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# **Colorado PERA Proxy Voting Policy**

**Colorado  
Public  
Employees'  
Retirement  
Association**

(Approved by Shareholder Responsibility Committee on January 19, 2012)  
(Approved by Board of Trustees on March 16, 2012)

## Contents

Statutory Authority.....	1
Statutory Fiduciary Responsibility.....	1
Other Fiduciary Responsibility.....	1
Shareholder Responsibility Committee of the Board of Trustees .....	1
Voting Guidelines—Overview of Casting Proxy Votes .....	2
Board of Directors.....	3
Corporate Governance .....	5
Executive Compensation .....	5
Other Compensation Plans.....	6
Ratification of Auditors .....	7
Proxy Contests.....	7
Antitakeover Defenses and Voting Related Issues .....	7
Mergers and Corporate Restructuring .....	8
State of Incorporation and Charters/Bylaws.....	8
Capital Structure .....	9
Operational Items .....	9
Other Proxy Issues Regarding Corporate Governance .....	10
Shareholder Proposals.....	10
Domestic Proxy Voting.....	11
Non U.S. Proxy Voting.....	11

## Statutory Authority

The Public Employees' Retirement Association was created by the State of Colorado. The Plan operates by the authority of the Colorado General Assembly, with benefits and administration defined under Title 24, Article 51 of the Colorado Revised Statutes. By state law, the management of the public employees' retirement fund is vested in the Board of Trustees of the Public Employees' Retirement Association of Colorado.

## Statutory Fiduciary Responsibility

The trustees of the Board shall be held to the standard of conduct of a fiduciary in discharging their responsibilities. C.R.S. § 24-51-207(2) states:

As fiduciaries, such trustees shall carry out their functions solely in the interest of the members and benefit recipients and for the exclusive purpose of providing benefits and defraying reasonable expenses incurred in performing such duties as required by law. The trustees shall act in accordance with the provisions of this article and with the care, skill, prudence, and diligence in light of the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims by diversifying the investments of the association so as to minimize the risk of large losses, unless in light of such circumstances it is clearly prudent not to do so.

## Other Fiduciary Responsibility

Although the Public Employees' Retirement Association of Colorado is not subject to ERISA (Employee Retirement Income Security Act of 1974), it is attempting to comply with the position taken by the U.S. Department of Labor in February 1988, in a letter addressed to Avon Products Inc. Employees' Retirement Plan. In the letter the Department of Labor has stated that under Title I of the Employee Retirement Income Security Act of 1974 the right to vote shares of stock owned by a pension plan is, in itself, an asset of the plan, and therefore the fiduciary's responsibility to manage the assets includes proxy voting. Fiduciaries are required to develop and maintain a written proxy policy, vote in accordance with the written policy, and maintain accurate records of the proxy voting activities.

## Shareholder Responsibility Committee of the Board of Trustees

To assist the Board of Trustees in carrying out its fiduciary responsibilities in voting proxies, the Board has established a Shareholder Responsibility Committee. The Committee is composed of members of the Board with the Chair of the Board as an ex-officio member of the Committee. The General Counsel serves as an advisor to the Committee. The Board of Trustees and the Shareholder Responsibility Committee have delegated to its staff in the Legal Department the authority to execute and vote all proxies according to the PERA *Proxy Voting Policy*. All proxy issues are reviewed by staff on a case-by-case basis and then voted according to guidelines established by the *Policy*. Staff maintains a complete file of all proxy voting activities. At least annually the Board of Trustees is given a report of shareholder activities.

## Voting Guidelines—Overview of Casting Proxy Votes

This policy has been developed by PERA staff. When developing the policy, staff reviewed governance policies that promote accountability, transparency, and sound corporate governance. Key provisions of sound corporate governance policies that align with PERA's fiduciary responsibility to ensure long-term stability of the fund for the benefit of our members have been incorporated into this policy. This policy is unique to PERA and is referred to when reviewing proxies for voting. All domestic and internally managed non-U.S. proxies are voted in-house by PERA staff using a secure proxy voting platform.

