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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO PUBLIC FINANCE - STATE INVESTMENT COMMISSION

Introduced By: Representatives Blazejewski, Keable, Handy, Ferri, and Slater

Date Introduced: February 15, 2012

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 35-10 of the General Laws entitled "State Investment Commission"
2 is hereby amended by adding thereto the following section:

3 **35-10-15. Shareholder Proxy Voting Policy Statement and Guidelines.** – The state
4 investment commission shall develop a shareholder proxy voting policy statement and guidelines
5 ("proxy voting guidelines") that the state's investment managers shall consider and rely upon in
6 making proxy voting decisions solely in the best interests of plan participants and beneficiaries
7 and Rhode Island citizens. The proxy voting guidelines shall be designed to help ensure that
8 Rhode Island fulfills its statutory and common law obligations governing proxy voting, with the
9 intent of maximizing the long-term economic benefits by voting in support of sound corporate
10 governance and responsible corporate practices leading to an increased shareholder value. The
11 proxy voting guidelines shall also be aimed at minimizing undue risk by engaging in proxy voting
12 designed to encourage companies in the portfolio to adopt best practices in corporate governance,
13 environmental policy, labor policy, job security and wage levels, local economic development
14 and stability, and workplace safety and health issues in their operations and supply chains so as to
15 reduce exposure to legal, regulatory, and headline risk.

16 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO PUBLIC FINANCE - STATE INVESTMENT COMMISSION

1 This act would require the state investment commission to develop proxy voting
2 guidelines to promote the best interest of plan participants, beneficiaries and Rhode Island
3 citizens.

4 This act would take effect upon passage.

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