



October 20, 2014

[Name, Title]

[Mailing Address]

Dear [Insert Name],

We the undersigned coalition¹ of industry leaders, including state and city elected officials, national women's organizations, institutional investors, labor unions, and corporate governance experts, are writing to urge your company to increase the gender diversity on your board of directors. We believe, and research has demonstrated, that taking such a step will result in bottom-line benefits to your company. Specifically, the goal of our coalition – the Thirty Percent Coalition – is to assure that qualified women hold 30 percent of board seats across public companies by the end of 2015. The rationale for doing so is straightforward: companies that embrace gender diversity are better-governed, better-managed and have better long-term growth prospects. This is a win-win proposition for both companies and their shareholders.

Numerous studies have underscored the nexus between greater board and management diversity, on the one hand, and improved corporate governance and financial performance, on the other.ⁱ This is particularly true when there is a critical mass of three or more women on a board.ⁱⁱ When women are at the table, the discussion is richer, the decision-making process is better, management is more innovative and collaborative, and the organization is stronger. Quite simply, gender diversity, and by extension, diversity has positive financial consequences. While women are the predominant group affected by the present-day exclusion from corporate senior leadership and board of director positions, they are in fact a proxy for a broad definition of diversity that includes race, ethnicity, age, skills and experience.

Yet, overall trends on board diversity are sobering. According to Catalyst's 2013 census of Fortune 500 companies, the following statistics remain discouraging:

- Women held only 16.9 percent of board seats in 2013—no change from 2012 (16.6 percent).

¹ Not all signatories are members of the 30 Percent Coalition, some signers are collaborating on the engagement associated with the letter being sent to the R1000 companies in this effort. Their signature does not connote support of any 30 Percent Mission beyond this engagement.

- In both 2012 and 2013, less than one-fifth of companies had 25 percent or more women directors, while one-tenth had no women serving on their boards.
- Less than one-quarter of companies had three or more women directors serving together in both 2012 and 2013.

The Alliance for Board Diversity's (ABD) updated annual report, "Missing Pieces," reveals equally disturbing statistics for its survey of Fortune 100 companiesⁱⁱⁱ.

- African-American men comprised 7.0 percent of the total corporate board seats.
- Asian/Pacific Islander men comprised 1.9 percent of the total corporate board seats.
- Hispanic/Latino men comprised 3.5 percent of the total corporate board seats.
- As is true with the Catalyst survey of the larger Fortune 500 Index, the statistics seen in the Fortune 100 were repeated in the ABD review of the Fortune 500.

The InterOrganization Network's (ION) analysis of the 2013 proxy season, which includes data from almost 2800 companies in the US, continues to show that, with few notable exceptions, smaller companies generally lag behind their larger counterparts in electing women to their boards and advancing women to their executive suites; only 12.2 percent of board members in the companies included in this analysis were women, and only 12.6 percent of executive officers were women.

ION's early analysis of 2014 data shows that there are nearly as many companies that still have no women on their boards (915) as there are that have one woman serving.

We must do better. We are asking companies to work with us to bring these numbers from where they are today - with women holding somewhere from 12 to 16 percent of corporate board seats - to a national average of 30 percent by the end of 2015.

We are not alone in recognizing the importance of this goal, which has long been promoted by many prominent institutional investors and is increasingly being recognized by parliaments and regulatory bodies worldwide. In 2002, Norway passed a law requiring that 40 percent of board members be women - a law that has now been fully implemented. Additionally, Spain, Iceland, France, the Netherlands, Malaysia, Italy and Belgium have passed comparable laws. The UK Lord Davies Report commissioned by the Cameron government set a goal of 25 percent women on FTSE 100 boards by 2015 and required listed companies to establish policies concerning boardroom diversity, including measurable objectives and annual disclosure of progress. The Australian Stock Exchange (ASX) adopted "comply or explain" corporate governance guidelines setting benchmarks for progress and reporting on gender diversity by listed companies. Recently, the Hong Kong Stock Exchange (HKEx) adopted similar corporate governance guidelines.

