



OFFICE OF
STATE TREASURER
DENISE L. NAPIER

NEWS

FOR IMMEDIATE RELEASE

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**Statement by Connecticut Treasurer Denise L. Nappier
RE: SEC Proposed Rule on Executive Pay Disclosure**

"I strongly applaud the SEC for proposing rules that would require all public companies to disclose to their shareholders, in straightforward, concise and plain language, all compensation to be provided to their highest paid employees. Now, the SEC needs to follow through and establish requirements that go beyond window dressing and substantially re-make the substance of corporate disclosure.

I commend the SEC's decision to include a requirement that when a company reports that executive pay is linked to performance, as it should be, the company must also detail the decision-making process, metrics and performance periods that were used by the board to arrive at pay-for-performance compensation. Investors need to know not only *what* is being paid, but *how* and *why*.

As always, the devil is in the details, and we intend to submit comments once we've seen the fine print. Pay-for-performance disclosure is a fundamental and essential tool for shareholders to evaluate the effectiveness of board-approved compensation incentives, and whether the creation of long-term value for shareholders is likely to result.

Disclosure, however, is only the tip of the iceberg. Investors need the ability to see what board compensation committees have approved, and to work with those committees going forward, to bring 'sky's-the-limit' pay and retirement packages back down to earth."

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