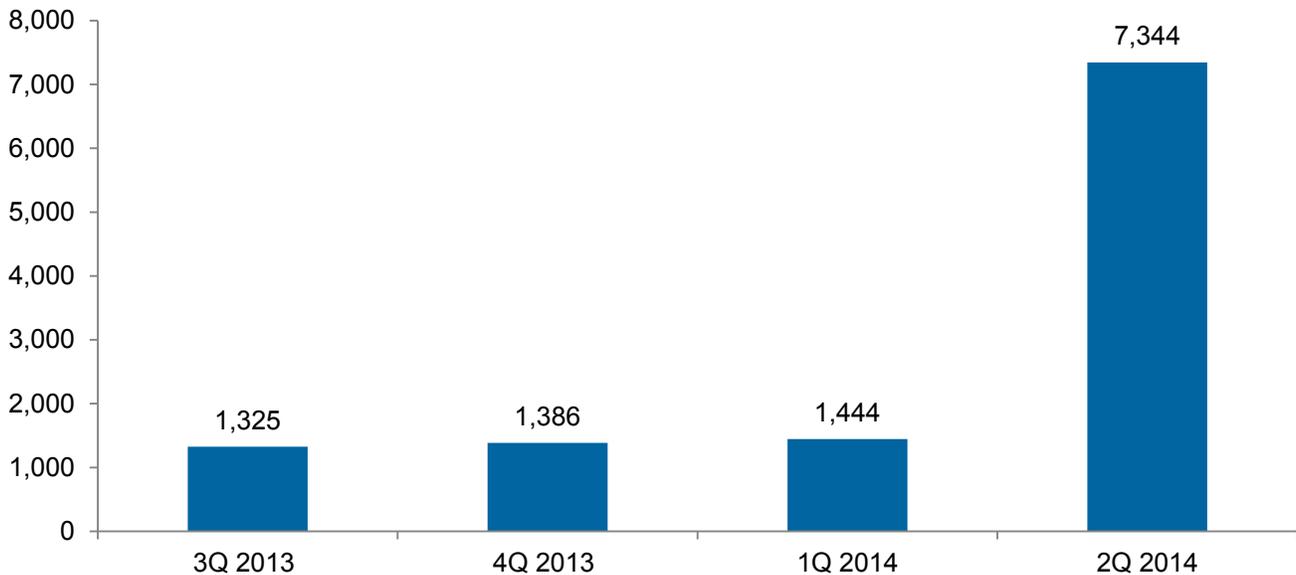


Overview of Global Proxy Votes Cast

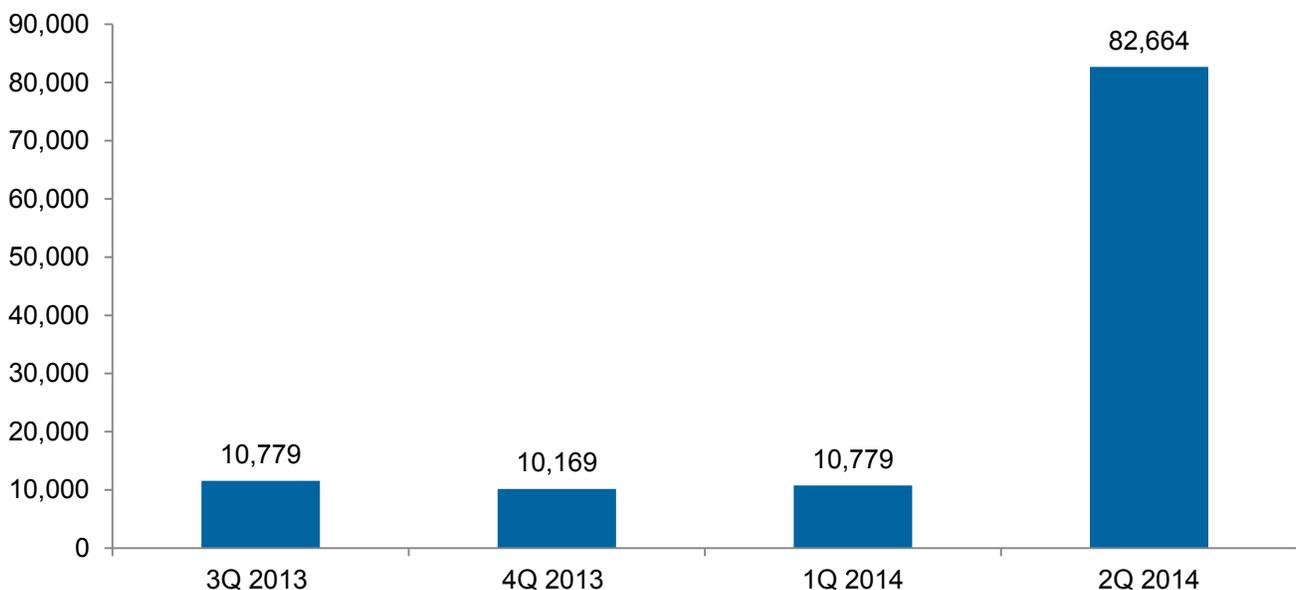
Q2 2014 (April – June) 7,344 meetings voted

