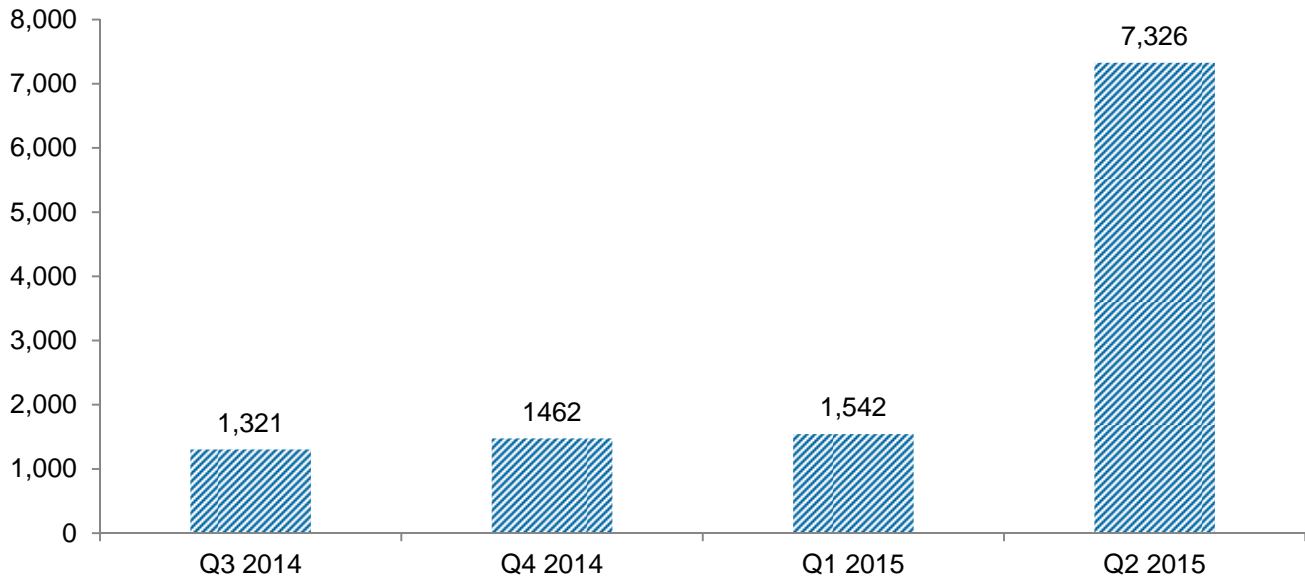


## Overview of Global Proxy Votes Cast

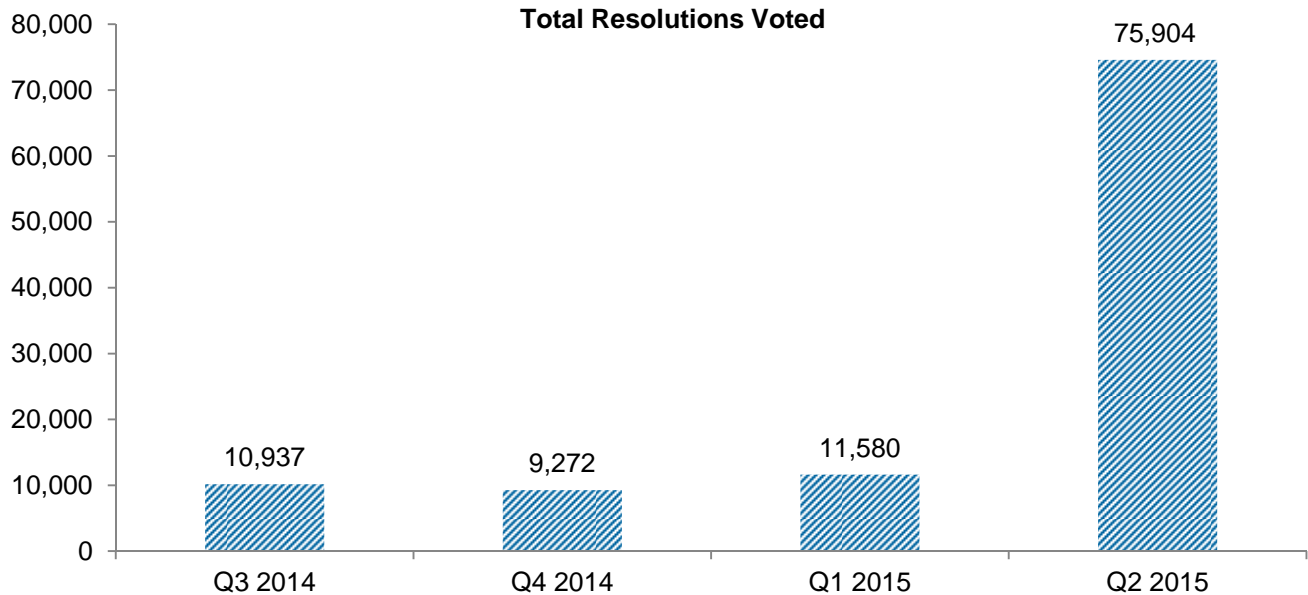
### Q2 2015 (April – June) 7,326 meetings voted