As institutional investors and concerned women's organizations, we are requesting that your Board of Directors take positive action to correct the lack of meaningful diversity

among its members, particularly the lack of any female directors. We also affirm the importance of a diverse Board including racial diversity.

Taking such action would also contribute to a more positive public image and improved corporate reputation which, in turn, would catalyze efforts to recruit, retain, and promote talented people, including women and racial minorities. We believe, and the research supports, that companies combining a commitment to competitive financial performance with a fair and equitable work environment experience gains in both the workplace and the marketplace, which helps generate long-term value for shareholders.

There are many best practices which have enabled companies to move toward a gender diverse board. We have included Model Charter Language for corporate nominating committees, developed by Calvert Investment Management, Inc. in 2002 and endorsed by the National Association of State Treasurers, to assist your company as it shapes policies and practices to achieve more diverse and independent boards. The document entitled, *"Nominating Committee Model Charter Language on Board Diversity Guidelines for creating an inclusive board"* is enclosed for your review and labeled Appendix 1. We urge you to share this letter with your company's board nominating committee and encourage them to better serve shareholders by presenting slates that add women to the company's board of directors.

There are also many resources available to you as you endeavor to achieve greater gender diversity on your board. We would direct your attention, for example, to the Diverse Director DataSource (3D) (www.gmi3d.com), a clearinghouse for potential corporate director candidates with a special emphasis on a more diverse range of backgrounds, perspectives, skills and experience including women and people of color. Commissioned by CalPERS and CalSTRS, two signatories to this letter, 3D is owned, operated and maintained by MSCI, Incorporated, a leading financial and investment research firm that recently purchased GMI.

The signatories to this letter, through their representatives, are interested in engaging with your Nominating Committee members on the plans that the Committee is contemplating or has in place to address the issue of including diversity as a significant criterion in all director searches. We believe that diversity should be included as a stated goal of any search and that all the participants in the search process should understand that is a specific mandate from the Nominating Committee. The Nominating Committee is comprised solely of independent directors in the great majority of public companies, who are the ones most appropriate to handle the task of staffing the board in the best interest of shareholders. The 2009 Securities Exchange Commission's disclosure rule specifically asks that nominating committees disclose how diversity is considered when the board is identifying nominees for directors. (SEC Release Nos. 33-9089; 34-61175; IC-29092; File No. S7-13-09.)

We appreciate the opportunity to present our views to you on this matter and look forward to working with you. On behalf of the undersigned, we thank you in advance for your commitment to this effort. Please feel free to address your reply to Janice Hester-Amey and Tim Smith, Co-Chairs of the Thirty Percent Coalition Institutional Investor Committee, Thirty Percent Coalition, 1231 Highland Avenue, Fort Washington, PA 19034 or via email to

clo@30percentcoalition.org and we will be glad to share your response with all the signatories. In addition, we would be pleased to set up meetings or telephone calls with representative signatories should you desire to engage in dialogue on this important issue.

Sincerely,

State Officials

John Chiang
Controller
State of California

Janet Cowell
Treasurer
State of North Carolina

Thomas P. DiNapoli
Comptroller
State of New York

Steven Grossman
Treasurer and Receiver General
Chairman of the Pension Reserves Investment Management (PRIM) Board
Commonwealth of Massachusetts

Nancy K. Kopp
Treasurer
State of Maryland

Bill Lockyer
Treasurer
State of California

Rob McCord, Treasurer
State of Pennsylvania

James L. McIntire
Treasurer
State of Washington

Denise L. Nappier
Treasurer
State of Connecticut

Gina M. Raimondo
General Treasurer
State of Rhode Island

City Officials

Scott Stringer
Comptroller
New York City

Pension Funds

Jack Ehnes
Chief Executive Officer
California State Teachers' Retirement System

Meredith Miller
Chief Corporate Governance Officer
UAW Retiree Medical Benefits Trust

Elizabeth H. Shuler
Secretary-Treasurer
AFL-CIO

Anne Simpson
Senior Portfolio Manager
Investments
Director of Global Governance
California Public Employees' Retirement System

Michele Sola
Manhattan Country School

Richard E. Walters
Director, Corporate Social Responsibility
The Pension Boards – UCC, Inc.