CalPERS cast 7,344 votes at company meetings worldwide, supporting 90 percent of management proposals and 56 percent of shareowner proposals. Votes are cast in line with CalPERS Global Principles of Accountable Corporate Governance, as approved by the Board.

Number of Meetings Voted

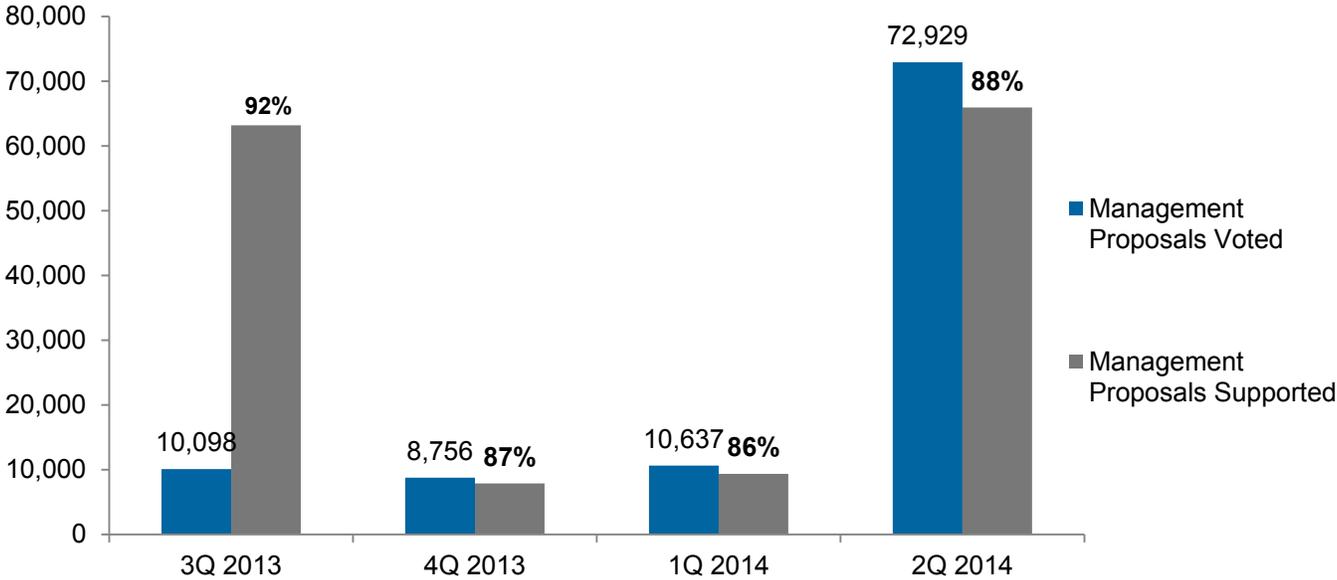


Total Resolutions Voted

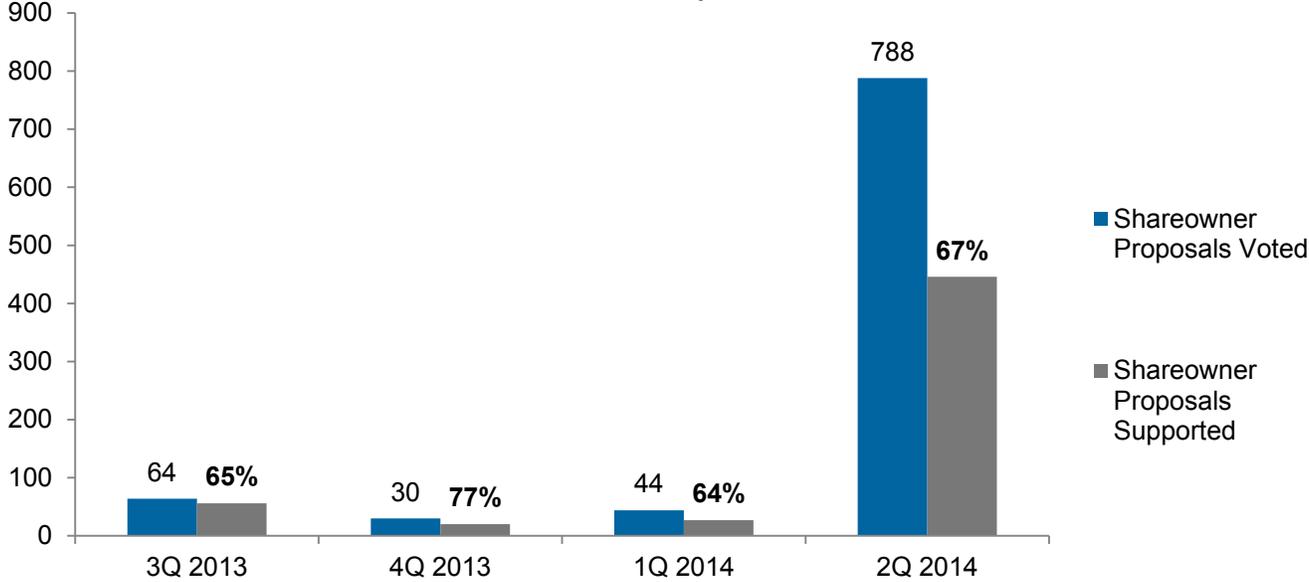


Staff has prepared detailed reports of CalPERS proxy votes cast during the period April 1, 2014 to June 30, 2014 for this agenda item. The attachments are not included in the agenda materials due to their size, but they can be requested through the Investment Committee Secretary.

Management Proposals



Shareowner Proposals



Source: Glass Lewis (Viewpoint)

Domestic Management Proposals: Examples of CalPERS FOR Votes

✓	<p>Activision Blizzard Inc.</p> <p>Issue: Eliminate the Use of Supermajority Vote Requirements</p> <p>Reason: The proposal strengthens shareowner rights that are in line with CalPERS Global Principles of Accountable Corporate Governance.</p> <p>Vote Result: 99% FOR</p>	