CalPERS cast votes at 7,326 company meetings worldwide, supporting 85 percent of management proposals and 64 percent of shareholder proposals. Votes are cast in line with CalPERS Global Governance Principles, as approved by the Board.

**Number of Meetings Voted**

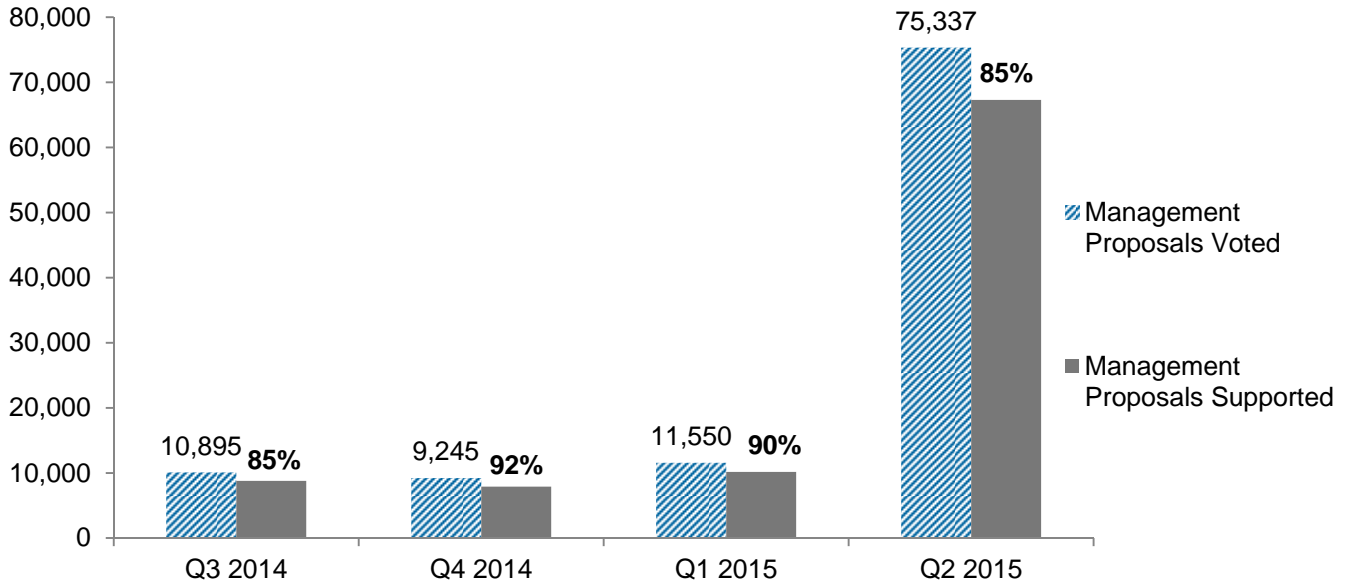


**Total Resolutions Voted**

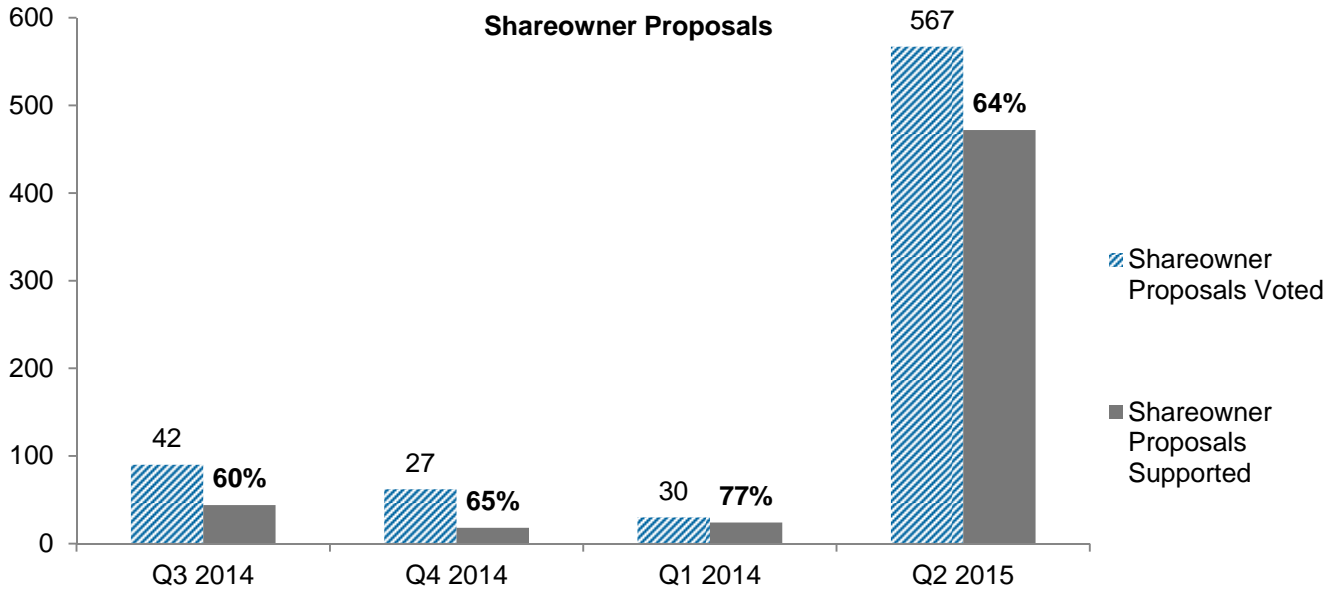


Staff has prepared detailed reports of CalPERS proxy votes cast during the period April 1, 2015 to June 30, 2015 for this agenda item. The attachments are not included in the agenda materials due to their size.

**Management Proposals**




**Shareowner Proposals**



Source: Glass Lewis (Viewpoint)



## Domestic Management Proposals: Examples of CalPERS FOR Votes

-  **Ashford Hospitality Trust, Inc.**

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

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



**Vote Result:** 99% FOR


-  **MetLife, Inc.**

**Issue:** Reduce Supermajority Vote Requirement to Amend Bylaws

**Reason:** The proposal strengthens shareowner rights and is in line with CalPERS Global Governance Principles.



**Vote Result:** 99% FOR


-  **Heartland Financial USA, Inc.**

**Issue:** Increase Authorized Common Stock

**Reason:** The proposal request is acceptable consistent with the CalPERS Global Governance Principles.



**Vote Result:** 96% FOR


-  **Applied Materials, Inc.**

**Issue:** Elect Directors

**Reason:** CalPERS supported each director nominee up for election consistent with CalPERS Global Governance Principles.



