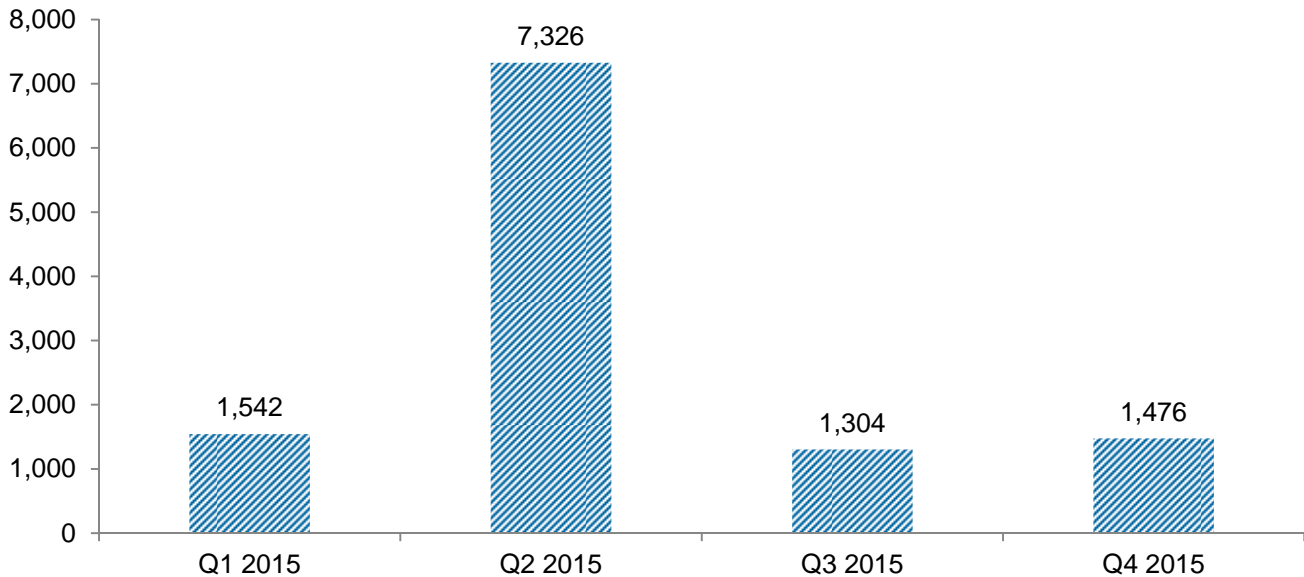


## Overview of Global Proxy Votes Cast

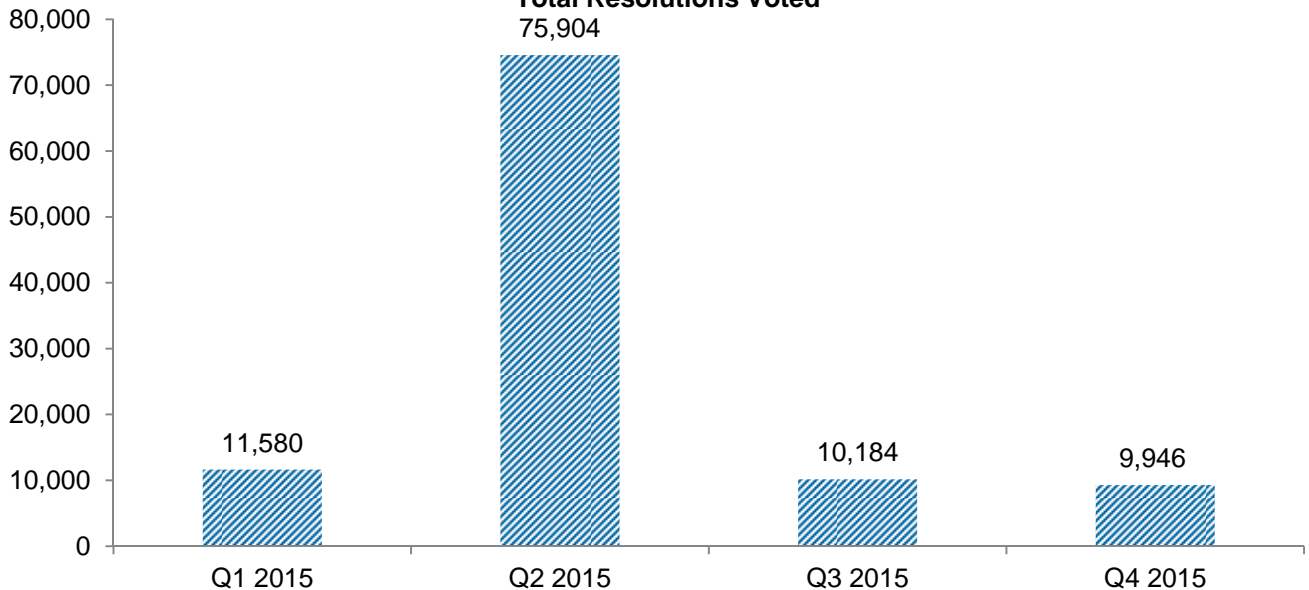
### Q4 2015 (October – December) 1,476 meetings voted