✓	<p>Avis Budget Group Inc.</p> <p>Issue: Elect Directors</p> <p>Reason: CalPERS supported each director nominee up for election consistent with CalPERS Global Principles of Accountable Corporate Governance.</p> <p>Vote Result: Each director received over 97% support.</p>	
✓	<p>BB&T Corp.</p> <p>Issue: Adopt Majority Vote for Director Elections</p> <p>Reason: CalPERS believes a majority of the proxies cast should be required to elect a director.</p> <p>Vote Result: 99% FOR</p>	
✓	<p>Northrop Grumman Corp.</p> <p>Issue: Ratification of Auditor</p> <p>Reason: CalPERS supported the company auditor consistent with the CalPERS Global Principles of Accountable Corporate Governance.</p> <p>Vote Result: 98% FOR</p>	
✓	<p>Tractor Supply Co.</p> <p>Issue: Increase Authorized Common Stock</p> <p>Reason: The proposal request is acceptable consistent with the CalPERS Global Principles of Accountable Corporate Governance.</p> <p>Vote Result: 96% FOR</p>	
✓	<p>Kellogg Co.</p> <p>Issue: Eliminate Classified Board Structure</p> <p>Reason: CalPERS is a firm supporter of annual director elections.</p> <p>Vote Result: 62% FOR</p>	
✓	<p>First Financial Bancorp</p> <p>Issue: Issuance of Preferred Stock</p> <p>Reason: The proposal request is acceptable consistent with the CalPERS Global Principles of Accountable Corporate Governance.</p> <p>Vote Result: 94% FOR</p>	

