

November 14, 2022

Board of Directors  
c/o Corporate Secretary  
Arbor Realty Trust, Inc.  
333 Earle Ovington Boulevard, Suite 900  
Uniondale, NY 11553

Dear Board of Directors,

Since 2020, our offices and the signatories listed below, representing over \$3 trillion in assets under management and advisement, have written an annual letter to all companies listed on the Russell 3000 regarding advancing racial, ethnic, and gender diversity on corporate boards.

The purpose of this third letter is to reiterate our request that your firm consider publicly reporting in its annual proxy statement for the 2023 filing the self-identified racial, ethnic, and gender composition of the Board of Directors.

**Based on our analysis as of July 22, 2022, your firm does not disclose in its proxy statement the racial, ethnic, and gender composition of the Board of Directors.<sup>1</sup> We strongly encourage you to consider doing so for the 2023 filing, as we find corporate reporting in the proxy statement the most reliable data source.**

Over the last two years, we have witnessed rapid growth in the number of Russell 3000 firms disclosing the racial, ethnic, and gender composition of board directors. In fact, the number of firms now disclosing the race, ethnicity, and gender of individual directors has grown 16-fold since 2020.<sup>2</sup> Now only 24% of Russell 3000 companies, including your firm, remain outliers in not disclosing this decision-useful information regarding the composition of the board.<sup>3</sup>

We encourage your firm to adopt a form of disclosure called the “Board Matrix,” which features a table describing essential attributes, such as the skills, gender, race, and ethnicity of *individual directors* on the board. To view model company disclosure in this regard, see page 20 of the [2022 Proxy Statement of United Therapeutics](#) or page 33 of the [2022 Proxy Statement of Crown Castle International](#) (enclosed). Nasdaq also offers a number of [board diversity matrix disclosure templates and examples](#) of how companies are reporting in accordance with its board diversity listing standard requirements. While we welcome the expansiveness of its categories, we note the importance of individual director-level disclosure, as shown in the United Therapeutics and Crown Castle International examples.

Many of the undersigned vote against nominating committees with no reported racial, ethnic, and gender diversity disclosure in their proxy statements. Many of the undersigned are also considering strengthening voting policies on this issue and expanding more direct shareholder engagement with laggard companies in 2023.

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<sup>1</sup> Our analysis was conducted using data collected by Institutional Shareholder Services (ISS).

<sup>2</sup> Based on our analysis of data collected by Institutional Shareholder Services (ISS).

<sup>3</sup> Ibid.

We are joined in our outreach by Ariel Investments, Boston Trust Walden, the Chicago City Treasurer, Delaware State Treasurer, Illinois State Board of Investment, Impax Asset Management, JLens, JUST Capital, Legal & General Investment Management America, Marquette Associates, Meketa Investment Group, New York City Comptroller, Oregon State Treasurer, Seattle City Employees' Retirement System, Segal Marco Advisors, SOC Investment Group, Trillium Asset Management, UAW Retiree Medical Benefits Trust, Vermont Pension Investment Commission, Vermont State Treasurer, and Wisconsin State Treasurer.

These asset owners, asset managers and consulting firms are taking action on board diversity – inclusive of race, ethnicity, and gender – as a material factor in investing correlated with long-term outperformance and quality corporate governance.<sup>1</sup>

Despite broad consensus among academics and financial analysts that diversity enhances performance, there remains a paucity of data on racial and ethnic diversity at the board level. As such, we share the goal that leading American companies voluntarily disclose the racial and ethnic composition of their individual board directors. We believe this approach is superior to data that rely on assumptions of the racial and ethnic composition of corporate boards. The lack of self-reported data on racial and ethnic composition creates unnecessary barriers to investment analysis and academic study.

Furthermore, in August 2021, the Securities and Exchange Commission approved Nasdaq's proposed board diversity rule<sup>2</sup> requiring listed companies to meet diversity thresholds or explain their failure to do so, as well as to disclose diversity statistics.

