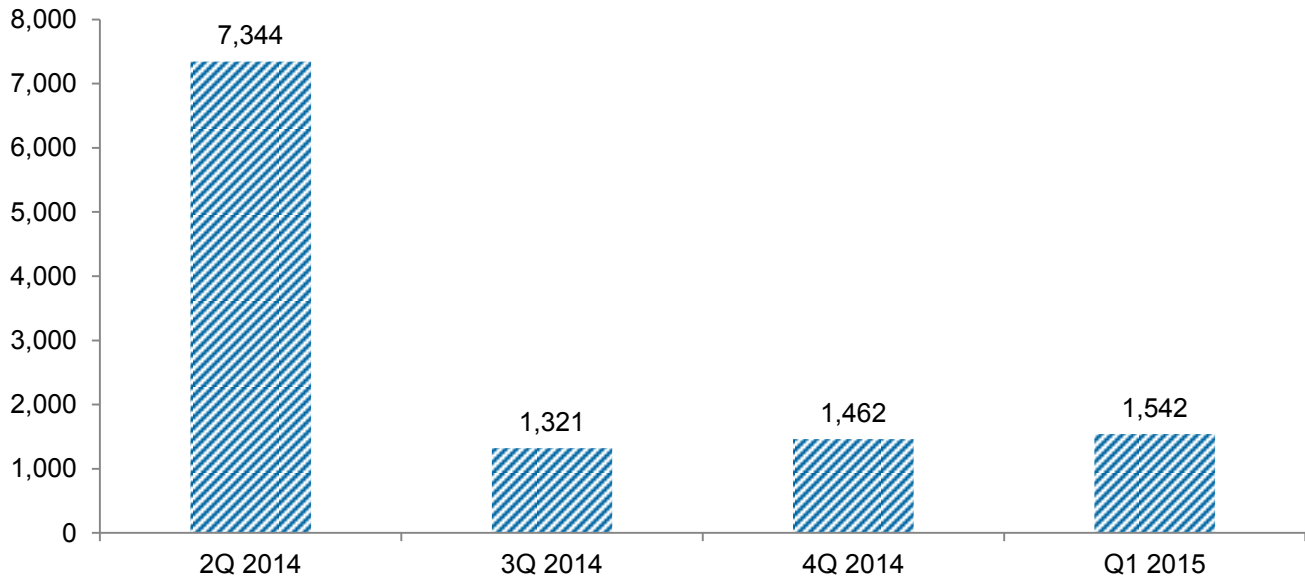


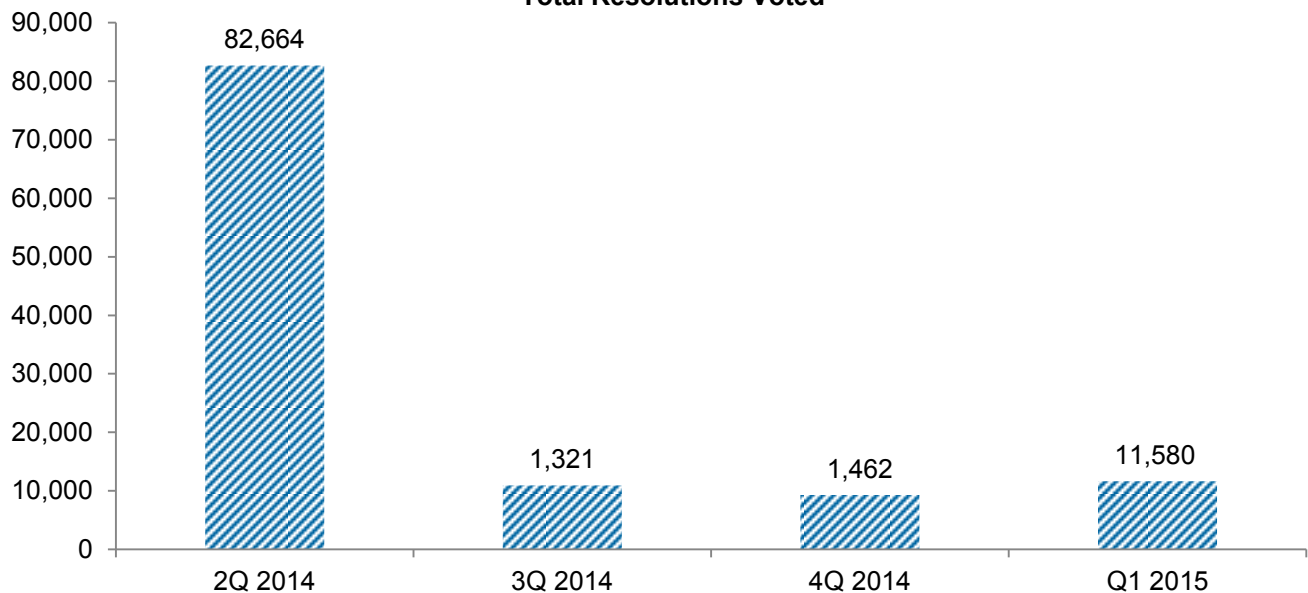
## Overview of Global Proxy Votes Cast Q1 2015 (January – March) 1,542 meetings voted