CalPERS cast votes at 1,476 company meetings worldwide, supporting 85 percent of management proposals and 30 percent of shareholder proposals. Votes are cast in line with CalPERS Global Governance Principles, as approved by the Board.

**Number of Meetings Voted**

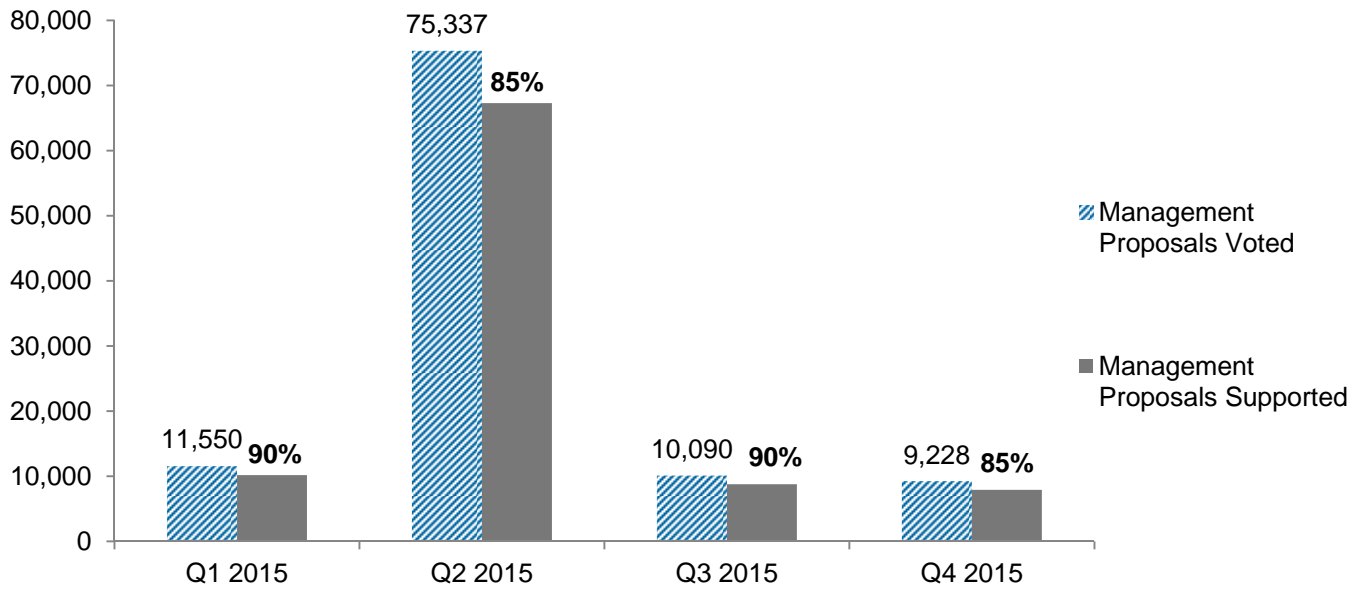


**Total Resolutions Voted**

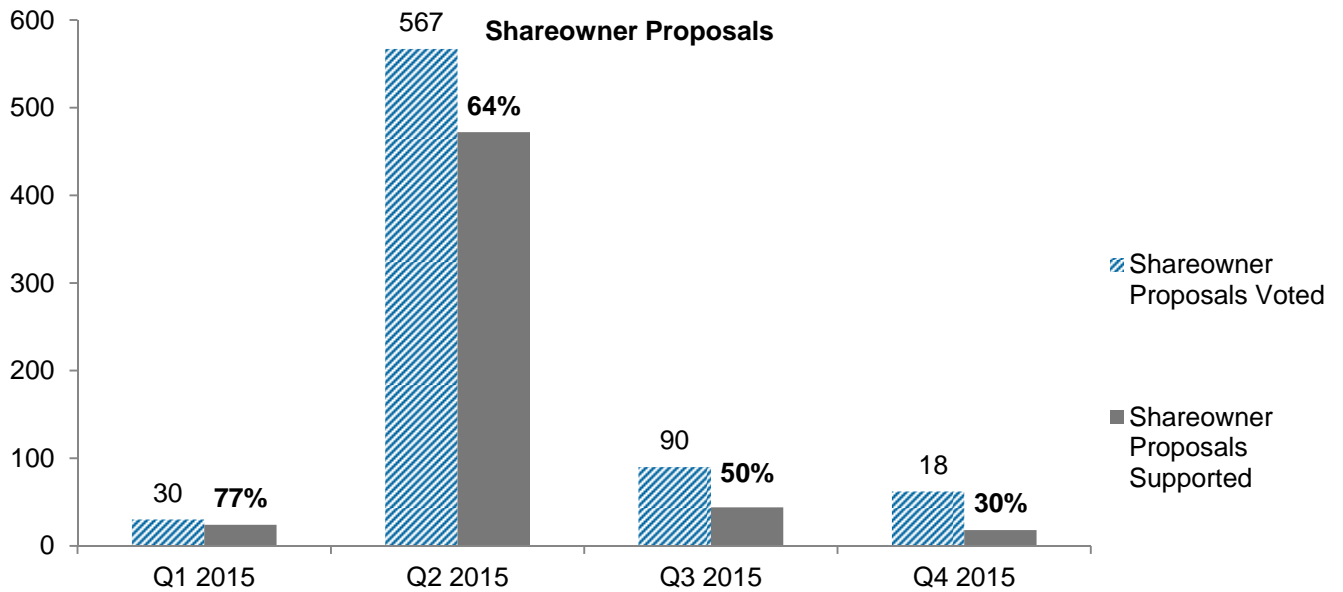


Staff has prepared detailed reports of CalPERS proxy votes cast during the period October 1, 2015 to December 31, 2015 for this agenda item. The attachments are not included in the agenda materials due to their size.

**Management Proposals**





**Shareowner Proposals**















Source: Glass Lewis (Viewpoint)

## Domestic Management Proposals: Examples of CalPERS FOR Votes

- |   |   |
|---|---|
| <p>✓ <b>AeroVironment, Inc.</b><br/> <b>Issue:</b> Repeal of Classified Board<br/> <b>Reason:</b> CalPERS is a firm supporter of annual director elections.<br/> <b>Vote Result:</b> 93% FOR</p>  |    |
| <p>✓ <b>FactSet Research Systems, Inc.</b><br/> <b>Issue:</b> Elect Directors<br/> <b>Reason:</b> CalPERS supported each director nominee up for election consistent with CalPERS Global Governance Principles.<br/> <b>Vote Result:</b> Each director received over 96% support.</p> |    |