Domestic Management Proposals: Examples of CalPERS **AGAINST** Votes

- ✘ Duke Energy Corp.**
Issue: Elect Directors
Reason: CalPERS withheld votes from Alex Bernhardt, James Hylar, James Rhodes, and Carlos Saladrigas due to oversight failures surrounding the massive coal ash spill into Dan River.
Vote Result: Saladrigas – 15% AGAINST; Rhodes – 7% AGAINST; Hylar – 6% AGAINST; Bernhardt – 7% AGAINST
- 
- ✘ BioCryst Pharmaceuticals Inc.**
Issue: Increase Authorized Common Stock
Reason: CalPERS believes the request is excessive and the additional shares could be used as an anti-takeover measure.
Vote Result: 21% AGAINST
- 
- ✘ Nabors Industries Ltd.**
Issue: Elect Directors
Reason: CalPERS withheld votes from John Lombardi and John Yearwood as both directors failed to receive a majority shareowner support in 2013. There are also ongoing concerns surrounding shareowner responsiveness and compensation practices.
Vote Result: John Lombardi – 54% AGAINST; John Yearwood - 54% AGAINST
- 
- ✘ Penns Woods Bancorp Inc.**
Issue: Adoption of Supermajority Vote Requirements
Reason: CalPERS believes shareowners should not be subject to supermajority vote requirements.
Vote Result: 19% AGAINST
- 
- ✘ Campus Crest Communities Inc.**
Issue: Ratification of Auditor
Reason: CalPERS believes fees for non-audit services exceeding 50% are excessive.
Vote Result: 20% AGAINST
- 
- ✘ Gilead Sciences Inc.**
Issue: Adoption of a Exclusive Venue Provision
Reason: CalPERS believes companies should not attempt to restrict the venue for shareowner claims by adopting charter or bylaw provisions that seek to establish an exclusive forum.
Vote Result: 33% AGAINST
- 
- ✘ Enterprise Financial Services Corp.**
Issue: Eliminate Cumulative Voting
Reason: CalPERS is a firm supporter of cumulative voting.
Vote Result: 6% AGAINST
- 

International Proposals: Examples of CalPERS **AGAINST** Votes

- | | | | |
|---|---|---|---|
|  |  | <p>Glanbia Plc</p> <p>Country: Ireland</p> <p>Issue: Election of Directors</p> <p>Reason: CalPERS voted against the re-election of Henry Corbally for being an affiliated director while serving on a key committee of the board.</p> <p>Vote Result: 21% AGAINST</p> |  |
|  |  | <p>ANF Immobilier</p> <p>Country: France</p> <p>Issue: Authority to Issue Shares without Preemptive Rights</p> <p>Reason: Consistent with CalPERS Global Principles of Accountable Corporate Governance. we support the protection of preemptive rights.</p> <p>Vote Result: 19% AGAINST</p> |  |
|  |  | <p>Partners Holding Group</p> <p>Country: Switzerland</p> <p>Issue: Remuneration Report</p> <p>Reason: CalPERS has concerns the company has not adequately linked pay and financial performance.</p> <p>Vote Result: 33% AGAINST</p> |  |
|  |  | <p>Rengo Co Ltd.</p> <p>Country: Japan</p> <p>Issue: Election of Statutory Auditors</p> <p>Reason: Withhold vote from non-independent director nominee Shinichi Yokoyama. CalPERS believes a majority of the statutory auditors should be independent.</p> <p>Vote Result: 23% AGAINST</p> |  |
|  |  | <p>GKN Plc.</p> <p>Country: United Kingdom</p> <p>Issue: Authority to set general meeting notice period at 14 days</p> <p>Reason: CalPERS believes the shortened time period may not allow shareowners sufficient time to make a voting decision.</p> <p>Vote Result: 7% AGAINST</p> |  |
|  |  | <p>Astrazeneca Plc.</p> <p>Country: United Kingdom</p> <p>Issue: Remuneration Report</p> <p>Reason: CalPERS has concerns the company has not adequately linked pay and financial performance.</p> <p>Vote Result: 39% AGAINST</p> |  |