Each annual, special, or contested meeting held by a company is unique in its own right. Proposals put before shareholders for consideration are specific to each company based upon the dynamics of that company. While companies may put a proposal on their ballot (such as 'advisory vote on executive compensation'), and shareholders may put a proposal on the ballot at various companies (such as 'declassify the board'), each proposal must be evaluated based upon the attributes of the company to which the proposal applies. There can be no one-size-fits-all approach to proxy voting.

Unless otherwise stated in this policy:

PERA will review proposals on a case-by-case basis when it has been determined that a meeting may be of heightened importance due to any of the following: poor performance; lack of effective oversight; poor corporate governance practices by management; other events that may be found to be detrimental to the interests of shareholders. When determining how to vote these cases, PERA will utilize analyses and recommendations from staff and outside proxy consultant sources. When a proposal is not specifically addressed in the PERA *Proxy Voting Policy* PERA will generally vote as recommended by our proxy advisory consultant.

## Board of Directors

DESCRIPTION: The primary purpose of the Board of Directors is to represent shareholders, protect their interests, and maximize shareholder value. As such, the Board is the focal point of corporate governance at a company. It is widely held by corporate governance experts that non-classified boards composed of a majority of independent directors with separate Chief Executive Officer and Chairman positions contain the greatest diversity for oversight and ensuring fair representation of shareholder interests. PERA believes that corporate transparency is increased by Boards of Directors that meet our policy standards, and that transparency is important in our ability to make informed investment decisions.

PERA believes that a board of directors should be composed of a majority of independent directors. PERA defines an independent director as someone who does not have any kind of significant affiliation with the company other than the directorship. Further, a director will not be considered independent if during the past five years the director is, had, or has been:

- Employed by the corporation or employed as a director of an affiliate
- An employee, director, or greater-than-20-percent owner of a firm that is one of the corporation's, or its affiliates, paid advisers or consultants
- A five percent or greater ownership interest in a third-party that provides payments to or receives payments from the corporation
- Paid more than \$50,000 under a personal contract with the corporation, an executive officer, or any affiliate of the corporation
- An employee or director of a foundation, university or other non-profit organization that receives significant grants or endowments from the corporation
- Part of an interlocking directorate in which the CEO or other employee of the corporation serves on the board of a third-party entity
- A director or a five percent or greater owner of a third-party entity that is a significant competitor of the corporation.

The above also applies when any family member of a director falls under the above criteria. A family member is defined as: any spouse, parents, children, step-children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, aunts uncles, nieces, nephews and first cousins of the director, and anyone sharing the home of the director.

### **1. *Against and Withhold Votes for Individual Directors in Uncontested Elections***

With the additional focus placed on the performance of boards, PERA believes more scrutiny should be given to voting for individual directors. PERA will vote **Against** or **Withhold** votes from director nominees that:

- Have attended less than 75% of board meetings and committee meetings
- Sit on an excessive number of boards which may prohibit effective participation on the board in question. The number of boards considered to be excessive will be dependent on the sector and other factors related to the company at issue
- Are affiliated with boards of failed companies, or companies under current federal, state, regulatory or congressional investigation or review
- Served on boards whose governance record is indicative of a board that does not support policies expressed by PERA's *Proxy Voting Policy*

- Are also the CEO of a company where a serious restatement has occurred after the CEO certified the pre-restatement financial statements
- Have sat on a board for the past 3 consecutive years and the company has been in the bottom quartile for performance in their industry for the past 3 consecutive years

**2. *Separate Positions for Chief Executive Officer and Chairman***

PERA believes a Board that has separate positions for Chief Executive Officer and Chairman promotes greater management accountability; helps create a board atmosphere of independent leadership, and allows for an unbiased evaluation of the performance of the Chief Executive Officer by the Board. PERA will vote **For** proposals that seek the separation of Chief Executive Officer and Chairman positions and **Against** proposals that seek to prevent such separation or impair the independence of the Chief Executive Officer and Chairman positions.