| <p>✓ <b>Anthem, Inc.</b><br/> <b>Issue:</b> Approval of Merger/Acquisition<br/> <b>Reason:</b> CalPERS believes the merger is in best interest for shareowners.<br/> <b>Vote Result:</b> 99% FOR</p>  |    |
| <p>✓ <b>G &amp; K Services, Inc.</b><br/> <b>Issue:</b> Adoption of Majority Vote for Election of Directors<br/> <b>Reason:</b> CalPERS believes a majority of the proxies cast should be required to elect a director.<br/> <b>Vote Result:</b> 97% FOR</p>                          |   |
| <p>✓ <b>Western Digital Corp.</b><br/> <b>Issue:</b> Ratification of Auditor<br/> <b>Reason:</b> The proposal consistent with the CalPERS Global Governance Principles.<br/> <b>Vote Result:</b> 97% FOR</p>  |  |
| <p>✓ <b>Adcare Health System, Inc.</b><br/> <b>Issue:</b> Eliminate Classified Board Structure<br/> <b>Reason:</b> CalPERS is a firm supporter of annual director elections.<br/> <b>Vote Result:</b> 99% FOR</p>   |  |
| <p>✓ <b>Parker-Hannifin Corporation</b><br/> <b>Issue:</b> Adopt Majority Voting for Election of Directors<br/> <br/> <b>Reason:</b> CalPERS believes a majority of the proxies cast should be required to elect a director.<br/> <br/> <b>Vote Result:</b> 99% FOR</p>               |  |