Domestic Shareowner Proposals: Examples of CalPERS FOR Votes

✓	<p>Bank of New York Mellon Corp.</p> <p>Issue: Request for an Independent Board Chairman</p> <p>Reason: CalPERS believes an independent Board Chair can strengthen oversight of management.</p> <p>Votes Result: 21% FOR</p>	
✓	<p>Cincinnati Financial Corp.</p> <p>Issue: Request to Adopt Majority Vote for Director Elections</p> <p>Reason: CalPERS believes a majority of the proxies cast should be required to elect a director.</p> <p>Votes Result: 45% FOR</p>	
✓	<p>Abercrombie & Fitch Co.</p> <p>Issue: Adopt Proxy Access</p> <p>Reason: CalPERS is a firm supporter of providing shareowners access to the proxy.</p> <p>Votes Result: 55% FOR</p>	
✓	<p>Urban Outfitters Inc.</p> <p>Issue: Regarding Board Diversity</p> <p>Reason: Consistent with CalPERS Principles board diversity should be thought of in terms of skill sets, gender, age, nationality, race, and under-represented groups.</p> <p>Votes Result: 33% FOR</p>	
✓	<p>Duke Energy Corp.</p> <p>Issue: Regarding Political Contributions Reporting</p> <p>Reason: CalPERS believes board oversight and disclosure of corporate charitable and political activity is necessary to ensure alignment with business strategy and to protect assets on behalf of shareowners.</p> <p>Votes Result: 42% FOR</p>	
✓	<p>EBay Inc.</p> <p>Issue: Regarding Right to Act by Written Consent</p> <p>Reason: CalPERS believes shareowners should have the right to act by written consent.</p> <p>Votes Result: 45% FOR</p>	
✓	<p>NetFlix Inc.</p> <p>Issue: Regarding Approval of Poison Pills</p> <p>Reason: CalPERS believes companies should not enact or amend a poison pill without shareowner approval.</p> <p>Votes Result: 80% FOR</p>	

Domestic Shareowner Proposals: Examples of CalPERS **AGAINST** Votes



FirstEnergy Corp.

Issue: Request to Limit Executive Compensation

Reason: CalPERS believes the proponent's request on the topic is unnecessary as the company's compensation structures are in-line with CalPERS Principles. Additionally, the proposal is overly prescriptive and could put the company at a competitive disadvantage when attempting to attract qualified talent.

Vote Result: 92% AGAINST



Western Union Company

Issue: Develop a Human Rights Committee

Reason: CalPERS believes the existing board level oversight surrounding human rights issues meets the request of the proposal.

Vote Result: 93% AGAINST



EMC Corp.

Issue: Prohibit Political Spending

Reason: CalPERS believes board oversight and disclosure of corporate charitable and political activity is necessary to ensure alignment with business strategy and to protect assets on behalf of shareowners. However, the proposal is overly prescriptive and not in shareowner best interest.

Vote Result: 96% AGAINST



General Electric Co.

Issue: Regarding Cessation of all Stock Options and Bonuses

Reason: CalPERS believes the proponent's request on the topic is unnecessary as the company's compensation structures are in-line with CalPERS Principles. Additionally, the proposal is overly prescriptive and could put the company at a competitive disadvantage when attempting to attract qualified talent and

Vote Result: 97% AGAINST



Goldman Sachs Group Inc.

