

Institutional  
Investor  
FORUMS



7TH ANNUAL

# The Rights & Responsibilities of Institutional Investors

MARCH 22, 2012 | RENAISSANCE AMSTERDAM HOTEL | AMSTERDAM

**Keynote Speaker**

**President Mikhail Gorbachev**

Nobel Peace Prize Winner



# Turning Words Into Action

For 7 years, *The Rights & Responsibilities of Institutional Investors* meeting has offered objective analysis of the issues facing active owners and provided insightful examination of the vital issues confronting European investors. During those years, the dialog has both deepened and broadened.

For instance, we have observed a growing acceptance of the benefits of active engagement among a broader range of European institutions. We have also noted increasing, deepened interest among those institutions in moving the conversation from one primarily about “soft” issues to a discussion of the quantifiable objectives of protecting assets through responsible fiduciary practices. Recently, however, as investors have continued to respond to the fallout of the financial crisis, we have seen the rise of a certain tension between plans’ investment objectives and the continuing – perhaps growing – need to focus on corporate governance and asset recovery issues.

We are pleased to announce that the 2012 meeting will endeavor to address both sets of issues facing investors today: ensuring that institutions have the means to exercise their full rights as shareholders and yet also have the information and the tools they need to meet their unique investment objectives. In its simplest form this goal means that we will be offering parallel tracks of sessions over the course of this single day meeting, but more importantly it means addressing the full, broad spectrum that pension plans and their managers and advisors are confronting. For example, what are the investment practices and strategic guidelines that will help institutions achieve their investment and risk management objectives while exercising their fiduciary duties, including benefiting from responsible investment practices and active engagement.

In 2012, *The Rights & Responsibilities of Institutional Investors*, again co-sponsored by Institutional Investor and Kessler Topaz Meltzer Check LLP, will offer investment, compliance and legal officers from European public pension and insurance funds and mutual fund companies the information they require on how to turn principles into sound fiduciary and investment practice.

This year’s keynote presentation:

## **Revisioning Global Priorities**

Presented by:

President Mikhail Gorbachev, *Nobel Peace Prize Winner*

No one is more recognized for having turned mere words into seminal action than President Mikhail Gorbachev. In 1992, Mr. Gorbachev became President of the Gorbachev Foundation, known as the International Foundation for Socio-Economic and Political Studies. A non-profit, non-partisan educational foundation, the Gorbachev Foundation articulates and addresses the challenges of the post-Cold War world, through the revisioning of global priorities. In 1993, he founded the environmental organization, Green Cross International. A non-governmental group with chapters in the United States, Russia, The Netherlands, Japan, and Switzerland, Green Cross International works to clean up military toxins, assist in the creation of global ecological law, and foster a value shift on the environment. We are pleased to have Mikhail Gorbachev present his vision.

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In 2012, the program for the Rights & Responsibilities of Institutional Investors will include plenary (full audience) sessions and well as sessions dedicated specifically to investment-focused issues and those tailored for the needs of legal, compliance, and governance executives. The over-arching theme of all sessions, however, will remain a focus on how active investors can turn their words and principles into action.

#### **Thursday, March 22, 2012**

08.00-08.50 Breakfast and Registration  
*Koepelzaal Foyer*

08.50-09.00 Welcome Remarks  
*Koepelzaal*

Darren J. Check, *Partner, Kessler Topaz Meltzer Check LLP*, United States  
Harvey Shapiro, *Senior Advisor, Institutional Investor*, United States

Devil's Advocates:

Roelof Goudswaard, *Owner/Founder, Goudswaard Tax, Legal & Compliance BV*, The Netherlands

Jaklien Wotte, *Senior Manager, Internal Audit, Risk & Compliance, KPMG Advisory NV*, The Netherlands

Daniela Carosio, *Senior Partner, Sustainable Equity Value (SEV)*, Italy

This morning's "agents provocateurs" are responsible for asking the hard questions of speakers and panelists as a means of encouraging audience members to contribute their questions and share their experiences. After all, the best meetings are the most dynamic and interactive ones.

09.00-09.30 Presentation  
**Shifting the Corporate Governance Paradigm**  
*Koepelzaal*

Presented by:

Professor Jaap Winter, *Professor of Corporate Governance, Duisenberg School of Finance*, and *Partner, De Brauw Blackstone Westbroek*, The Netherlands

With an Introduction by:

Anatoli van der Krans, *Senior Advisor Responsible Investment & Governance, Mn Services N.V.*, The Netherlands

There is a growing disconnect between modern investment theory and practices and the expectations of shareholder engagement as a key feature of good corporate governance. The reality of institutional investment today is that most investors in one way or another follow the markets through widely diversified portfolios and take investment decisions primarily based upon how individual investments fit within their overall portfolio strategy. The meaningful engagement that is the foundation of good corporate governance cannot develop in such an environment.