Our offices lead, respectively, the [Midwest Investors Diversity Initiative](#) and the [Northeast Investors Diversity Initiative](#), both of which advocate for gender, racial, and ethnic board diversity at public companies headquartered in these regions. We are also members of [The Thirty Percent Coalition](#), a national organization that, in addition to advocating for board diversity, has called on companies to publicly disclose their board composition, inclusive of gender, race, and ethnicity.

Thank you for your time and attention to this request. Please direct any inquiries to [DiversityDisclosureInitiative@ct.gov](mailto:DiversityDisclosureInitiative@ct.gov).

Sincerely,



Michael W. Frerichs  
Chair, Diversity Disclosure Initiative  
Illinois State Treasurer



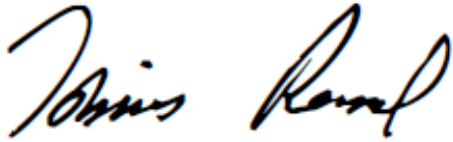
Shawn T. Wooden  
Co-Chair, Diversity Disclosure Initiative  
Connecticut State Treasurer

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<sup>1</sup> "Diversity Wins," McKinsey & Company, 2020, available at: [www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Diversity%20and%20Inclusion/Diversity%20wins%20How%20inclusion%20matters/Diversity-wins-How-inclusion-matters-vf.pdf](http://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Diversity%20and%20Inclusion/Diversity%20wins%20How%20inclusion%20matters/Diversity-wins-How-inclusion-matters-vf.pdf);

"Diversity Matters," McKinsey & Company, 2015, available at: [www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters](http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters);  
David Rock and Heidi Grant, "Why Diverse Teams are Smarter," Harvard Business Review, Nov. 4, 2016, available at: <https://hbr.org/2016/11/why-diverse-teams-are-smarter>.

<sup>2</sup> <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules/Nasdaq%205600%20Series>;  
<https://listingcenter.nasdaq.com/assets/Board%20Diversity%20Disclosure%20Matrix.pdf>;  
[https://listingcenter.nasdaq.com/assets/Board%20Matrix%20Examples\\_Website.pdf](https://listingcenter.nasdaq.com/assets/Board%20Matrix%20Examples_Website.pdf)



Tobias Read  
Oregon State Treasurer



Brad Lander  
New York City Comptroller



Elizabeth A. Pearce  
Vermont State Treasurer



Thomas J. Golonka  
Chair  
Vermont Pension Investment Commission



Sarah A. Godlewski  
Wisconsin State Treasurer



Colleen C. Davis  
Delaware State Treasurer



Jeff Davis  
Executive Director  
Seattle City Employees' Retirement System



Johara Farhadieh  
Executive Director/Chief Investment Officer  
Illinois State Board of Investment



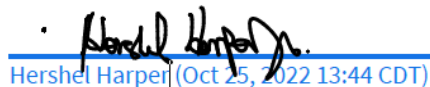
Dieter Waizenegger  
Executive Director  
SOC Investment Group



Melissa Conyears-Ervin  
Chicago City Treasurer



Aaron Meder  
Chief Executive Officer  
LGIM America



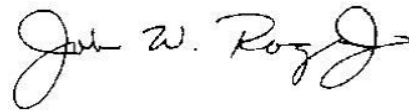
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Hershel Harper | (Oct 25, 2022 13:44 CDT)

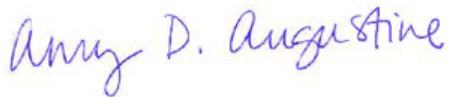
Hershel Harper  
Chief Investment Officer  
UAW Retiree Medical Benefits Trust



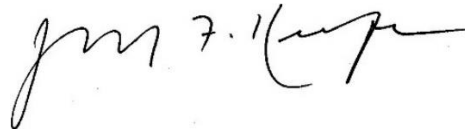
Martin Whittaker, Ph.D.  
Chief Executive Officer  
JUST Capital



John W. Rogers, Jr.  
Chairman, Co-CEO & Chief Investment Officer  
Ariel Investments



