



The Office Of State Treasurer
Denise L. Nappier

News

FOR IMMEDIATE RELEASE
April 24, 2015

CRPTF AND INVESTOR GROUP REACH AGREEMENT WITH MONSTER BEVERAGE TO CONSIDER DIVERSITY IN BOARD APPOINTMENTS

AFTER YEARS OF PRODDING, MONSTER BEVERAGE ADDS WOMAN TO ITS BOARD

HARTFORD, CT -- State Treasurer Denise L. Nappier today announced that the Connecticut Retirement Plans and Trust Funds (“CRPTF”), together with a coalition of institutional investors, has won an agreement with Monster Beverage Corporation to consider diversity when seeking candidates for its board.

“This agreement is good news for Monster Beverage’s future outlook as a financially strong and responsible company,” Treasurer Nappier said. “By recognizing the importance of a truly diverse pool of candidates for its Board, Monster Beverage is one of a growing number of forward-looking companies that will be better positioned to achieve a sustainable business model and enhance the bottom line. As principal fiduciary of the Connecticut pension funds, that is what I care about.”

The New York Common Retirement Fund, as primary filer, along with the CRPTF, the City of Philadelphia Public Employees Retirement System and Calvert Investments, had filed a shareholder resolution , calling on Monster Beverage to report on plans to increase gender and racial diversity on its board. The precedent-setting agreement adds sexual orientation and gender identity as additional considerations when recruiting diverse board candidates.

Monster Beverage agreed to amend its charter to say:

“Diversity of race, ethnicity, gender, sexual orientation and gender identity are factors in evaluating suitable candidates for Board membership. The [Nominating] Committee will consider diverse candidates in the pool from which Board nominees are chosen, including without limitation nominees from both corporate positions beyond the executive suite and non-traditional environments.”

Monster Beverage also will nominate a woman for the first time to its board. The name will be announced when it releases its proxy statement for its 2015 annual meeting.

As a result of the agreement, the CRPTF has withdrawn the board diversity proposal it filed at Monster Beverage.

The CRPTF held 36,400 shares of Monster Beverage stock valued at \$5 million as of April 16.

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Shown below is the full press release on the Monster Beverage announcement by New York State's Office of the Comptroller, the CRPTF and other partners.

NEWS

From the Office of the New York State Comptroller

Thomas P. DiNapoli

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PENSION FUNDS BREAK NEW GROUND ON BOARD DIVERSITY Monster Beverage, Standard Pacific Agree to Request for Formal Policy that Includes LGBT in Search for Diverse Board Members

New York State Comptroller Thomas P. DiNapoli today announced that the New York Common Retirement Fund (Fund) has reached precedent-setting agreements with Monster Beverage Corp. and Standard Pacific Corp. to formally include sexual orientation and gender identity in their considerations when seeking diverse board candidates. Standard Pacific, a California-based homebuilder, is believed to be the first U.S. corporation to include these provisions in its board nominating charter.

Monster Beverage agreed to amend its charter in response to a separate Fund [proposal](#) which was co-filed by the Connecticut Retirement Plans and Trust Funds, The City of Philadelphia Public Employees Retirement System and Calvert Investments. As a result of the agreements, the Fund has withdrawn the board diversity proposals it filed at the two companies.

“Corporations with homogeneous boards are vulnerable to ‘groupthink’ which can discourage innovation and put their reputations and financial performance at risk,” DiNapoli said. “Investors want their companies to draw talent and ideas from the deepest possible pool, which Monster and Standard Pacific clearly understand. As investors, we’ll continue to urge the companies in our portfolio to adopt more inclusive practices in seeking board candidates.”

“Today’s announcement is good news for Monster Beverage’s future outlook as a financially strong and responsible company,” Connecticut State Treasurer Denise L. Nappier said. “By recognizing the importance of a truly diverse pool of candidates for its Board, Monster is one of a growing number of forward-looking companies that will be better positioned to achieve a sustainable business model and enhance the bottom line. As principal fiduciary of the Connecticut pension funds, that is what I care about.”

“We congratulate Monster Beverage Corp. on its decision to promote diversity in its board room,” said Francis X. Bielli, Executive Director of the Philadelphia Board of Pensions & Retirement. “This is a major step forward for the Company and good news for investors.”

“Congratulations to Monster Beverage for its enhanced commitment to board diversity,” said Shadé Brown, Sustainability Analyst at Calvert Investments. “We applaud the company’s leadership in support of LBGT inclusive nomination criteria.”

Over the past year, the Fund has expanded its goals for board diversity at its portfolio corporations by requesting they include “sexual orientation and gender identity” in their nominating charters. The Fund’s agreements with Monster and Standard Pacific are the first to include this language. In previous years, the Fund’s efforts to foster greater diversity had focused on corporate board’s gender and racial diversity. It is increasingly critical to corporations’ long-term success in the global marketplace that they be able to draw on a wide range of viewpoints, backgrounds, skills and experience.

Monster’s new charter language revises the board’s guidelines for selecting and nominating candidates for election to the board by stating that, “Diversity of race, ethnicity, gender, sexual orientation and gender identity are factors in evaluating suitable candidates for Board membership.” Standard Pacific’s [revised language](#) now states that the board’s nominating committee will consider “diversity of background and experience which includes gender, race, ethnicity, sexual orientation, gender identity, culture and geography.”

View the proposal that was filed and withdrawn at Monster Beverage:
www.osc.state.ny.us/press/releases/apr15/monster_board_diversity2015.pdf

View the proposal that was filed and withdrawn at Standard Pacific:
www.osc.state.ny.us/press/releases/apr15/standard_pacific_proposal.pdf

The Fund currently has proposals requesting reports on efforts to increase board diversity pending at LinkedIn and Skechers USA. DiNapoli has filed similar proposals with 14 portfolio corporations since 2012. The Fund withdrew its proposal from 11 of the companies after reaching agreements.

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