Meredith Williams
Executive Director
National Council on Teacher Retirement

Mutual Funds and Investment Managers

Geeta Aiyer
President
Boston Common Asset Management

Shelley Alpern
Director of Social Research and Advocacy
Clean Yield Asset Management

Jerome L. Dodson
President
Parnassus Investments

Amy Domini
Founder and Chief Executive Officer
Domini Social Investments

Eve Ellis
Portfolio Manager
Nikolay Djibankov
Portfolio Manager
The Matterhorn Group at Morgan Stanley

Bennett Freeman
Senior Vice President of Sustainability Research and Policy
Calvert Investment Management, Inc.

David Gautsche
President
Praxis Mutual Funds

Julie N.W. Goodridge
President and Chief Executive Officer
NorthStar Asset Management, Inc.

Farha-Joyce Haboucha,
Managing Director and Director of Sustainability and Impact Investing
Rockefeller & Co. Sustainability and Impact Investing Group

R. Paul Herman, Chief Executive Officer
HIP Investor, Inc.

Wendy Holding
Trustee
The Sustainability Group
Loring, Wolcott & Coolidge

Christine Jantz
President and Portfolio Manager
Jantz Management LLC

Ken Jacobs
Colorado Sustainable Financial Planning

Kirsty Jenkinson
Managing Director and Sustainable Investment Strategist
Wespath Investment Management

Leon Kamhi
Executive Director
Hermes Equity Ownership Services

Joe Keefe
President and Chief Executive Officer
Pax World Funds

Sonia Kowal
Director of Socially Responsible Investing
Zevin Asset Management, LLC

Matthew Patsky
Chief Executive Officer
Trillium Asset Management, LLC

Sarah Ruef-Lindquist
Chief Executive Officer
Maine Women's Fund

Tim Smith
Senior Vice President
Director of ESG Shareowner Engagement
Walden Asset Management

Luan Steinhilber
Director of Shareholder Advocacy
Miller/Howard Investments, Inc.

Adam Strauss
Portfolio Manager
Bill Pekin
Portfolio Manager
Josh Strauss
Portfolio Manager
Appleseed Fund

John Streur
President
Portfolio 21

Krista Strohoffer
Financial Advisor CFP®
Principled Investing LLC

Holly A. Testa, AIF®
Director, Shareowner Engagement
First Affirmative Financial Network

Susan White
Trust Director
Oneida Tribe of Indians of Wisconsin
Foundations

Ellen Dorsey Ph.D.
Executive Director
Wallace Global Fund

Ellen Friedman
Executive Director
Compton Foundation, Inc.

Stephen Viederman
Finance Chair
Christopher Reynolds Foundation

Jacki Zehner
President
Jacquelyn and Gregory Zehner Foundation

Religious Institutions

Barbara Aires
Sisters of Charity of Saint Elizabeth

Laura Berry
Executive Director
Interfaith Center on Corporate Responsibility

Michaele Birdsall
Chief Financial Officer and Treasurer
American Baptist Home Mission Society

Byrd Bonner
President
United Methodist Church Foundation

Timothy Brennan
Treasurer and Chief Financial Officer
Unitarian Universalist Association

Judy Byron, OP
Director
Northwest Coalition for Responsible Investment

Rev. Michael H. Crosby, OFM Cap.
Coordinator
Wisconsin/Iowa/Minnesota Coalition for Responsible Investing

