



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

NEWS

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STATE PENSION FUND BACKS SHAREHOLDER EFFORT URGING DIVERSITY ON BOARD OF AMERICAN POWER CONVERSION

Nappier calls on company to include women, minorities as Board members

State Treasurer Denise Nappier said today that the state pension fund is supporting an effort by shareholders of American Power Conversion corporation (APC) which urges the company to better reflect the changing global marketplace by including women and minorities on its Board of Directors.

Treasurer Nappier, as principal fiduciary for the \$22-billion Connecticut Retirement and Pension Trust Funds (CRPTF), is supporting a shareholder resolution to be submitted for consideration at APC's 2001 annual meeting.

The state pension fund holds 35,800 shares of APC, a Warwick, Rhode Island-based company that designs, manufactures and markets products that protect computer systems from power disturbances. Since going public in 1988, the company has increased sales from \$10 million to \$1.3 billion annually, but the composition of its five member board – all male and white – has not changed.

In a letter to APC Board Chairman Roger B. Dowdell, Jr. in support of the shareholder resolution, Treasurer Nappier said, "Board diversity ensures that members who serve on boards are drawn from the broadest pool of talent and expertise. Diversity also enhances business performance by enabling a company to respond effectively to the needs of customers worldwide."

Nappier added, "APC presently conducts business globally and therefore it is imperative for the advancement and growth of APC that it have internal policies that recognize the diverse external environment the corporation encounters daily."

Nappier is supporting a shareholder resolution advocated by Citizens Funds. It follows a similar effort by the same organization at APC's last annual meeting which garnered the support of 30% of shareholders, the highest total vote for such a resolution in the United States this year. The resolution calls for:

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- The APC Board Nominating Committee to make a greater effort to locate qualified women and persons of color as candidates for nomination to the board
- The Board to issue a public statement committing the company to a policy of board inclusiveness, with a program of steps to be taken and a timeline during which the company is expected to move in that direction
- The company to provide to shareholders a report by September 2001 which includes a description of (a) efforts to encourage diversified representation on the board, (b) criteria for board qualification and (c) the process of selection for board nominees, and board committee members.

Treasurer Nappier is supporting the resolution in accordance with the CRPTF proxy voting guidelines, endorsed earlier this year by the state's Investment Advisory Council, which call for the state pension funds to support diversity on corporate boards of directors. Nappier said that the state pension fund will continue to take an active role in shareholder issues, such as corporate responsibility and diversity, as outlined in the guidelines, which may be viewed at www.state.ct.us/ott.

"In today's business environment, there are abundant female and minority professionals who have the necessary qualifications to serve APC in the capacity of Director," Nappier pointed out in her letter. "There are many ways to identify and recruit qualified minority Board members. The simplest might be to establish a nominating committee of the Board composed of outside directors and to make diversity recruiting a principal focus of its activities."

In addition to Citizens Funds, the shareholder resolution was co-sponsored by Progressive Investment Management and the Interfaith Center on Corporate Responsibility.