**3. *Establish Nominating, Compensation, Audit and Governance Committees***

PERA believes good corporate governance requires companies to establish nominating, compensation, audit and governance committees. PERA will vote **For** proposals that seek to establish any or all of these committees.

**4. *Majority Voting for the Election of Directors***

PERA believes all directors should be elected by a majority vote of shareowners. As such, PERA will vote **For** all proposals that require a majority vote for the election of directors.

**5. *Declassified Boards***

Corporate governance experts believe boards that are not classified are more effective than classified boards as they do not lead to entrenchment of management, do not insulate directors from being accountable to shareholders, and they allow for greater ease to change control of a company through a proxy contest. Although many U.S. companies have classified boards, recent trends have shown more and more proposals have been submitted and received substantial votes to repeal classified boards. In addition to shareholder proposals calling for the repeal of classified boards, some companies have voluntarily submitted proposals to repeal their classified boards. PERA believes declassified boards provide a valuable avenue toward director responsibility and accountability to shareholders and will vote **For** proposals to repeal classified boards.\*

\* It is acknowledged that PERA is a classified board and voting for the repeal of classified boards may appear to be a double standard. However, PERA's board structure is mandated by state statute, not corporate by-laws, and subject to change only through state legislation. Further, PERA Board members are selected by an open election and placed on the election ballot by petition rather than a ratification vote of a predetermined slate.

**6. *Committee Composition***

PERA believes the board of directors should be composed of a majority of independent directors. Key committees including the audit, compensation, governance, and nominating committees should be comprised of only independent directors. PERA will vote **Against** proposals that do not provide for key committees to be composed of independent directors. PERA will also vote **Against** or **Withhold** votes from the nominating committee chair when the board and/or key committees do not meet independent standards as defined in PERA's *Proxy Voting Policy*.

## Corporate Governance

### 1. *Shareholder Access To The Proxy*

On September 16, 2010, after many years of petitioning the Securities and Exchange Commission (SEC) for the right of shareowners to place director nominees on a proxy ballot, the SEC issued final rules granting proxy access to shareowners. Shortly after the publication of the final rules, the US Chamber of Commerce and Business Roundtable filed suit to overturn the new rules. In July 2011, the District of Columbia Circuit Court of Appeals overturned the SEC rules granting proxy access to shareowners. As a result of the ruling, the SEC tabled any plans to reconsider rules for allowing proxy access. Instead, effective September 20, 2011, the SEC amended Exchange Act Rule 14a-8, the shareholder proposal rule, which will require companies to include in their proxy materials, under certain circumstances, shareholder proposals that seek to establish a procedure in the company's governing documents for the inclusion of one or more shareholder director nominees in the company's proxy materials.

While PERA supports access to the proxy, PERA does not believe it is necessarily in the best interest of shareowners and companies to allow access on a 'by company' basis. Access to the proxy should be an all-inclusive rule promulgated by the SEC providing, but not limited to, the same standards of ownership and longevity of ownership. Allowing access under Rule 14a-8 has the potential to create access proposals that differ from company to company that may not be in the best interests of shareowners.

PERA will review all access proposals on a case-by-case basis and vote pursuant to the Voting Guidelines.

### 2. *Exclusive Forum Provisions*

In March 2010 the Delaware Court of Chancery issued an opinion allowing for any Delaware corporation to establish the Delaware Court of Chancery as the exclusive forum for "intra-entity" disputes, which include claims asserting director's and officer's breaches of fiduciary duty, claims seeking to overturn director's business judgments on mergers, and other matters.

PERA believes that clauses establishing one court as the sole venue for shareowner claims could potentially limit shareowners' ability to succeed in the pursuit of compensation for meritorious claims. While a single forum may bring greater predictability to the process, it is logical to expect that given a choice, management would choose a forum where rulings are consistently advantageous to management. Most companies that have adopted an exclusive forum provision did so without seeking shareowner approval. PERA will vote **AGAINST** any proposal requesting exclusive forum for intra-entity disputes.

