

# Memorandum

---

## New York City Comptroller Scott Stringer and New York City Pension Funds Launch “National Boardroom Accountability Project 2.0”

September 11, 2017

---

On September 8, 2017, New York City Comptroller Scott M. Stringer and the New York City pension funds announced the commencement of their “Boardroom Accountability Project 2.0” initiative.<sup>1</sup> This campaign follows the initial Boardroom Accountability Project launched by Comptroller Stringer and the New York City pension funds during the fall of 2014, pursuant to which shareholder proposals seeking the enactment of proxy access were submitted to 75 companies.

According to Comptroller Stringer’s announcement, the “Boardroom Accountability Project 2.0” campaign is intended to “ratchet up the pressure on some of the biggest companies in the world to make their boards more diverse, independent, and climate-competent, so that they are in a position to deliver better long-term returns for investors.” The initiative targets the boards of 151 U.S. companies, 80% of which are included in the S&P 500. Of the 151 U.S. companies identified as part of the new campaign, 139 are companies that implemented proxy access after receiving a proposal from the New York City pension funds, while 12 are companies at which the pension funds’ proposal received majority shareholder support in 2017 but have yet to implement proxy access.

The initiative specifically requests that the boards of the identified companies provide enhanced disclosure in the form of a standardized director matrix which would include information regarding each director’s gender, race and ethnicity as well as information regarding each director’s skills, experience and attributes.<sup>2</sup>

---

<sup>1</sup> See Press Release, [“Comptroller Stringer, NYC Pension Funds Launch National Boardroom Accountability Project Campaign – Version 2.0”](#) (September 8, 2017).

<sup>2</sup> See [Sample Matrix](#) and [Sample Letter from NYC Comptroller to the Nominating/Governance Committee Chairs of Portfolio Companies Held by the New York City Pension Funds](#) (September 6, 2017).

Furthermore, Comptroller Stringer and the NYC pension funds are actively seeking to enter into a dialogue with the targeted companies regarding board refreshment. Among other requests, the campaign calls for companies to establish a process for the retention of director search firms pursuant to which such firms would reach out to Comptroller Stringer and the NYC pension funds along with significant shareholders “for suggestions for the names of both potential board candidates and other organizations that specialize in sourcing potential board candidates who are women and people of color.” Moreover, the campaign calls for companies to engage in a discussion as to how a more structured process can be established in order for Comptroller Stringer and the NYC pension funds, along with other significant shareholders, to provide nominating and governance committees “the names of potential board candidates, on an ongoing basis.”

---

If you have any questions or would like additional information, please do not hesitate to contact **Karen Hsu Kelley** at +1-212-455-2408 or [kkelley@stblaw.com](mailto:kkelley@stblaw.com), or any other member of the Firm’s Public Company Advisory Practice.

*The contents of this publication are for informational purposes only. Neither this publication nor the lawyers who authored it are rendering legal or other professional advice or opinions on specific facts or matters, nor does the distribution of this publication to any person constitute the establishment of an attorney-client relationship. Simpson Thacher & Bartlett LLP assumes no liability in connection with the use of this publication. Please contact your relationship partner if we can be of assistance regarding these important developments. The names and office locations of all of our partners, as well as our recent memoranda, can be obtained from our website, [www.simpsonthacher.com](http://www.simpsonthacher.com).*



UNITED STATES

---

New York  
425 Lexington Avenue  
New York, NY 10017  
+1-212-455-2000

Houston  
600 Travis Street, Suite 5400  
Houston, TX 77002  
+1-713-821-5650

Los Angeles  
1999 Avenue of the Stars  
Los Angeles, CA 90067  
+1-310-407-7500

Palo Alto  
2475 Hanover Street  
Palo Alto, CA 94304  
+1-650-251-5000

Washington, D.C.  
900 G Street, NW  
Washington, D.C. 20001  
+1-202-636-5500

EUROPE

---

London  
CityPoint  
One Ropemaker Street  
London EC2Y 9HU  
England  
+44-(0)20-7275-6500

ASIA

---

Beijing  
3901 China World Tower  
1 Jian Guo Men Wai Avenue  
Beijing 100004  
China  
+86-10-5965-2999

Hong Kong  
ICBC Tower  
3 Garden Road, Central  
Hong Kong  
+852-2514-7600

Seoul  
25th Floor, West Tower  
Mirae Asset Center 1  
26 Eulji-ro 5-Gil, Jung-Gu  
Seoul 100-210  
Korea  
+82-2-6030-3800

Tokyo  
Ark Hills Sengokuyama Mori Tower  
9-10, Roppongi 1-Chome  
Minato-Ku, Tokyo 106-0032  
Japan  
+81-3-5562-6200

SOUTH AMERICA

---

São Paulo  
Av. Presidente Juscelino  
Kubitschek, 1455  
São Paulo, SP 04543-011  
Brazil  
+55-11-3546-1000