



STATE OF CONNECTICUT
TREASURER SHAWN T. WOODEN

FOR IMMEDIATE RELEASE: March 20th, 2020
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State Treasurer Shawn T. Wooden Announces Agreement with Bristol-Myers Squibb Company

*Company Will Publicly Disclose Compensation Recovered from Executives
Engaged in Misconduct*

HARTFORD, CT – Treasurer Shawn T. Wooden, the principal fiduciary of the Connecticut Retirement Plans and Trust Funds (the “CRPTF”), announced today an agreement with Bristol-Myers Squibb (“BMY”), a multinational biopharmaceutical company based in New York, concerning annual disclosure of compensation recovered from executives engaged in misconduct (also known as “clawback policies”). This follows the recent announcement of a similar agreement with [Amgen, a California-based pharmaceutical company](#).

Clawback policies allow for the recoupment of monies paid to executives who have engaged in conduct that results in significant financial harm to a company, such as liability for anti-competitive practices or other legal liability. In recent years pharma companies like Amgen and Bristol-Myers Squibb have faced lawsuits, and paid millions to settle claims related to the marketing and pricing of their drugs. Every multi-million payout for the misconduct of company executives ultimately costs investors. Going forward we expect the Board to go after the compensation that was paid to executives who cost the company and its shareholders these losses.

The CRPTF was the lead-filer on a shareholder resolution with BMY, with Rhode Island General Treasurer Seth Magaziner co-filing the resolution.

“I made disclosure of clawback provisions with pharmaceutical companies a top priority of my corporate governance plan for 2020 and am glad to see the recent success -- first with Amgen, and now, with Bristol-Myers Squibb. Clawback provisions and how they are applied are important indicators of how boards monitor risky behavior that results in liability for the company,” stated Treasurer Shawn T. Wooden. “As an investor in Bristol-Myers Squibb, we are pleased to see the company’s commitment to disclose how its board recaptures compensation from executives engaged in conduct harmful to the company and its shareholders.”

Treasurer Wooden added, “Clawback disclosure is a meaningful demonstration of BMY’s commitment to transparency of how it addresses misconduct. We commend the Board for their responsiveness to the interests of shareholders, and to the long-term interests of the company.

“With this agreement, Bristol-Myers Squibb has agreed to strengthen its corporate governance practices and taken an important step toward the transparency that investors, including members of the Rhode Island pension system, deserve,” said Rhode Island General Treasurer Seth Magaziner. “Treasurer Wooden’s leadership was essential to the success of this collaboration.”

In the agreement with the CPRTF, BMY agreed to publicly disclose the general circumstances of any application of its clawback policy or recoupment provisions against any executive officers, for underlying events that have been publicly disclosed in BMY's filings with the Securities and Exchange Commission ("SEC").

In December, Wooden took the lead in filing a shareholder resolution calling for clawback disclosure, as part of his administration's priority corporate governance engagements for the 2020 proxy season. After several discussions with the company, BMY agreed to the annual disclosure sought by Connecticut, and the resolution was withdrawn.

The CRPTF is a member of Investors for Opioid and Pharmaceutical Accountability (IOPA), a broad coalition of 59 investors, including public pension plans and other institutional investors, that collaboratively engage with manufacturers, distributors and retailers around the risks associated with the opioid epidemic. For the 2020 proxy season, the IOPA broadened its engagement focus beyond manufacturers and distributors of opioids to include pharmaceutical companies and their pricing practices. Among another initiatives, the coalition files shareholder resolutions and seeks reports to investors on how boards evaluate risks. BMY was one of many companies that was targeted by IOPA for the 2020 proxy season.

As of March 4, 2020, the CRPTF owned 394,944 shares of BMY with an approximate value of \$23,928,395 and fixed income valued at \$8,159,648.

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