CalPERS cast votes at 1,542 company meetings worldwide, supporting 89 percent of management proposals and 80 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**

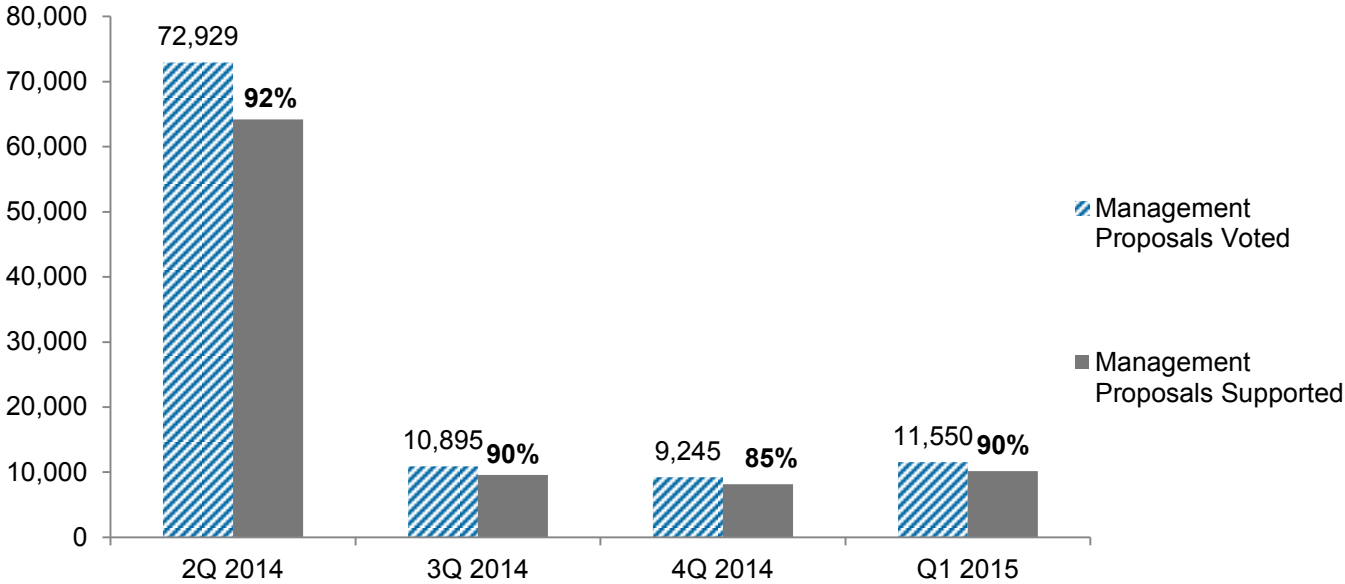


**Total Resolutions Voted**

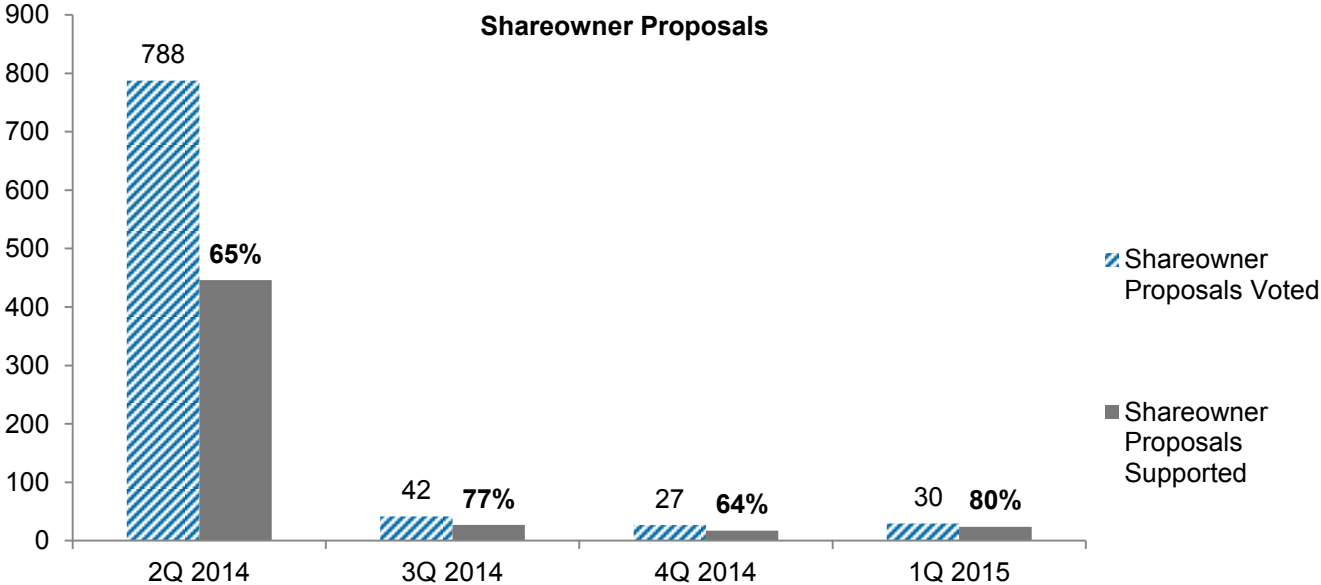


Staff has prepared detailed reports of CalPERS proxy votes cast during the period January 1, 2015 to March 31, 2015 for this agenda item. The attachments are not included in the agenda materials due to their size.

### Management Proposals










### Shareowner Proposals



Source: Glass Lewis (Viewpoint)

## Domestic Management Proposals: Examples of CalPERS FOR Votes

- |          |   |   |   |
|----------|---|---|---|
| <p>✓</p> | <p><b>Costco Wholesale Corp.</b></p>          | <p><b>Issue:</b> Eliminate the Use of Supermajority Vote Requirements</p> <p><b>Reason:</b> The proposal strengthens shareowner rights that are in line with CalPERS Global Principles of Accountable Corporate Governance.</p> <p><b>Vote Result:</b> 69% FOR</p>    |    |
| <p>✓</p> | <p><b>Texas Instruments Inc.</b></p>          | <p><b>Issue:</b> Elect Directors</p> <p><b>Reason:</b> CalPERS supported each director nominee up for election consistent with CalPERS Global Principles of Accountable Corporate Governance.</p> <p><b>Vote Result:</b> Each director received over 97% support.</p> |    |
| <p>✓</p> | <p><b>Cobiz Financial Inc.</b></p>            | <p><b>Issue:</b> Adopt Majority Vote for Director Elections</p> <p><b>Reason:</b> CalPERS believes a majority of the proxies cast should be required to elect a director.</p> <p><b>Vote Result:</b> 99% FOR</p>  |    |
