenting proposals at annual meetings. Any views expressed and positions taken by the SRP and its representatives should be attributed solely to the SRP and not to Harvard Law School or Harvard University. More information regarding the SRP can be found at <http://srp.law.harvard.edu>.

Inquiries should be directed to Emily Lewis, Administrative Director of the SRP, at (617) 495-8254 or [emlewis@law.harvard.edu](mailto:emlewis@law.harvard.edu).

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The table below shows the outcome of each shareholder declassification proposal submitted by OPERS in collaboration with the SRP (percentages shown are of votes cast).

**Outcome of OPERS-SRP Collaboration during 2012**

	<b>Company</b>	<b>Outcome</b>
1.	Allegheny Technologies Incorporated (ATI)	Agreement reached; agreed-upon MANAGEMENT DECLASSIFICATION PROPOSAL going to a vote in 2014.
2.	C.R. Bard, Inc. (BCR)	BOARD DECLASSIFIED after agreed-upon management declassification proposal passed in 2012.

	<b>Company</b>	<b>Outcome</b>
3.	CIGNA Corporation (CI)	Agreed-upon management declassification proposal received majority support but did not pass due to 80% supermajority requirement; <b>BOARD DECLASSIFIED</b> by subsequent board-adopted bylaw amendment.
4.	EQT Corporation (EQT)	PRECATORY PROPOSAL PASSED (81% support); a precatory proposal was submitted for the 2013 annual meeting and dialog continued.
5.	Tellabs, Inc. (TLAB)	Agreement reached; agreed-upon <b>MANAGEMENT DECLASSIFICATION PROPOSAL</b> going to a vote in 2013.