Sister Kathleen Coll, SSJ
Administrator
Shareholder Advocacy
CHE Trinity Health / East Division

Sister Patricia A. Daly, OP
Corporate Responsibility Representative
Sisters of St. Dominic of Caldwell, NJ

Claire Deroche
Social Justice Committee
UU Congregation at Shelter Rock

Delia Foster
Community Benefit Manager
CHRISTUS Health

Ed Gerardo
Director
Community and Social Investments
Bon Secours Health System

Mary Ellen Gondeck, CSJ
Congregation of St. Joseph
Office of Peace and Justice

Sister Gladys Guenther
Sisters of the Holy Family

Valerie Heinonen, OSU
Director
Shareholder Advocacy
Dominican Sisters of Hope and Ursuline Sisters of Tildonk

Sister Rose Marie Jasinski, CBS
Leader
Sisters of Bon Secours, USA

Rev. Joseph P. La Mar, M.M.
Assistant Chief Financial Officer
Corporate Social Responsibility
Maryknoll Fathers and Brothers

Lura Mack
Director
Portfolio Advisory Board
Adrian Dominican Sisters
Susan Smith Makos
Vice President Social Responsibility and SRI Advisor
Mercy Investment Services, Inc.

Katie McCloskey
Director, Social Responsibility
United Church Funds

Nora. M. Nash, OSF
Director, Corporate Social Responsibility
Sisters of St Francis of Philadelphia

Sister Helen Sullivan
Director of Justice and Peace
Sisters of St. Joseph of Boston

Joanne Tromiczak-Neid
Justice Coordinator
Sisters of St. Joseph of Carondelet – St. Paul Province

Susan Vickers, RSM
Vice President Community Health
Dignity Health

Richard E. Walters
Director, Corporate Social Responsibility
The Pension Boards – UCC, Inc.

Margaret Weber
Coordinator of Corporate Responsibility
Congregation of St. Basil

Women's Organizations

Joan Blades
Founder and President
MomsRising

Linda Bollinger
Founder and Chief Executive Officer
Boardroom Bound

Bobbie Ann Brinegar
Executive Director
OWL-The Voice of Midlife and Older Women

Susan Bulkeley Butler
Chief Executive Officer
SBB Institute for the Development of Women Leaders

JoAnn Cavallaro
President
ION

Áine Duggan
Re:Gender, formerly National Council for Research on Women

Marsha Firestone
Founder and President
Women Presidents' Organization

Malli Gero
Executive Director
2020 Women on Boards

Rosemarie Greco
Co-Chair
Lynn Yeakel
Co-Chair
Vision 2020

Donna P. Hall, MPH, MBA
President and Chief Executive Officer
Women Donors Network

Linda D. Hallman
Executive Director
American Association of University Women (AAUW)

Linda Lisi Juergens
Executive Director
National Association of Mothers' Centers (NAMC)

Roberta D. Liebenberg
Chair
Direct Women

Linda Meric
National Director
9to5

Irene Natividad
President
Global Summit of Women

Michele Ozumba
President and Chief Executive Officer
Women's Funding Network

Dr. Shanta Proctor
Director
National Women's Council

Kim Rippere
Co-Founder and President
Secular Women

Carol Robles-Román
President and Chief Executive Officer
Legal Momentum, the Women's Legal Defense and Education Fund

Elissa Sangster
Executive Director
Forté Foundation

Susan Scanlan
Chair
Martha Burk
Chair Emerita
National Council of Women's Organizations

Deirdre Joy Smith
Founder and President
POWER

Lynn Shapiro Snyder
Founder and President
Women Business Leaders in the Health Industry

cc: Anthony G. Petrello, Chairman and Chief Executive Officer

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Nominating Committee Model Charter Language on Board Diversity Guidelines for creating an inclusive board

Introduction

Calvert's goal in developing model charter language on board diversity is to give companies a means to formalize their commitment to an independent and inclusive board. We have taken the approach of suggesting language appropriate for different sections of a Nominating Committee Charter, based on the style and approach of the Board to the Charter construction. For ease of reference, we have included in bold below a suggested table of contents for a Nominating Committee Charter. We have indicated under which heading Calvert's model language onboard diversity may be inserted.