| <p>✓</p> | <p><b>Analog Devices Inc.</b></p>             | <p><b>Issue:</b> Ratification of Auditor</p> <p><b>Reason:</b> CalPERS supported the company auditor consistent with the CalPERS Global Principles of Accountable Corporate Governance.</p> <p><b>Vote Result:</b> 98% FOR</p>  |   |
| <p>✓</p> | <p><b>Omega Healthcare Investors Inc.</b></p> | <p><b>Issue:</b> Increase Authorized Common Stock</p> <p><b>Reason:</b> The proposal request is acceptable consistent with the CalPERS Global Principles of Accountable Corporate Governance.</p> <p><b>Vote Result:</b> 99% FOR</p>                                  |  |
| <p>✓</p> | <p><b>Landauer Inc.</b></p>                   | <p><b>Issue:</b> Eliminate Classified Board Structure</p> <p><b>Reason:</b> CalPERS is a firm supporter of annual director elections.</p> <p><b>Vote Result:</b> 99% FOR</p>  |  |
| <p>✓</p> | <p><b>FirstMerit Corp.</b></p>                | <p><b>Issue:</b> Adoption of Proxy Access</p> <p><b>Reason:</b> CalPERS is a firm supporter of providing shareowners access to the director nomination process.</p> <p><b>Vote Result:</b> 88% FOR</p>  |  |

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



### Emulex Corp.

**Issue:** Elect Directors

**Reason:** CalPERS withheld vote from director nominee Gregory Clark due to poor attendance levels.

**Vote Result:** Gregory Clark – 64% AGAINST



### Iberiabank Corp.

**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:** 18% AGAINST



### Joy Global, Inc.

**Issue:** Elect Directors

**Reason:** CalPERS withheld vote from Steven Gerard for being an over-boarded director – Mr. Gerard sits on more than 5 company boards.