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

- |   |   |
|---|---|
| <p> <b>A. Schulman, Inc.</b></p> <p><b>Issue:</b> Elect Directors</p> <p><b>Reason:</b> CalPERS withheld vote from director nominee Michael McManus for being an executive of a public company and serving on more than two public company boards.</p> <p><b>Vote Result:</b> Michael McManus – 44% AGAINST</p>  |    |
| <p> <b>Parker-Hannifin Corporation</b></p> <p><b>Issue:</b> Eliminate Cumulative Voting</p> <p><b>Reason:</b> Shareowners should have the right to cumulate votes in the election of directors.</p> <p><b>Vote Result:</b> 17% AGAINST</p>   |    |
| <p> <b>Protalix Biotherapeutics, Inc.</b></p> <p><b>Issue:</b> Elect Directors</p> <p><b>Reason:</b> CalPERS withheld vote from director nominee Roger Kornberg due to poor attendance levels.</p> <p><b>Vote Result:</b> Roger Kornberg – 67% AGAINST</p>   |    |
| <p> <b>Ntelos Holding Corp</b></p> <p><b>Issue:</b> Ratification of Auditor</p> <p><b>Reason:</b> CalPERS believes fees for non-audit services exceeding 50% are excessive.</p> <p><b>Vote Result:</b> 11% AGAINST</p>  |  |
| <p> <b>Cavco Industries, Inc.</b></p> <p><b>Issue:</b> Increase of Authorized Common Stock</p> <p><b>Reason:</b> CalPERS believes the request is excessive and the additional shares could be used as an anti-takeover measure.</p> <p><b>Vote Result:</b> 29% AGAINST</p>   |  |
| <p> <b>Celadon Group, Inc.</b></p> <p><b>Issue:</b> Elect Directors</p> <p><b>Reason:</b> CalPERS withheld vote from Compensation Committee members Catherine Langham, Michael Miller, and Robert Long due to the company's failed say-on-pay failing in 2014.</p> <p><b>Vote Result:</b> Catherine Langham - 59% AGAINST; Michael Miller – 59% AGAINST; Robert Long - 58% AGAINST</p> |  |

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



### Discovery Limited

**Country:** South Africa

**Issue:** Remuneration Policy

**Reason:** CalPERS has concerns over poorly structured compensation that includes the use of a single metric and short performance periods of less than three years.

**Vote Result:** Pending



### Sino Land Company Limited

**Country:** China

**Issue:** Authority to Issue Shares without Preemptive Rights

**Reason:** Consistent with CalPERS Global Corporate Governance principles we support the protection of preemptive rights.

**Vote Result:** 19% AGAINST



### Liquefied Natural Gas Limited

**Country:** Australia

**Issue:** Elect Director

**Reason:** CalPERS voted against the re-election of Richard Beresford for being an affiliated director while serving on a key committee of the board.

**Vote Result:** 34% AGAINST



### Kato Sangyo Company Limited

**Country:** Japan

**Issue:** Election of Directors

**Reason:** CalPERS voted against the re-election of Tetsuroh being an affiliated director while serving on a key committee of the board.

