



The Office Of State Treasurer  
Denise L. Nappier

## News

For Immediate Release  
May 20, 2016

### **CONNECTICUT'S RESOLUTION ON ACCESS TO THE PROXY WINS STRONG SUPPORT OF SHAREHOLDERS AT COMMUNITY HEALTH SYSTEMS' ANNUAL MEETING**

HARTFORD, CT – State Treasurer Denise L. Nappier announced today that a shareholder resolution endorsing the right of long-term investors to nominate directors to the board of Community Health Systems (“CHS”) won 83.15 percent of the vote – a whopping four-fifths majority.

The \$29 billion Connecticut Retirement Plans and Trust Funds (“CRPTF”), of which Treasurer Nappier is principal fiduciary, proposed the resolution at the company’s annual meeting held in New York City on May 17.

“Proxy access is a fundamental investor right that has been proven to increase a company’s value because directors tend to be more accountable for the creation of long-term value,” Treasurer Nappier said. “Accountability is of particular importance to shareholders at CHS, given the company’s fraud settlements in 2014 that totaled \$98 million.”

Connecticut’s resolution calls on Community Health Systems to amend its bylaws to allow shareholders (owning at least three percent of the company’s 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 selected by the company and shareholders.

“Today’s overwhelming vote is a clear victory that strengthens shareholders’ input in the election of those tasked with leading the company,” Treasurer Nappier said. “We look forward to working with the Board on adoption of this critical governance measure in the interests of ensuring the company’s sustainable health.”

The CRPTF has long supported access to the proxy through engagement with companies, comments on rules promulgated by the Securities and Exchange Commission (“SEC”), and shareholder resolutions.

Treasurer Nappier noted, “More than a decade ago, the CRPTF urged the SEC to adopt proxy access rules. It is gratifying to see that the shareholders of CHS have embraced the wisdom of proxy access. It is essential that the owners have a say in the selection of the stewards of their company. More companies need to follow suit.”

As of May 18, 2016, the CRPTF owned 19,687 shares of Community Health Systems’ common stock with a market value of \$247,662 and \$7,271,175 in fixed income instruments.

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