**Vote Result:** Each director received over 92% support.


-  **Noble Energy Inc.**

**Issue:** Ratification of Auditor

**Reason:** CalPERS supported the company auditor consistent with the CalPERS Global Governance Principles.



**Vote Result:** 97% FOR


-  **Phillips 66**

**Issue:** Eliminate Classified Board Structure

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


**Vote Result:** 99% FOR


-  **Pinnacle Financial Partners, Inc.**

**Issue:** Eliminate Supermajority Vote Requirement

**Reason:** The proposal strengthens shareowner rights that are in line with CalPERS Global Governance Principles.

**Vote Result:** 98% FOR



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

- |   |   |
|---|---|
| <p><b>✘ Hospitality Properties Trust</b></p> <p><b>Issue:</b> Elect Directors</p> <p><b>Reason:</b> CalPERS withheld vote from nominees Bruce Gans and Adam Portnoy for not implementing a majority passed shareowner proposal.</p> <p><b>Vote Result:</b> Bruce Gans – 75% AGAINST; Adam Portnoy – 59% AGAINST</p> |    |
| <p><b>✘ Avery Dennison Corporation</b></p> <p><b>Issue:</b> Adopt Exclusive Forum Provisions</p> <p><b>Reason:</b> We believe exclusive venue provisions could limit shareowner rights.</p> <p><b>Vote Result:</b> 54% AGAINST</p>  |    |
| <p><b>✘ Newfield Exploration Company</b></p> <p><b>Issue:</b> Increase Authorized Shares of Preferred Stock</p> <p><b>Reason:</b> CalPERS believes the request is excessive and t could be used as an anti-takeover measure.</p> <p><b>Vote Result:</b> 75% AGAINST</p>   |    |
| <p><b>✘ BankUnited Inc.</b></p> <p><b>Issue:</b> Elect Directors</p> <p><b>Reason:</b> CalPERS withheld vote from director nominee Tere Blanca for a poor attendance record (not attending a minimum of 75% of the board meetings).</p> <p><b>Vote Result:</b> 76% AGAINST</p>                                      |  |
| <p><b>✘ Impax Laboratories, Inc.</b></p> <p><b>Issue:</b> Ratify Auditors</p> <p><b>Reason:</b> CalPERS believes fee paid for non-audit services exceeding 50% are excessive.</p> <p><b>Vote Result:</b> 28% AGAINST</p>  |  |
| <p><b>✘ DST Systems, Inc.</b></p> <p><b>Issue:</b> Eliminate Cumulative Voting</p> <p><b>Reason:</b> CalPERS is a firm supporter of cumulative voting and believes shareowners should have the right to cumulate votes in the election of directors.</p> <p><b>Vote Result:</b> 11% AGAINST</p>                     |  |

International Proposals: Examples of CalPERS Votes:

- 



**PSP Swiss Property AG**

**Country:** Switzerland

**Issue:** Elect Director

**Reason:** CalPERS voted against director nominee Aviram Wetheim due to being an affiliated director and sitting on a key committee of the Board.

**Vote Result:** 46% AGAINST


- 



**Accell Group**

**Country:** Netherlands

**Issue:** Amend the Bylaws and Charter to issue Preference Shares

**Reason:** CalPERS has concerns the company may use this as an anti-takeover defense.

**Vote Result:** 55% AGAINST


- 



**Fagron NV**

**Country:** Belgium

**Issue:** Remuneration Report

**Reason:** CalPERS has concerns the company has not adequately linked pay and performance.

**Vote Result:** 52% AGAINST


- 



**Toyota Motor Company**

**Country:** Japan

**Issue:** Issue New Class of Shares for Domestic Owners

**Reason:** CalPERS has concerns with the company issuing shares to domestic shareowners only resulting in the dilution of minority (foreign) investor shareowner rights.

**Vote Result:** 25% AGAINST


- 



**SAFT Groupe SA**

**Country:** France

**Issue:** Authority to Issue Shares

**Reason:** CalPERS has concerns the company may use this as an anti-takeover defense.

**Vote Result:** 64% AGAINST


- 



**BP Plc.**

**Country:** United Kingdom

**Issue:** Request the company expand reporting on Climate Change

**Reason:** CalPERS believes companies should provide accurate and timely disclosure of environmental risks and opportunities through adoption of polices or objectives.

**Vote Result:** 12% FOR



## Domestic Shareowner Proposals: Examples of CalPERS FOR Votes



### Valero Energy Company

**Issue:** Develop Quantitative GHG Goals for Products and Operations

**Reason:** To ensure sustainable long-term returns, companies should provide accurate and timely disclosure of environmental risks and opportunities through the adoption of policies or objectives.

**Votes Result:** 33% FOR



### Vornado Realty Trust

**Issue:** Require an Independent Board Chairman

**Reason:** CalPERS is a firm supporter of an Independent Board Chairman.

**Votes Result:** 54% FOR



### Kohl's Inc.

**Issue:** Adopt Proxy Access Right

**Reason:** CalPERS is a firm supporter of proxy access and giving shareowners effective access to the director nomination process.

**Votes Result:** 74% FOR \*\*CalPERS Proposal\*\*



### Anthem, Inc.

**Issue:** Declassify the Board of Directors

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

**Votes Result:** 72% FOR



### Citigroup, Inc.

**Issue:** Adopt Proxy Access Right

**Reason:** CalPERS is a firm supporter of proxy access and giving shareowners effective access to the director nomination process.

