



The Office Of State Treasurer
Denise L. Nappier

News

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CONNECTICUT RETIREMENT PLANS AND TRUST FUNDS RESOLUTION ON ACCESS TO THE PROXY STATEMENT WINS NEAR MAJORITY AT COMMUNITY HEALTH SYSTEMS' ANNUAL MEETING

HARTFORD, CT – State Treasurer Denise L. Nappier announced today that a shareholder resolution giving long-term substantial investors the right to nominate directors to Community Health Systems' board won a near majority – 49.8 percent of the vote – at the company's Annual General Meeting last week.

The \$30-billion Connecticut Retirement Plans and Trust Funds ("CRPTF"), of which Treasurer Nappier is principal fiduciary, proposed the resolution at the annual meeting, held on Tuesday, May 19, in New York City.

If shares of company executives and directors are excluded, the resolution received 52.5 percent of the vote.

"Government investigations relating to Community Health Systems' billing practices, National Labor Relations Board rulings against the company, and an existing board with too much tenure made it apparent that having a core shareholder ownership right – the ability to have a meaningful voice as to who represents our interest in the boardroom – was necessary," Treasurer Nappier said.

"We're encouraged by the strong vote at the annual meeting in support of strengthening board accountability to shareholders in a manner that protects and enhances the company's bottom line," she said.

The CRPTF owns 31,137 shares in Community Health Systems common stock with a market value of \$1,605,112 as of May 15. In addition, the CRPTF holds \$10,647,917 in fixed income instruments as of the same date.

The Teachers' Retirement Fund is the largest of the CRPTF's 15 plans and trust funds, and the shareholder resolution drew the support of the American Federation of Teachers (AFT). "It is important to our national and local economies that this company is sustainable into the future so it can continue to provide good jobs that feed our economy and good returns for shareholders. Strong leadership will achieve that goal," AFT President Randi Weingarten said.

The resolution would allow a shareholder or group of shareholders owning at least three percent of Community Health Systems' shares for at least three years to nominate up to 25 percent of the board on management's proxy card. All shareholders of the company would then have the opportunity to elect directors from a slate that includes nominees not selected by the company itself.

The CRPTF has long supported access to the proxy through engagement with companies, comments in favor of the SEC's 2010 rules, and shareholder resolutions. This proxy season, at least 30 proxy access resolutions have been approved by a majority of shareholders at annual general meetings or secured a near majority.

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