



**OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

FOR IMMEDIATE RELEASE
Monday, October 21, 2002

Nappier Initiative Promotes Independence, Diversity on Corporate Boards

Innovative Partnership Includes Business Organizations, State Commissions and Non-Profits; Aim is to Increase Independence, Participation of Women, Minorities

Connecticut State Treasurer Denise L. Nappier announced the launch of a ground-breaking initiative to increase the participation of women and minorities as members of Boards of Directors of Connecticut corporations of all sizes. The "Board Diversity Initiative," the first of its kind in the country, will take a multi-tiered approach to tackling the challenge of making corporate board membership more independent and diverse, and includes the state's top business organizations.

The initiative -- which may serve as a model for other states -- complements a decision by the New York Stock Exchange, which includes many of the nation's largest firms, to adopt new standards requiring that independent directors comprise a majority of a board. The new standards were developed in response to public concerns over the numerous recent corporate financial scandals.

"There is an historic and unprecedented opportunity for greater diversity on America's corporate boards," Nappier said. "With hundreds of corporate boards looking to add new members, there is a real chance, as never before, to add diversity to the board room and new strength to the bottom line. This effort brings together our state's business community and the front-line organizations that have been working to expand opportunity throughout our state. I'm confident it will be a partnership with benefits that accrue to the citizens and businesses of Connecticut."

"Our members understand that diversity on their board of directors strengthens their corporations and enhances their ability to achieve strategic goals," said John R. Rathgeber, executive vice president for the Connecticut Business & Industry Association (CBIA). "CBIA looks forward to working with Treasurer Nappier and all the participants on this important initiative."

The Treasurer's Office has partnered with Connecticut's top business member organizations -- the Connecticut Business and Industry Association (CBIA), the Southwestern Area Commerce and Industry Association (SACIA), the Connecticut Technology Council, and The National Association of Corporate Directors Connecticut River Valley Chapter. The initiative also includes the participants in "*Reflecting Connecticut/Reflejando a Connecticut*," a project to increase representation of people of color and women on state and municipal boards and commissions, which includes the

Contact: **Bernard L. Kaval er**
Director of Communication
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US

African-American Affairs Commission (AAAC), Latino and Puerto Rican Affairs Commission (LPRAC), the Permanent Commission on the Status of Women (PCSW) and twenty statewide community-based organizations including DemocracyWorks and the National Conference on Community and Justice (NCCJ).

The need to fill board seats will present important challenges for companies in Connecticut. For example, in 2001 the Permanent Commission on the Status of Women (PCSW) surveyed the top 100 public companies in Connecticut and found that of the companies responding, 49% had no women members on their board.

"The Permanent Commission on the Status of Women has long seen a lack of gender diversity on Connecticut's corporate boards. This Board Diversity Initiative to encourage corporations of all sizes to appoint more women to directorships is a welcome one. Diverse voices are always valuable in a decision making body," said Barbara Potopowitz, Public Information Officer of the Commission and Administrator of its Talent Bank Program.

The Connecticut initiative will:

- Inform Connecticut companies about the importance of diversity,
- Educate individuals as to the necessary criteria for serving on boards, and help them identify opportunities to serve,
- Work with companies that currently lack diverse board membership, and
- Broaden the talent pools of the participating organizations.

"Diversity is a value that must be reflected at all levels of business. This is an essential measure of good governance," said Joyce C. Hamilton, Associate Director of DemocracyWorks and project director for *Reflecting Connecticut*.

"We congratulate State Treasurer Nappier for this unique initiative. The Latino and Puerto Rican Affairs Commission is honored and delighted to work closely with all the partners to create an environment that will guarantee full inclusion of the great talent Latinos can offer to private corporations in the State of Connecticut," said Fernando Betancourt, executive director of the Latino and Puerto Rican Affairs Commission (LPRAC).

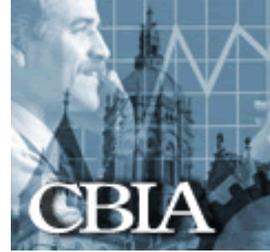
Under the new NYSE standards, companies must have a nominating committee, compensation committee and an audit committee, each comprised solely of independent directors.

Treasurer Nappier, principal fiduciary of the \$18 billion Connecticut Retirement Plans and Trust Funds, said the fund's investment proxy voting guidelines, as developed by her Office and the state's Investment Advisory Council, "reflect our belief that shareholder value and the corporate bottom line are enhanced by an independent and diverse Board of Directors."

"It has been shown that added diversity and independence helps a company's bottom line, and increasing diversity in the boardroom to better reflect a company's workforce, customers and community is ultimately in the best interest of shareholders and our economy," Nappier said.

Contact: **Bernard L. Kaval er**
Director of Communication
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US

Participating Organizations:



SACIA

Southwestern Area Commerce & Industry Association



Contact: Bernard L. Kaval er
Director of Communication
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US