## Executive Compensation

DESCRIPTION: PERA believes that determining executive compensation is one of the most important, and difficult, functions facing companies. With the spotlight on the recent market meltdown and the perceived excess of corporate executives, it is imperative that critical attention be given when analyzing the many facets of executive compensation. Because each company is unique, PERA believes that compensation committees, when composed of independent directors, should be capable of making sound decisions concerning compensation. They should be allowed to utilize all available tools—such as stock plans or bonus incentives—to attract and maintain individuals who possess the vision and leadership necessary to promote corporate growth and profits, and protect shareholder rights and value. While compensation committees should have the flexibility to determine executive compensation, it is also imperative that executives not be given preference over shareholders when non-cash awards are being considered as a means of compensation, and shareholders should approve all non-cash awards.

PERA strongly believes that compensation packages should be performance based and allow for an annual advisory shareowner vote. However, because of the complexity of compensation packages it is difficult, if not impossible, to subscribe to a one-size-fits-all method when analyzing compensation packages. PERA does believe the following factors should be taken into consideration when evaluating a compensation package:

- Performance based salary and incentives that take into account long term goals and strategies
- Stock Option awards, including provisions for holding options past retirement
- Clawback provisions
- Incentive Bonus Plans
- Long-term Incentive Plans
- Minimum Stock Ownership Requirements
- Stock Ownership Requirements
- Golden Parachutes

Proposals dealing with executive compensation will be voted as outlined in the Voting Guidelines.

## Other Compensation Plans

DESCRIPTION: PERA believes that nonemployee directors and employees should be rewarded for their efforts when those efforts promote corporate growth and profits. There are many different plans that can be used for rewarding such efforts. As with executive compensation, PERA believes that an independent board should be capable of making sound decisions concerning other compensation plans. Other compensation plans should focus on the following attributes:

- Attract highly qualified candidates and employees
- Retain highly qualified candidates and employees
- Align directors' interests with the interests of long-term shareholders
- Provide complete plan disclosure to shareholders

### 1. *Nonemployee Director Retirement Plans*

Nonemployee director retirement plans can create conflicts of interest because of their high value and flexible terms that could lead to a lifetime benefit for not only the director, but also a director's surviving spouse (golden coffins). Additionally, director retirement plans are often times redundant because many nonemployee directors receive pension benefits from their primary or previous employer. Faced with the increase of scrutiny by shareholders in the arena of director compensation, many companies are seeking shareholder approval to eliminate director retirement plans. PERA favors proposals that eliminate nonemployee director retirement plans and will vote **For** proposals that eliminate nonemployee director retirement plans.

### 2. *Employee Stock Purchase Plans*

Due to the uniqueness and needs of each company, proposals will be voted as outlined in the Voting Guidelines.

### 3. *Employee Stock Ownership Plans*

Employee Stock Ownership Plans ("ESOPS") have become a popular method in which a company rewards employees for their commitment and hard work to ensure the success of the company. PERA will vote **For** proposals to implement an ESOP or increase authorized shares for an existing ESOP provided the number of allocated shares are not excessive (more than five percent of outstanding shares).

Proposals dealing with other compensation plans not addressed by this policy will be voted as outlined in the Voting Guidelines.

## Ratification of Auditors

Although companies are not legally required to obtain ratification of auditors by shareholders, companies have routinely submitted proposals for ratification of auditors to shareholders as a practice of good corporate governance. PERA believes a minimum set of standards should be applied to the ratification of auditors which includes:

- The same firm should not perform audit and consulting services
- The contract between the company and audit firm should not allow for alternative dispute resolution
- Appropriate disclosure should be made regarding fees. Fees paid for non-audit services, such as tax fees, should be reasonable when compared as a percentage to all fees paid
- The auditing team should be rotated every five years
- An audit committee should be established if there is none
- Chief executive officers and chief financial officers must sign a statement certifying and verifying that the company's financial statements and disclosures are accurate and complete and based on the companies' actual accounting records
- Accounting methods used should comply with all federal and state statutes and regulatory bodies as well as accounting standards and generally accepted accounting practices

While PERA believes a vote should be cast against such auditor proposals when companies do not comply with these standards, it can be difficult to determine if certain standards are met due to a lack of available information.

