

# Fact Sheet CORPORATE GOVERNANCE

California Public Employees' Retirement System • 400 Q Street • Sacramento, California 95814

## CalPERS 2007 Focus List Company At-A-Glance

### International Paper Corporation (IP) – Memphis, Tennessee

International Paper Company operates as a forest products, paper, and packaging company in the United States.

**Market Capitalization:** \$16.3 billion

**CalPERS' Holdings:** \$112.7 million (.7% of outstanding shares)

### Total Return Performance for Selected Periods Ending 02/28/2007

Time period ending 2/28/2007	International Paper Co.	S&P 500 Index	Relative to S&P 500 Index	Paper & Forest Products S&P Industry Peer Index	Relative to Peer Index
5 years	-5.73%	39.05%	-44.78%	38.11%	-43.84%
3 years	-11.52%	29.83%	-41.35%	23.48%	-35.00%
1 year	13.01%	11.97%	1.04%	18.28%	-5.27%

Source: FactSet

### The Problems:

- International Paper's stock has underperformed relative to its industry peer index over the 1, 3 and 5 year time periods ending February 28<sup>th</sup>.
- Characteristics of an entrenched board.
- Unresponsive to shareowners.
- Would not agree to remove the staggered or "classified" board structure. At International Paper's 2006 Annual Meeting, a shareowner proposal to declassify the board received 79% of the "for" votes. Implementation of the proposal is not required due to the company's supermajority requirements.
- Would not agree to remove supermajority voting requirements that pertain to the articles of incorporation.
- Would not agree to seek shareowner approval for any future poison pill.