**Vote Result:** Steven Gerard – 43% AGAINST



### Colony Financial Inc.

**Issue:** Adopt Dual-Class Shares

**Reason:** CalPERS is a firm supporter of the concept related to one-share one-vote.

**Vote Result:** 7% AGAINST



### NASB Financial Inc.

**Issue:** Ratification of Auditor

**Reason:** CalPERS believes fees for non-audit services exceeding 50% are excessive.

**Vote Result:** Pending



### Emulex Corp.

**Issue:** Eliminate Cumulative Voting

**Reason:** CalPERS is a firm supporter of cumulative voting.

**Vote Result:** 9% AGAINST



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

- |   |   |                            |  |   |
|---|---|----------------------------|--|---|
|    |    | <b>Invicta Holdings</b>    | <p><b>Country:</b> South Africa</p> <p><b>Issue:</b> Issue Preference Shares with Unequal Voting Rights</p> <p><b>Reason:</b> CalPERS shareowners should be treated equitably upon the principle of one-share one-vote.</p> <p><b>Vote Result:</b> 20% AGAINST</p>                                   |    |
|    |    | <b>Delta Electronics</b>   | <p><b>Country:</b> Thailand</p> <p><b>Issue:</b> Authority to Issue Shares without Preemptive Rights</p> <p><b>Reason:</b> Consistent with CalPERS Global Principles of Accountable Corporate Governance. We support the protection of preemptive rights.</p> <p><b>Vote Result:</b> 91% AGAINST</p> |    |
|    |    | <b>De Longhi</b>           | <p><b>Country:</b> Italy</p> <p><b>Issue:</b> Remuneration Report</p> <p><b>Reason:</b> CalPERS has concerns the company has not adequately linked pay and financial performance.</p> <p><b>Vote Result:</b> 30% AGAINST</p>   |    |
|  |  | <b>Berjaya Corporation</b> | <p><b>Country:</b> Japan</p> <p><b>Issue:</b> Election of Directors</p> <p><b>Reason:</b> CalPERS withheld vote from director nominee Abdul Rahim due to poor attendance levels.</p> <p><b>Vote Result:</b> Abdul Rahim - 16% AGAINST</p>  |  |
|  |  | <b>Sodexo</b>              | <p><b>Country:</b> France</p> <p><b>Issue:</b> Election of Directors</p> <p><b>Reason:</b> CalPERS voted against the re-election of Bernard Bellon being an affiliated director while serving on a key committee of the board.</p> <p><b>Vote Result:</b> Bernard Bellon - 20% AGAINST</p>           |  |
|  |  | <b>BP Plc.</b>             | <p><b>Country:</b> United Kingdom</p> <p><b>Issue:</b> Remuneration Report</p> <p><b>Reason:</b> CalPERS has concerns the company has not adequately linked pay and financial performance.</p> <p><b>Vote Result:</b> 12% AGAINST</p>  |  |

## Domestic Shareowner Proposals: Examples of CalPERS FOR Votes



### Cognex Corp.

**Issue:** Request to Adopt Majority Vote for Director Elections

**Reason:** CalPERS believes a majority of the proxies cast should be required to elect a director.

**Votes Result:** 91% FOR



### Sonoco Products Co.

**Issue:** Declassify the Board of Directors

**Reason:** CalPERS is a firm supporter of annual director elections.

**Votes Result:** 77% FOR



### Emerson Electric Co.

**Issue:** Regarding Political Contributions Reporting

**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.

**Votes Result:** 26% FOR



### Tyson Foods Inc.

**Issue:** Regarding Recapitalization (one share-one vote)

**Reason:** CalPERS firmly supports the concept of one share-one vote.

**Votes Result:** 22% FOR



### Brocade Communications Systems Inc.

**Issue:** Regarding a Clawback Policy

**Reason:** CalPERS is a firm supporter of companies developing a robust clawback policy to recapture incentive payments in the event of fraud or material negative restatements. Further, the request of the proposal would require the company to disclose the circumstances regarding any recoupments.

**Votes Result:** 45% FOR



### VCA Inc.

**Issue:** Regarding Proxy Access

**Reason:** CalPERS is a firm supporter of proxy access at and giving shareowners effective access to the director nomination process. CalPERS strongly believes proxy access enables a sustainable system of corporate governance that fosters director accountability and long-term value creation.