PERA will vote **Against** the ratification of the auditor if any of the above standards are not met or when financial statements previously submitted are found to be inaccurate and have to be restated.

## Proxy Contests

DESCRIPTION: Proxy contests are the result of an unsatisfied or dissident shareholder, or group of shareholders, who believe current management has not done a viable job of protecting and increasing shareholder value and profits. Proxy contests can be directed towards directors and corporate policy and can include proposals such as cumulative voting and confidential voting. Proposals dealing with proxy contests will be voted as outlined in the Voting Guidelines.

## Antitakeover Defenses and Voting Related Issues

DESCRIPTION: Various methods of antitakeover defenses have been adopted by companies to prevent hostile takeovers. Additionally, state governments have adopted statutes to support companies in antitakeover defenses in an attempt to be more attractive as a location for incorporation. The result has been a lessening of shareholders' abilities to effect change in companies when there is a belief that management may not be protecting and promoting the best interests of the shareholders in a hostile takeover situation. Proposals will be voted as outlined in the Voting Guidelines.

## Mergers and Corporate Restructuring

DESCRIPTION: Good financial health of companies is essential for maximizing shareholder value. In an effort to ensure financial success, companies will look to mergers, acquisitions, and the sale or purchase of assets. Each proposal is complex and composed of many factors that must be considered when reviewing proposals. Proposals dealing with mergers and corporate restructuring not addressed by this policy will be voted as outlined in the Voting Guidelines.

### 1. *Sale or Purchase of Company Assets*

PERA will vote all proposals regarding the sale or purchase of company assets—as outlined in the Voting Guidelines.

### 2. *Mergers and Acquisitions*

PERA realizes that each proposal for a merger and/or acquisition is unique, and many factors must be considered in each merger and/or acquisition. Proposals dealing with mergers and acquisitions will be voted as outlined in the Voting Guidelines.

### 3. *Poison Pills*

PERA is not in favor of poison pills and will vote **For** proposals that call for companies to submit poison pills to shareholder votes, or proposals calling for companies to rescind or redeem poison pills. PERA will vote **Against** management proposals to create poison pills even when they are submitted to a vote.

### 4. *Stock Authorizations*

Stock authorizations include a wide variety of issues. Proposals dealing with stock authorizations will be voted as outlined in the Voting Guidelines.

### 5. *Preemptive Rights*

PERA will vote **For** shareholder proposals that provide shareholders preemptive rights, but will vote **Against** new issues of stock representing five percent or less of existing capital.

### 6. *Unequal Voting Rights*

PERA will vote **Against** all proposals to institute new classes of common or preferred stock with unequal voting rights. If voting rights are equal, PERA will not oppose the proposal unless it is used as an anti-takeover device, which would reduce the value of the outstanding stock.

## State of Incorporation and Charters/Bylaws

DESCRIPTION: Proposals to change the state of incorporation or charters and bylaws of a company are common and normally without controversy. Recent trends have shown a tendency by some companies to reincorporate as an attempt to circumvent tax laws or amend charters/bylaws in a manner that could diminish shareholder value. PERA believes good corporate governance requires careful evaluation of proposals to ensure the protection of shareholder's value and rights when addressing these proposals.

Proposals dealing with state of incorporation and charters/bylaws not addressed by this policy will be voted as outlined in the Voting Guidelines.

### 1. *Offshore Reincorporation Proposals*

PERA will vote **Against** all offshore reincorporation proposals if it is shown the reincorporation is an attempt to dilute shareholder rights.

## 2. *State of Incorporation*

PERA will vote **For** proposals to change the state of incorporation whenever the change supports shareholder interests and will vote **Against** a change if it results in limiting rights of shareholders.