**Vote Result:** Abdul Rahim - 16% AGAINST



### Eutelsat Communications

**Country:** France

**Issue:** Remuneration Policy

**Reason:** CalPERS believes equity compensation plans should have long-term vesting periods of at least three years.

**Vote Result:** 32% AGAINST



### Renishaw PLC

**Country:** United Kingdom

**Issue:** Authority to Set Auditor's Fee

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

**Vote Result:** 16% AGAINST



## Domestic Shareowner Proposals: Examples of CalPERS FOR Votes



### Hain Celestial Group, 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



### AutoZone Inc.

**Issue:** Regarding 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.

**Votes Result:** 36% FOR



### Oracle Corporation

**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:** 54% FOR



### News Corp

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

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

**Votes Result:** 49% FOR



News Corporation



### Cisco Systems, 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:** 64% FOR



### Reed's Inc.

**Issue:** Regarding Majority Vote for Election of Directors

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

**Votes Result:** 30% FOR



## Domestic Shareowner Proposals: Examples of CalPERS AGAINST Votes



### Cisco Systems, Inc.

**Issue:** Regarding Holy Land Principles

**Reason:** Consistent with CalPERS Global Governance Principles we believe the company's existing policy on human rights meets the request of this proposal.

**Vote Result:** 98% AGAINST



### Symantec Corporation

**Issue:** Regarding Establish Public Policy Board Committee

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

**Vote Result:** 97% AGAINST



### Oracle Corporation

**Issue:** Regarding Counting Abstentions

**Reason:** Consistent with CalPERS Global Governance Principles we believe the total votes cast should be counted – this includes votes “for”, “against”, and “abstentions”.

**Vote Result:** 91% AGAINST



### Kroger Co.

**Issue:** Eliminate the use of Antibiotics in Products

**Reason:** Consistent with CalPERS Global Governance Principles we believe the company's existing policy and disclosure on the issues meets the request for the proposal. Further, the company is compliant with existing federal guidelines.

**Vote Result:** 98% AGAINST



### Lululemon Athletica Inc.

**Issue:** Eliminate the use of Down in Products

**Reason:** We believe the request of the proposal is overly prescriptive. Further, the company's existing policy and disclosure and down sourcing practices are in-line with peers.

**Vote Result:** 98% AGAINST





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



### Health Net, Inc.

**Issue:** Advisory Vote on Golden Parachutes

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

**Vote Result:** 93% FOR



### Hertz Global Holdings, Inc.

**Issue:** Amend Omnibus Stock Plan

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

**Vote Result:** 98% FOR



### Kimball International, Inc.

**Issue:** Amend Executive Incentive Bonus Plan

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

**Vote Result:** 97% FOR



### Campbell Soup Company

**Issue:** Approve Omnibus Stock Plan

**Reason:** Proposal is in line with CalPERS Global Principles of Accountable Corporate Governance. The plan is performance based with long term equity awards.

**Vote Result:** 96% FOR



### Guidewire Software, 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:** 99% FOR



### The Estee Lauder Companies, Inc.

**Issue:** Approve Omnibus Stock Plan

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



**Vote Result:** 97% FOR



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



### Oracle

**Proposal:** Say-on-Pay

**Reason:** The company has failed to link pay with performance.



**Vote Result:** 52% AGAINST



### Celadon Group, Inc.

**Proposal:** Say-on-Pay

**Reason:** The company has failed to link pay with performance. Further, the company has not adequately disclosed elements of the compensation program.



**Vote Result:** 81% AGAINST



### Hain Celestial Group, Inc.

**Issue:** Say-on-Pay

**Reason:** The company has failed to link pay with performance. In addition, we have concerns over the magnitude of pay.



**Vote Result:** 60% AGAINST



### Solera Holdings Inc.

**Proposal:** Advisory Vote on Golden Parachutes

**Reason:** Concerns over egregious severance provisions and the use of single-trigger payments.



**Vote Result:** 57% AGAINST



### K12, Inc.

**Proposal:** Say-on-Pay

**Reason:** The company has failed to link pay with performance and uses a single trigger in the event of a change in control.



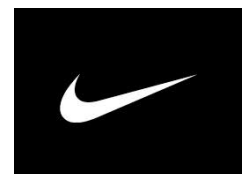
**Vote Result:** 54% AGAINST



### Nike Inc.

**Proposal:** Say-on-Pay

**Reason:** The company has failed to align pay with performance by issuing an excessing one-time equity grant.



**Vote Result:** 25% AGAINST