**Votes Result:** 46% FOR



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



### Costco Wholesale Corp.

**Issue:** Regarding Director Tenure

**Reason:** Consistent with the CalPERS Global Principles of Accountable Corporate Governance we believe board's should develop and disclose a policy on director tenure. However, we believe the proponent's request is unnecessary at this time due to the company's disclosed commitment towards board refreshment in 2016.



**Vote Result:** 93% AGAINST



### Apple Inc.

**Issue:** Regarding Renewable Energy and Climate Change Policy

**Reason:** Consistent with the CalPERS Global Principles of Accountable Corporate Governance we believe the proposal is unnecessary at this time due to the company's existing disclosures on climate change. Further, we welcome the company's commitment to 100% renewable energy for its operations as disclosed in Apple's 2015 environmental management report.



**Vote Result:** 99% AGAINST



### Starbucks Corp.

**Issue:** Develop a Sustainability Committee

**Reason:** CalPERS believes the existing board level oversight on sustainability issues meets the request of the proposal.



**Vote Result:** 96% AGAINST



### Becton, Dickinson & Co.

**Issue:** Regarding Report on Animal Testing

**Reason:** CalPERS believes the proponents' request is unnecessary due to the existing board oversight of the issue. Additionally, company meets all legal and regulatory requirements related to animal testing practices.



**Vote Result:** Withdrawn



### Apple Inc.

**Issue:** Regarding Proxy Access

**Reason:** CalPERS is a firm supporter of allowing shareowners access to the proxy. However, the company made a commitment to engage shareowners over the next year and work towards adoption of proxy access best practice. Also, the proposal as drafted cannot be implemented.



**Vote Result:** 61% AGAINST

## Domestic Executive Compensation Proposals: Examples of CalPERS FOR Votes



### F5 Networks Inc.

**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:** 99% FOR



### PTC Inc.

**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:** 96% FOR



### Jack in the Box Inc.

**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:** 98% FOR



### Johnson Outdoors 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:** 99% FOR



### Lifepath Technologies Inc.

**Issue:** Employee Stock Purchase

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

**Vote Result:** 98% FOR



### Orbital Sciences Corp.

**Issue:** Advisory Vote on Golden Parachutes








**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:** 99% FOR





## Domestic Executive Compensation Proposals: Examples of CalPERS AGAINST Votes

✘	<b>Nuance Communications Inc.</b>	 <b>NUANCE</b>
	<p><b>Proposal:</b> Say-on-Pay</p> <p><b>Reason:</b> The company has failed to link pay with performance.</p> <p><b>Vote Result:</b> 85% AGAINST</p>	
✘	<b>Apple, Inc.</b>	
	<p><b>Issue:</b> Say-on-Pay</p> <p><b>Reason:</b> CalPERS has concerns the \$73 million buy-out package for new SVP Angela Ahrendts is not sufficiently performance based. The buy-out package was in connection to compensation arraignments Ms. Ahrendts had at Burberry (where pay failed in 2014) when she was among the highest paid executives in the United Kingdom.</p> <p><b>Vote Result:</b> 25% AGAINST</p>	
✘	<b>Coca Cola Co.</b>	
	<p><b>Issue:</b> Say-on-Pay</p> <p><b>Reason:</b> The company has failed to link pay with performance.</p> <p><b>Vote Result:</b> 20% AGAINST</p>	
✘	<b>TCF Financial Corp.</b>	
	<p><b>Proposal:</b> Say-on-Pay</p> <p><b>Reason:</b> The company has failed to link pay with performance. Further, the company has not adequately disclosed elements of the compensation program design.</p> <p><b>Vote Result:</b> 70% AGAINST</p>	
✘	<b>Baker Hughes Inc.</b>	
	<p><b>Issue:</b> Advisory Vote on Golden Parachutes</p> <p><b>Reason:</b> Concern over excessive golden parachute payments and accelerated vesting of equity.</p> <p><b>Vote Result:</b> 43% AGAINST</p>	
✘	<b>AT&amp;T Inc.</b>	 <b>at&amp;t</b>
	<p><b>Proposal:</b> Say-on-Pay</p> <p><b>Reason:</b> The company has failed to link pay with performance.</p> <p><b>Vote Result:</b> 22% AGAINST</p>	
✘	<b>Cogent Communications Holdings Inc .</b>	 <b>COGENT</b>
	<p><b>Proposal:</b> Say-on-Pay</p> <p><b>Reason:</b> The company has failed to link pay with performance. The company issued mega option grants that are not sufficiently performance based.</p> <p><b>Vote Result:</b> 59% AGAINST</p>	