Meaningful engagement of institutional investors would require a paradigm shift on investment. If this does not evolve over time, Professor Winter will argue, regulators will be faced with the dilemma of either restricting shareholder rights or explicitly facilitating activism and takeover bids as the only realistic mechanisms to discipline the management of listed companies.

09.30-10.15     Panel Discussion  
**Re-assessing Fiduciary Responsibilities: Manager-Investor Relations**  
*Koepelzaal*

Moderator:

Keith Johnson, *Chairman, Institutional Investor Services Department, Reinhart Boerner Van Deuren*, United States

Panelists:

Ralf Frank, *Managing Director, DVFA-Society of Investment Professionals*, Germany  
Friedrich Mostboeck, *CEFA, Head of Group Research, Erste Group Bank AG*, Austria, and  
*Board Member, The European Federation of Financial Analyst Societies (EFFAS)*  
Louise Rouse, *Director of Investor Engagement, FairPensions (FairShare Educational Foundation)*, United Kingdom  
Paul Lee, *Shareholder Engagement Manager, Hermes Investment Management*, United Kingdom

Building upon the principles put forward in ICGN's Model Mandate Initiative report, this panel will explore how investors can ensure that their managers are taking the appropriate, proactive role with the companies they invest in. What are proven methods of structuring agreements with managers to align their interests with yours while identifying and mitigating potential conflicts of interest?

10.15-11.00     Case Study  
**Southern Peru Copper Corporation's Acquisition of Minera Mexico: How a Self-Interested Merger Transaction Led to a Trial in Delaware Chancery Court**  
*Koepelzaal*

Presented by:

Lee D. Rudy, *Partner, Kessler Topaz Meltzer Check LLP*

This session will examine the long-running derivative litigation on behalf of Southern Peru Copper Corporation where investors are seeking to recover more than US\$1 billion in damages incurred as a result of a 2004 self-interested transaction between Southern and its controlling stockholder, Mexican mining giant Grupo Mexico. In the Transaction, Southern's board of directors caved to the will of its controlling stockholder when it overpaid by more than 24 million shares of its common stock to acquire Grupo Mexico's Mexican mining assets held through Grupo Mexico's subsidiary, Minera Mexico. The trial, which was held in July 2011, was a rare opportunity for shareholders to ensure that majority-controlled public corporations are not manipulated for their controller's benefit. What are the larger ramifications for active shareholders?

11.00-11.20     Coffee Break  
*Ballroom Foyer*

11.20-12.05 Workshop I – Investments  
**Investment Opportunities v. Governance in the BRIC Countries**  
*Amsterdam Room*

Panelists:

Andrew White, *Managing Director, Research, Inflection Point Capital Management*,  
Canada

Vipul Arora, *Founder, Solaron Sustainability Services*, India

David Bennett-Rees, *Chairman, United Grand Lodge of England*, United Kingdom

The BRIC countries are grappling with the need to reform corporate governance, including fostering more transparency, enforcing international accounting standards, and empowering minority shareholders. What else should these governments be doing to make their economies more attractive in terms of active engagement and shareholder rights? Which is more impactful at the end of the day, do we think, making incremental progress in our home markets or focusing on corporate governance in the major developing economies?

Workshop 2 – Legal/Compliance/Regulatory  
**Is Corporate Governance Passé? What Comes Next?**  
*Den Haag Room*

Moderator:

Steven Olson, *Executive Director, Institutional Investor Forums*

Panelists:

Bram Hendriks, *Senior Corporate Governance Officer, ING Investment Management*,  
The Netherlands

Catherine E. LaMarr, *General Counsel, Office of the Connecticut State Treasurer*, United  
States

Annette van der Krogt, *Head of Responsible Investment, Syntus Achmea Asset  
Management*, The Netherlands

Have good corporate governance standards become so embedded in standard practice that it is now second nature? Is the next step in the evolution of corporate governance more attention on employing voting rights to engage companies on sustainability, human rights, the environment, etc? How can shareholders' voting rights use to promote investors' responsible investing agendas and put these issues onto the agendas of shareholder meetings? How are US and European investors addressing this issue?