Issue: Regarding Proxy Access

Reason: CalPERS is a firm supporter of allowing shareowners access to the proxy. However, implementation of this proposal as worded may not be in the best interest of shareowners due to problematic holding periods and ownership thresholds.

Vote Result: 97% AGAINST



Allstate Corp.

Issue: Stock Retention and Holdings Periods

Reason: CalPERS believes the proponent's request on the topic is unnecessary at this time as the company's existing stock ownership are robust and in-line with CalPERS Global Principles of Accountable Corporate Governance.

Vote Result: 73% AGAINST



Domestic Executive Compensation Proposals: Examples of CalPERS FOR Votes



Ford Motor Co.

Issue: Employee Stock Incentive Plan

Reason: Proposal is in line with CalPERS Global Principles of Accountable Corporate Governance. The plan is performance based and awards vest over a three year period.

Vote Result: 93% FOR



General Electric Co.

Issue: Say-on-Pay

Reason: Proposal is in line with CalPERS Global Principles of Accountable Corporate Governance. CalPERS believes the company has structured a compensation program with a pay-for-performance discipline.

Vote Result: 94% FOR



Kroger Co.

Issue: Cash-Based Incentive Plan

Reason: Proposal is in line with CalPERS Global Principles of Accountable Corporate Governance related to annual incentive awards.

Vote Result: 71% FOR



Texas Instruments Inc.

Issue: Long-Term Incentive Plan

Reason: Proposal is in line with CalPERS Global Principles of Accountable Corporate Governance. The plan is performance based and awards vest over a three year period.

Vote Result: 95% FOR



Altera Corp.

Issue: Employee Stock Purchase

Reason: Proposal is in line with CalPERS Global Principles of Accountable Corporate Governance related to stock purchase plans.

Vote Result: 97% FOR



International Business Machines Corp.

Issue: Amend Long-Term Incentive Plan

Reason: Proposal is in line with CalPERS Global Principles of Accountable Corporate Governance. The plan is performance based and awards vest over a three year period.

Vote Result: 93% FOR



LSI Corporation.

Issue: Advisory Vote on Golden Parachutes

Reason: Consistent with CalPERS Global Principles of Accountable Corporate Governance there are no concerns related to problematic severance provisions.

Result: 93% FOR



Domestic Executive Compensation Proposals: Examples of CalPERS AGAINST Votes

	<p>Chipotle Mexican Grill</p> <p>Proposal: Say-on-Pay</p> <p>Reason: The company has failed to link pay with performance.</p> <p>Vote Result: 73% AGAINST</p>	
	<p>El Paso Electric Company</p> <p>Issue: Long-Term Incentive Plan</p> <p>Reason: CalPERS believes the cost of the plan is excessive compared to its peers.</p> <p>Vote Result: 13% AGAINST</p>	
	<p>Forest Laboratories Inc.</p> <p>Issue: Advisory Vote on Golden Parachutes</p> <p>Reason: CalPERS has concerns surrounding problematic severance provisions which include accelerated vesting of equity, tax gross-up payments, and single trigger provisions.</p> <p>Vote Result: 39% AGAINST</p>	
	<p>BroadSoft Inc.</p> <p>Proposal: Say-on-Pay</p> <p>Reason: The company has failed to link pay with performance. Further, the company has not adequately disclosed elements of the compensation program.</p> <p>Vote Result: 75% AGAINST</p>	
	<p>Applied Materials</p> <p>Issue: Advisory Vote on Golden Parachutes</p> <p>Reason: The presence of a single trigger and tax gross-ups related to a change in control.</p> <p>Vote Result: 29% AGAINST</p>	
	<p>Staples Inc.</p> <p>Proposal: Say-on-Pay</p> <p>Reason: The company has failed to link pay with performance.</p> <p>Vote Result: 54% AGAINST</p>	
	<p>Chimerix Inc.</p> <p>Proposal: 2013 Incentive Plan</p> <p>Reason: The company incentive plan includes an evergreen provision and allows for the re-pricing of stock options.</p> <p>Vote Result: 18% AGAINST</p>	