Amy D. Augustine  
Director, ESG Investing  
Boston Trust Walden



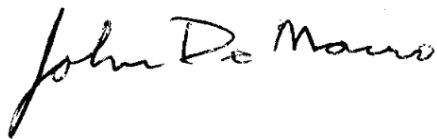
Joe Keefe  
President  
Impax Asset Management



Matthew Patsky, CFA  
Chief Executive Officer  
Trillium Asset Management



Dani Nurick  
Director of Advocacy  
JLens



John DeMairo  
President & CEO  
Segal Marco Advisors



Steve McCourt  
Managing Principal  
Co-Chief Executive Officer  
Meketa Investment Group



Brian Wrubel  
President & CEO  
Marquette Associates

**EXAMPLE DISCLOSURE OF RACIAL AND GENDER BOARD COMPOSITION**

From the [2022 Proxy Statement](#) of Crown Castle International Corp.

	Bartolo	Brown	Christy	Fitzgerald	Goldsmith	Jones	Melone	Moreland	Stephens	Thornton
<b>Knowledge, Skills and Experience</b>										
Public Company Board Experience	•	•	•	•	•	•	•	•	•	•
Financial	•	•	•			•	•	•	•	•
Risk Management	•	•	•			•	•	•		•
Accounting	•	•				•		•		
Corporate Governance/Ethics			•	•	•	•				•
Legal/Regulatory				•						
HR/Compensation		•	•			•	•	•		
Executive Experience	•	•	•		•	•	•	•	•	•
Operations		•	•			•	•	•	•	•
Strategic Planning/Oversight	•	•	•	•	•	•	•	•	•	•
Technology		•	•	•	•		•	•		
Mergers and Acquisitions	•	•	•	•		•		•	•	
Wireless/Telecom/REIT Industry	•	•	•	•	•	•	•	•	•	
Academia/Education		•			•	•				
<b>Demographics</b>										
<b>Race/Ethnicity</b>										
African American				•		•			•	•
Asian/Pacific Islander										
White/Caucasian	•	•	•		•		•	•		
Hispanic/Latino										
Native American										
<b>Gender</b>										
Male	•	•		•			•	•	•	•
Female			•		•	•				
<b>Board Tenure</b>										
Years	8	6	15	20	4	1	7	16	1	1

## EXAMPLE DISCLOSURE OF RACIAL AND GENDER BOARD COMPOSITION

From the [2022 Proxy Statement](#) of United Therapeutics

### Board Diversity and Skills

We believe it is important that our Board is composed of individuals reflecting the diversity represented by our employees, our patients, and our communities. In recent years, our Nominating and Governance Committee has taken this priority to heart in its nominations process, and the diversity of our Board has grown significantly. With the addition of Dr. Linda Maxwell in 2020, we have continued to expand the diversity of our Board, which is among the most diverse of our peers. In response to feedback from shareholders, we provide below enhanced disclosure regarding the diversity and skillset of our Board.

	Causey	Dwek	Giltner	Klein	Kurzweil	Maxwell	Mesa	Olian	Patusky	Rothblatt	Sullivan	Thompson
<b>Knowledge, Skills and Experience</b>												
Public Board Experience*		•			•	•		•			•	•
Executive Management Experience	•	•			•		•	•		•	•	•
Financial Expertise	•	•	•			•	•	•	•	•	•	•
Legal							•		•	•		•
Government / Regulatory Experience						•	•		•		•	•
International		•	•			•	•	•		•		•
Science / Medicine		•			•	•	•			•	•	
Healthcare Industry Experience	•	•			•	•				•	•	•
Environmental, Social, and Governance	•	•	•	•		•	•	•	•	•	•	•
<b>Gender</b>												
Male	•	•	•		•				•		•	•
Female				•		•	•	•		•		
<b>Race / Ethnicity</b>												
African American or Black						•					•	
Alaskan Native or American Indian												
Asian												
Hispanic or Latinx							•					
Native Hawaiian or Pacific Islander												
White	•	•	•	•	•	•	•	•	•	•		•
<b>LGBTQ+</b>										•		

\* Denotes experience serving on the board of directors of one or more public companies other than United Therapeutics.