

**JEB SPAULDING**  
STATE TREASURER

**RETIREMENT DIVISION**  
TEL: (802) 828-2305  
FAX: (802) 828-5182



**ABANDONED PROPERTY DIVISION**  
TEL: (802) 828-2407

**ACCOUNTING DIVISION**  
TEL: (802) 828-2301  
FAX: (802) 828-2884

**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

**NEWS RELEASE NEWS RELEASE NEWS RELEASE NEWS RELEASE**

For immediate release: February 24, 2004

For more information or interview, contact: Jeb Spaulding at 802-828-2301

**Vermont Retirement Boards Will Use Shareholder Proxies to Push for Corporate Responsibility**

Montpelier –Vermont’s three state-level retirement system boards have approved an extensive set of proxy voting guidelines to be used by their investment managers when voting on a wide range of issues up for consideration at corporate annual meetings.

The retirement systems for Vermont’s state employees, teachers, and municipal employees have pension fund assets of approximately \$2.4 billion, more than half of which are in stocks. As shareholders, the retirement systems have the opportunity to cast votes by proxy on resolutions brought before corporate boards of directors on issues ranging from corporate governance to social and environmental concerns.

Developing a system to encourage Vermont’s investment managers to vote consistent with sound corporate governance and responsible corporate practices has been a high priority for Vermont State Treasurer Jeb Spaulding, who sits on all three boards.

“The reason be active in voting our proxies is to protect the assets of our retirement systems and to encourage the kind of responsible practices that will add investment value over the long run. This is a fundamental responsibility that we could not ignore as board members,” said Spaulding.

Until now, proxy voting had been delegated to individual investment managers with no specific guidance from the pension boards. Spaulding recently conducted a review documenting that Vermont’s managers holding the same stock sometimes vote in contradiction to each other on the exact same question.

“It didn’t make a lot of sense to me that one of our managers voted our shares in favor of a proposal to have stock options expensed by IBM and Intel, while another of our managers voted our shares against the exact same proposal,” Spaulding explained.

Most of the proxy guidelines relate to questions of corporate governance, such as executive compensation, auditor independence, and shareholder rights, but they also include guidance on a range of subjects relating to environmental disclosure, toxic emissions, fair labor practices, and non-discrimination.

The Treasurer and the retirement system boards selected Institutional Shareholder Services, Inc., to help manage their proxy voting responsibilities in the future. Institutional Shareholder Services is the world’s leading provider of proxy research, voting, and corporate governance services. The firm will assist the retirement boards in keeping their proxy voting guidelines current, and will monitor Vermont’s investment managers to see if they are voting consistent with Vermont guidelines.

The proxy policy and guidelines can be found at [www.vermonttreasurer.gov](http://www.vermonttreasurer.gov)

###