**Votes Result:** 86% FOR



### Cloud Peak Energy, Inc.

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

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

**Votes Result:** 70% FOR



## Domestic Shareowner Proposals: Examples of CalPERS AGAINST Votes

	<p><b>Chevron Corp.</b></p> <p><b>Issue:</b> Prohibiting Political Spending</p> <p><b>Reason:</b> CalPERS believes prohibiting political spending is not in the best interest of shareowners or the company. However, consistent with the CalPERS Global Principles we believe there should be Board oversight and disclosure of corporate political spending.</p> <p><b>Vote Result:</b> 97% AGAINST</p>	
	<p><b>PepsiCo, Inc.</b></p> <p><b>Issue:</b> Regarding Formation of Sustainability Committee</p> <p><b>Reason:</b> CalPERS believes the existing board level oversight on sustainability issues meets the request of the proposal.</p> <p><b>Vote Result:</b> 95% AGAINST</p>	
	<p><b>Tesla Motors, Inc.</b></p> <p><b>Issue:</b> Regarding Animal Welfare</p> <p><b>Reason:</b> CalPERS believes the 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.</p> <p><b>Vote Result:</b> 99% AGAINST</p>	
	<p><b>General Electric Company</b></p> <p><b>Issue:</b> Regarding Compensation in the Event of a Change in Control</p> <p><b>Reason:</b> Consistent with CalPERS Global Governance Principles we believe the company's policies and provisions currently in place are sufficiently meet the request of the proposal.</p> <p><b>Vote Result:</b> 60% AGAINST</p>	
	<p><b>The AllState Corporation</b></p> <p><b>Issue:</b> Regarding Retention of Shares Unit Retirement</p> <p><b>Reason:</b> CalPERS is a firm supporter of requirements related to share retention. However, consistent with the CalPERS Global Principles we do not believe proposal is necessary at this time due to the company's robust ownership guidelines.</p> <p><b>Vote Result:</b> 71% AGAINST</p>	
	<p><b>Altria Group, Inc.</b></p> <p><b>Issue:</b> Regarding Report regarding Labor Policies</p> <p><b>Reason:</b> Consistent with CalPERS Global Principles we do not believe proposal is necessary at this time due to the company's existing policies and disclosure.</p> <p><b>Vote Result:</b> 95% AGAINST</p>	

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



### Silicon Laboratories, Inc.

**Issue:** Say-on-Pay

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

**Vote Result:** 96% FOR



### Alleghany Corporation

**Issue:** Say-on-Pay

**Reason:** Proposal is in line with CalPERS Global Governance Principles. CalPERS believes the company has a well-designed compensation program.

**Vote Result:** 97% FOR



### Southern First Bancshares, Inc.

**Issue:** Amend Omnibus Stock Plan

**Reason:** Proposal is in line with CalPERS Global Governance Principles.

**Vote Result:** 95% FOR



### Domino's Pizza, Inc.

**Issue:** Amend Executive Incentive Bonus Plan

**Reason:** Proposal is in line with CalPERS Global Governance Principles related to incentive plans.

**Vote Result:** 99% FOR



### GameStop Corporation

**Issue:** Say-on-Pay

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

**Vote Result:** 98% FOR



### Aruba Networks, Inc.

**Issue:** Advisory Vote on Golden Parachutes







**Reason:** Proposal is in line with CalPERS Global Governance Principles.

**Vote Result:** 92% FOR





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

✘	<p><b>BankUnited, Inc.</b></p> <p><b>Proposal:</b> Say-on-Pay</p> <p><b>Reason:</b> The company has failed to link pay with performance. Further, the company does not disclose a clawback policy.</p> <p><b>Vote Result:</b> 70% AGAINST</p>	
✘	<p><b>Wright Medical Group, Inc.</b></p> <p><b>Issue:</b> Advisory Vote on Golden Parachutes</p> <p><b>Reason:</b> The proposal is not in the best interest of shareowners and has a single-trigger for a change in control.</p> <p><b>Vote Result:</b> 45% AGAINST</p>	
✘	<p><b>Allegheny Technologies Incorporated</b></p> <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> 51% AGAINST</p>	
✘	<p><b>Knoll, Inc.</b></p> <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> 80% AGAINST</p>	
✘	<p><b>TCF Financial Corp.</b></p> <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> 70% AGAINST</p>	
✘	<p><b>Biglari Holdings, Inc.</b></p> <p><b>Proposal:</b> Say-on-Pay</p> <p><b>Reason:</b> The company has failed to link pay with performance. Additionally, the company does not disclose a clawback provision or equity ownership requirements.</p> <p><b>Vote Result:</b> 50% AGAINST</p>	
✘	<p><b>Cogent Communications Holdings Inc.</b></p> <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 a poorly designed compensation program.</p> <p><b>Vote Result:</b> 59% AGAINST</p>	