



OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHS

March 29, 2018

Mr. Stuart Oran
Corporate Secretary
FCB Financial Holdings, Inc.
2500 Weston Road
Suite 300
Weston, Florida 33331

RE: Bright Directions College Savings Trust

Dear Mr. Oran:

In my capacity as Treasurer for the State of Illinois and Trustee of the Bright Directions College Savings Trust (the "Trust"), I write to give notice that the Fund is withdrawing its shareholder proposal that it had intended to present at the 2018 annual meeting of shareholders (the "Annual Meeting") in view of the Company's new policy on sourcing diverse board candidates.

As disclosed in the 2018 preliminary proxy statement: "On February 21, 2018, our Board adopted a formal policy to enhance diversity among the board membership. The policy requires that the initial list of candidates from which new management-supported director nominees are chosen by the Nomination and Governance Committee include (but need not be limited to) qualified women and minority candidates, and that any third-party consultants asked to furnish such an initial list of candidates be requested to include such candidates."

We appreciate the Company's action on this important issue.

Sincerely,

Michael Frerichs
Illinois State Treasurer

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SHAREHOLDER PROPOSAL ON BOARD DIVERSITY

Resolved

Shareholders request that the Board of Directors of FCB Financial Holdings adopt a policy for improving board diversity (the "Policy") requiring that the initial list of candidates from which new management-supported director nominees are chosen (the "Initial List") by the Nominating and Governance Committee should include (but need not be limited to) qualified women and minority candidates. The Policy should provide that any third-party consultant asked to furnish an Initial List will be requested to include such candidates.

Supporting Statement

Currently, FCB Financial Holdings has no women or minorities on its board. A growing body of empirical research indicates a significant positive relationship between firm value and the percentage of women and minorities on boards. A 2012 Credit Suisse Research Institute evaluated the performance of 2,360 companies globally over six years and found that companies with one or more women on boards delivered higher average returns on equity, lower leverage, better average growth and higher price/book value multiples. (<https://www.credit-suisse.com/articles/news-and-expertise/2012/07/en/does-gender-diversity-improve-performance.html>). A 2015 McKinsey study of 366 companies found that corporate leadership in the top quartile for racial and ethnic diversity were 35 percent more likely to have financial returns above their national industry median. (<http://www.diversitas.co.nz/Portals/25/Docs/Diversity%20Matters.pdf>).

We believe that the search process used by boards can play an important role in improving board diversity. According to a 2016 study published by the *Harvard Business Review*, including more than one woman or member of a racial minority in a finalist pool helps combat unconscious bias among interviewers and increases the likelihood of a diverse hire. (<https://hbr.org/2016/04/if-there-only-your-candidate-pool-theres-statistically-no-chance-shell-be-hired>).

Increasingly, business organizations are adopting policies to implement this Policy. A 2012 NACD Blue Ribbon Commission report on Board Diversity recommended that no less than one-third of candidates for new board seats should match the board's definition of diverse.

(<https://www.nacdonline.org/Store/ProductDetail.cfm?ItemNumber=5814>). In its 2016 Principles of Corporate Governance, the Business Roundtable calls on boards to "develop a framework for identifying appropriately diverse candidates that allows the nominating/governance committee to consider women, minorities, and others with diverse backgrounds as candidates for each open board seat."

(<http://businessroundtable.org/corporate-governance>). Policies like the one advanced in this Proposal have been adopted by the nominating and governance committees of Gentex Corporation, Costco Wholesale Corporation, Home Depot, Whole Foods Market, IDEXX Labs, Stryker Corporation and Neogen Corporation.

The proposed rule resembles the Rooney Rule in the National Football League (NFL), which requires teams to interview minority candidates for head coaching and senior football operations openings. While corporate boards may face differing circumstances, it is difficult to ignore the positive impact of the Rooney Rule on diversity. In the twelve years before the Rule was implemented, the NFL had four minority head coaches and one minority general manager. Twelve years after, the NFL had sixteen minority head coaches and eight minority general managers. (<https://www.sec.gov/comments/s7-06-16/s70616-293.pdf>)