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## Ohio Public Employees Retirement System

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August 16, 2013

Mr. John Carey  
Vice President—Legal  
NYSE Regulation, Inc.  
NYSE Euronext  
20 Broad Street, 24th Floor  
New York, New York 10005

Re: Rule for Majority Vote Standard

Dear Mr. Carey:

The Ohio Public Employees Retirement System (“OPERS”) hereby respectfully requests that a rule be proposed for approval by the United States Securities and Exchange Commission that would require that an issuer that lists its equity securities on the New York Stock Exchange, NYSE MKT LLC, or NYSE Alternext (collectively, “NYSE” or “Exchange”) adopt a majority voting standard in uncontested elections of directors with a requirement that incumbent directors who do not receive a majority of votes promptly resign from the board. Proposed amendments to the NYSE listed company manual that would give effect to those changes were sent to you by the Council of Institutional Investors in late June 2013.

Founded in 1935, OPERS is a public pension fund based in Columbus, Ohio. With assets of \$80.4 billion as of 12/31/12, OPERS is the largest state pension fund in Ohio, the 11th largest public retirement system and the 16th largest retirement system in the United States. OPERS, which recognized its 75th year in 2010, provides retirement, disability and survivor benefit programs for over 1 million public employees throughout the state who are not covered by another state or local retirement system.

The OPERS Board of Trustees adopted proxy voting guidelines that state:

**1. Boards of Directors** (c)(v) Directors should be elected by a majority rather than a plurality of votes cast. In any election where there are more candidates on the proxy than seats to be filled, directors should be elected by a plurality of votes cast, which should include “withhold” votes. To be elected, a director nominee should receive more votes “for” than “against” or “withhold,” regardless of whether a company requires a majority or plurality vote. Any incumbent candidate in an uncontested election who fails to receive a majority of votes cast should be required to tender an irrevocable letter of resignation to the board. The requirement for a majority vote in director elections should be set forth in the company’s charter or bylaws, subject to amendments by a majority vote of shareowners. Where a company seeks to opt out of the majority vote standard, approval by a majority vote of shareholder should be required.



Our policy is based on the widely accepted view by U.S. institutional investors and the view of most major international markets that majority voting in uncontested elections “ensures that shareowners’ votes count and makes directors more accountable to shareowners.” As one legal expert has explained:

“[T]he most significant benefit of . . . majority voting, may be its ability to indirectly impact corporate behavior. . . . Majority voting . . . ensur[es] that a withhold-the-vote campaign represents a credible threat of removal for directors. That threat should serve to indirectly pressure directors to undertake policies consistent with shareholders’ interests.” We note that the basis for a majority voting policy is consistent with the stated goal of the NYSE listing standards to “enhance[] the accountability . . . of the Exchange’s listed companies . . . [and] allow shareholders to more easily and efficiently monitor the performance of . . . directors . . . .”

Recognition in the U.S. that majority voting in the uncontested election of directors is a basic shareowner right has grown significantly in recent years. More than 78 percent of S&P 500 companies have adopted a majority voting standard; in contrast to just 16 percent in 2006. In addition, from 2007 to 2012 the “proportion of small-cap companies with majority voting provisions in director elections has grown from 7% to 19% and the proportion of mid-cap companies has jumped dramatically from 18% to 52%.”

Unfortunately, directors in uncontested elections at most NYSE listed companies are elected by a plurality, rather than by a majority of votes cast. As a result, those companies continue to follow the antiquated plurality voting process, whereby a director nominee is elected or reelected so long as he or she receives at least one vote in his or her favor.

We would welcome the opportunity to meet with you or your colleagues in person to discuss this request in more detail. In the meantime, if you have any questions, please do not hesitate to contact me directly at 614-222-0030 or Carol Nolan Drake at 614-222-0398.

Sincerely,

A handwritten signature in cursive script that reads "Karen Carraher".

Karen Carraher  
Executive Director

A handwritten signature in cursive script that reads "Carol Nolan Drake".

Carol Nolan Drake  
Chief External Affairs Officer