The Office Of
State Treasurer
Denise L. Nappier

News

FOR IMMEDIATE RELEASE
June 10, 2010

Connecticut State Treasurer Comments on Strong Shareholder Support for Proposal to Require Annual Director Elections at Abercrombie & Fitch

Company agrees to take necessary steps to eliminate triennial elections

HARTFORD—Yesterday at the Abercrombie & Fitch Co. annual meeting in New Albany, Ohio, shareholders overwhelmingly approved a resolution put forward by Connecticut State Treasurer Denise L. Nappier, principal fiduciary of the $23 billion Connecticut Retirement Plans and Trust Funds (CRPTF), calling on the company's board of directors to require all director nominees to stand for election annually. The resolution received over 75 percent shareholder support and was backed by major proxy voting agencies RiskMetrics, Glass Lewis and PROXY Governance.

Abercrombie & Fitch directors are currently elected to terms that expire every three years. Under this staggered, or "classified," structure, only one third of the directors are up for election each year. Shortly after the vote, Abercrombie & Fitch announced in a regulatory filing that it would take the "appropriate steps" to transition to annual elections of directors.

Treasurer Nappier made the following statement in connection with the annual meeting and the company's subsequent announcement:

"Yesterday, shareholders gave the Abercrombie & Fitch's board a crystal clear message about corporate governance reform and the board listened. This is corporate governance at its best. It shows the system can work effectively in moving boards toward best practices. By this single vote, Abercrombie & Fitch will join the majority of S&P 500 companies that put all of their directors up for a vote every year.

But now the hard work really begins. The CRPTF filed its proposal so that shareholders could hold every board member accountable each year for pay practices that are inappropriate at best and abysmal at worst. While Abercrombie & Fitch underperformed its industry peers, chief executive officer Michael Jeffries cashed in to the tune of $36 million in total compensation last year – a 57 percent increase over the previous year. More recently, the board gave Mr. Jeffries a $4 million payment to accept a change to his

CONTACT: MEREDITH MILLER
(860) 702-3294
MEREDITH.MILLER@CT.GOV

employment contract that would cap – not eliminate – but cap his personal use of the company aircraft. The current financial crisis calls for corporate leaders to give back for the good of their companies, not accept millions of dollars to give up the company jet.

Clearly, Abercrombie & Fitch has some work to do. But we are hopeful that the company is finally moving in the right direction toward better corporate citizenship. Investors demand more accountability from their boards for the decisions they make that ultimately affect the strategic direction of the companies they invest in. Yesterday showed that the Abercrombie & Fitch board can be responsive to shareholders by adopting good corporate governance practices and we appreciate the speed with which the company acted."

Abercrombie & Fitch Co. operates nineteen retail apparel stores in Connecticut under the Abercrombie & Fitch, abercrombie kids, Hollister and Gilly Hicks brands. As of June 9, 2010, the Connecticut Retirement Plans and Trust Funds owned 22,579 shares of the company's stock with a market value of $770,395.

CONTACT: MEREDITH MILLER
(860) 702-3294
MEREDITH.MILLER@CT.GOV