



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

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School Employees Retirement System of Ohio Corporate Governance Principles

School Employees Retirement System of Ohio (SERS) acknowledges the rights and responsibilities of corporate ownership, and recognizes the importance of governance in conducting the business of a corporation. SERS believes good corporate governance leads to better results for companies and investors.

Corporate voting rights have economic value; therefore, SERS will use the same care, prudence and due diligence in voting proxies as it does in investing funds. Proxies will be voted based on the following guiding principles:

Fiduciary Responsibility - Voting rights must be executed in a manner that ensures fund assets are governed prudently and effectively for the exclusive benefit of pension fund participants and beneficiaries. Support directors who understand that the primary responsibility of a corporate board is to protect shareholder interests. Encourage a shareholder focus and expansion of shareholder rights.

Long-term View - Focus on long-term value creation. Encourage long-term thinking by supporting resolutions dealing with compensation, corporate planning, and other corporate actions that foster a responsible long-term perspective.

Integrity - Demand the highest professional standards and ethical conduct.

Accountability - Hold directors and management of corporations responsible for their actions and performance. Support initiatives that improve independence and accountability, such as the separation of Board Chair and CEO roles and performance-based executive compensation. Support clear steps to increase transparency and disclosure in the operation of the corporation, financial reporting and compensation.

Diversity - Develop strong, sound corporate boards with a diversity of skills, perspectives and experience. Include a wide range of attributes, backgrounds, talents and skill sets, as well as the perspective of historically under-represented groups including women and minorities, that can contribute to long-term sustainable value creation.

Social Responsibility - Encourage a corporate culture of sustainability and social disclosure that considers stakeholders' interests, while adhering to fiduciary duties. These areas include but are not limited to consumer safety, equitable treatment of workers, human rights, environmental protection and resource conservation.