I. PURPOSE

(1) The Board believes that diversity is an important attribute of a well-functioning board. It is the responsibility of the Nominating Committee to recommend for selection qualified candidates to serve as directors of the Company. Among the responsibilities of the Nominating Committee shall be to advise the Board on matters of diversity including race, gender, culture, thought and geography; and recommend, as necessary, measures contributing to a Board, that as a whole, reflects a range of viewpoints, backgrounds, skills, experience, and expertise.

II. ORGANIZATION

(Company to provide information)

III. COMPOSITION OF THE COMMITTEE

(Company to provide information)

IV. MEETINGS AND PROCEDURES OF THE COMMITTEE

(Company to provide information)

V. GOALS AND RESPONSIBILITIES

(2) The Nominating Committee shall develop a set of criteria for Board, membership that strives to attain a diversity of background and skills for the Board. The Committee shall also create a search protocol that seeks qualified Board candidates from, among other areas, the traditional corporate environment, government, academia, private enterprise, non-profit organizations, and professions such as accounting, human resources, and legal services.

(3) In the process of searching for qualified persons to serve on the Board, the Nominating Committee shall strive for the inclusion of diverse groups, knowledge, and viewpoints. To accomplish this, the Committee may retain an executive search firm to help meet the Committee's diversity objective as well as form alliances with organizations representing the interests of women and minorities. In connection with its efforts to create and maintain a diverse Board, the Nominating Committee will:

- (a) Develop recruitment protocols that seek to include diverse candidates in any director search. These protocols should take into account that qualified, but often overlooked, candidates may be found in a broad array of organizations, including academic institutions, privately held businesses, nonprofit organizations, and trade associations, in addition to the traditional candidate pool of corporate directors and officers.

(b) Strive to use, to their fullest potential, the current network of organizations and trade groups that may help identify diverse candidates.

(c) Periodically review director recruitment and selection protocols so that diversity remains a component of any director search.

(4) The Nominating Committee shall seek diverse populations, expertise, and viewpoints for representation on the Board. The Board recognizes, however, that the representation of specific groups may vary over time.

VI. INVESTIGATIONS AND STUDIES: OUTSIDE ADVISERS

(Company to provide information)

VII. PERFORMANCE EVALUATIONS

(5) The Nominating Committee shall periodically review Board composition to ensure that the Board reflects a balance of knowledge, experience, skills, expertise and diversity, including racial and gender diversity required for the Board to fulfill its duties.

ⁱSee, e.g., Catalyst, “The Bottom Line: Corporate Performance and Women’s Representation on Boards,” 2007; Catalyst, “The Bottom Line: Connecting Corporate Performance and Gender Diversity,” 2004; Roy D. Adler, “Women in the Executive Suite Correlate to High Profits,” European Project on Equal Pay; Desvaux, Devillard-Hoellinger and Meany, “A Business Case for Women,” The McKinsey Quarterly, September 2008.; Professor Michel Ferrary, “When Gender Diversity Protects Stock Prices From the Crash,” Ceram Business School, 2009.

ⁱⁱ Catalyst, Lois Joy, et al, “The Bottom Line: Corporate Performance and Women’s Representation on Boards 2004-2008”, 2011; V.W. Kramer, A.M. Konrad, and S. Erkut, “Critical mass on corporate boards: Why three or more women enhance governance,” Wellesley Centers for Women, Paper No.WCW11, 2006.

ⁱⁱⁱ Alliance for Board Diversity, “Missing Pieces: Women and Minorities on Fortune 500 Boards, www.theabd.org, August 15, 2013