12.05-12.50 Workshop 3 – Investments  
**Setting the Policy**  
*Amsterdam Room*

11.50-12.05

**Case Study: The Nordic Perspective**

Presented by:

Viktor Andersson, *Co-Head, ESG Analysis, SEB Asset Management*, Sweden

12.05-12.35

Panelists:

Harald Walkate, *Senior Vice President, Head of Responsible Investment, AEGON Asset Management*, The Netherlands

Matt Christensen, *Head of Responsible Investment, AXA Investment Managers Ltd.*, France

Viktor Andersson, *Co-Head, ESG Analysis, SEB Asset Management*, Sweden

How do you determine what position your company should take on all the potential SRI themes? How do you keep a policy current? How do you make it global and consistent across geographies and subsidiaries? Given that you cannot focus on every SRI theme, how do you choose and why?

Workshop 4 – Legal/Compliance/Regulatory

**The Knock-Off Effect of the Dodd-Frank Act on European Institutions**

*Den Haag Room*

Panelists:

Matti Leppälä, *Secretary General, Chief Executive Officer, EFRP*, Belgium

Wietse de Jong, *Advocaat, Greenberg Taurig, LLP*, The Netherlands

Uffe Berg, *Corporate Lawyer, Industriens Pension*, Denmark

This wide-ranging piece of US federal legislation, formulated in response to the financial crisis of 2008-2009, is still being hotly debated in America. More precisely how – if – it will be implemented is being hotly debated. Recently, however, more attention is being paid to how this seminal US legislation will affect European investors and the financial institutions they invest in.

12.50-14.30 Lunch  
*Balcony*

Devil's Advocates:

Robert Klijn, *ESG Specialist, Fair Impact*, The Netherlands

Bridget Uku, *Group Investments Manager, London Borough of Ealing Pension Fund*, United Kingdom

Martijn Huijnen, *Portfolio Manager, Socially Responsible Investing, SPF Beheer bv*, The Netherlands

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14.30-15.15 Panel Discussion  
**Integration of ESG into Investment Processes**  
*Koepelzaal*

Panelists:

Roger Wildeboer Schut, *Manager, Responsible Investment, AEGON Asset Management*  
The Netherlands

Amra Balic, *Director, EMEA Head of Corporate Governance and Responsible Investment*,

**BlackRock**, United Kingdom  
Will Oulton, *Head of Europe, Responsible Investment*, **Mercer**, United Kingdom  
Frank Curtiss, *Head of Corporate Governance*, **Railpen Investments**, United Kingdom

How do pension funds that are index-based enact or encourage ESG in their investment processes and with their managers? Is the issue one of addressing risks or adding value? How do non index-based funds integrate ESG into their analyses? Do you have the necessary budget and tools to be effective?

15.15-15.45 Case Study  
**A Calculated, Practical Approach to Achieving ESG Objectives**  
*Koepelzaal*

Presented by:  
Rogier Snijdewind, *Advisor, Responsible Investment*, **PGGM Investments**, The Netherlands

Using PGGM's work with palm oil and water projects in Asia as the baseline, this session will explore how one of the world's most engaged funds has developed a practical strategy to achieve its ESG objectives through a series of defined "steps". The first of these steps is increasing process efficiency (ie, knowing more about what a company is doing), the second is increasing efficiency (ie, lowering a company's environmental or social footprint), and then working to improve product sustainability.

15.45-16.15 Coffee Break  
*Koepelzaal Foyer*

16.15-16.30 Presentation  
**The Lehman Brothers Case: An Update**  
*Koepelzaal*

Presented by:  
John Kehoe, *Partner*, **Kessler Topaz Meltzer Check LLP**, United States

The class action resulting from the collapse of Lehman Brothers in 2008 has been one of the seminal cases of our time. In this session, we will update the lessons learned from the failure of Lehman Brothers and the resulting shareholder actions that have been taken and apply those lessons to other contemporary shareholder actions.

16.30-17.00 Case Study  
**What Happens When Investors Become Enablers of Bad Corporate Governance?**  
*Koepelzaal*

Presented by:  
Raj Thamotheram, *President*, **Network for Sustainable Financial Markets**, and *Co-Founder*, **Preventable Surprises**, United Kingdom

This session will posit that investors, rather than ensuring a socially useful form of corporate governance, have been "enablers" of a certain "corporate governance pathology", dysfunctional markets, and wealth destruction. The speaker will highlight some ways to remedy this situation.



17.00-18.00 Keynote Presentation:  
**Revisioning Global Priorities**  
*Koepelzaal*

Presented by:  
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With an Introduction by:  
Darren J. Check, *Partner, Kessler Topaz Meltzer Check LLP*, United States

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18.00-19.00 Cocktail Reception  
*Balcony*

19.00 Program Concludes