## 3. *Supermajority Vote Requirement for Amending Charter/Bylaws*

Good corporate governance practices require only a simple majority of voting shares to pass proposals effecting corporate governance provisions. Requiring a supermajority of voting shares could permit management to become entrenched and allow amendments that are in the interest of shareholders to fail on the ballot. PERA will vote **Against** proposals that provide for a supermajority vote.

## Capital Structure

DESCRIPTION: Overseeing the capital structure of a company calls for the practice of sound corporate governance. While some aspects of capital structure should be handled by the board and/or senior management other issues such as common stock authorization, dividend policy, taxes, types of assets, and growth opportunity can have an impact on shareholder value and should be put to a vote by shareholders. Proposals dealing with capital structure issues will be voted as outlined in the Voting Guidelines.

## Operational Items

DESCRIPTION: Operational items are generally noncontroversial and are proposed by both management and shareholders. Most operational items address issues and procedural matters relating to the annual meeting process; however, there are some items that are outside the realm of the annual meeting process that are considered operational items. Many proposals do not require shareholder approval pursuant to the charter or bylaws of the company but will be submitted to shareholders for ratification as a practice of good corporate governance. While most operational items are usually considered routine, PERA believes that it has a fiduciary responsibility to vote proposals dealing with any operational item. Proposals dealing with operational items not addressed in this policy will be voted as outlined in the Voting Guidelines.

### 1. *Adjourn Meetings*

PERA generally opposes attempts to adjourn meetings by proxy vote. Adjournments are normally called for by management when insufficient votes have been received for passage of a proposal item. PERA believes this tactic does not allow for the voice of shareholders to be heard. PERA will vote **Against** adjournment proposals.

### 2. *Transact Other Business*

PERA opposes attempts by management to bring new proposals for a vote at meetings because of the uncertainty of items to be submitted. Unless a shareholder attends the meeting, there is no method by which a shareholder can ask questions or voice opposition to a proposal presented at the meeting. As such, PERA will vote **Against** proposals that seek approval to transact other business during a meeting.

### 3. *Change of Company Name*

Corporate name changes that are distinctive, or more functional than the original name, usually tend to have a positive effect on stock prices. As such, PERA will vote **For** proposals to change the corporate name.

### 4. *Disclosure Proposals*

PERA will vote **For** disclosure proposals when company disclosure has been inadequate and the shareholder request is not overly expensive or burdensome.

## Other Proxy Issues Regarding Corporate Governance

DESCRIPTION: Many issues dealing with corporate governance have not been addressed in this policy. PERA believes good corporate governance practices are essential to maximize and protect shareholder value and interests. Corporate governance issues that have not been addressed within the *Proxy Voting Policy* will be voted as outlined in the Voting Guidelines.

## Shareholder Proposals

### I. *Corporate Governance Proposals*

DESCRIPTION: Governance proposals include a broad spectrum of issues that deal with matters ranging from advisory votes on executive pay to the multiple aspects of director nominations and elections. Shareholder proposals can be an effective way to affect change at companies where a board has been unresponsive to the concerns of shareholders. All proposals will be voted as outlined in the Voting Guidelines.

### II. *Social Responsibility Proposals*

DESCRIPTION: Social responsibility proposals include a broad spectrum of issues that deal with subjects ranging from genetically modified foods to human rights and labor issues. Such proposals have become commonplace at annual meetings and it is not unusual to see public pension funds, institutional investors, and individual investors submitting social responsibility proposals for consideration. PERA believes that the company is in the best position to determine the effect on shareholder value, and financial impact, on the company regarding social responsibility issues.

#### 1. *Sustainability/Climate Change*

PERA believes that sustainability and climate change issues can be an area of concern and it is not uncommon to see proposals that require a company to report on sustainability and climate change issues. PERA will generally vote proposals requesting reports on sustainability and climate change issues as recommended by our proxy advisory consultants.

#### 2. *Political Expenditures*

PERA believes that all political expenditures should be approved by the board of directors and disclosed to shareholders. PERA will vote **For** proposals that require board approval and disclosure of all political expenditures.

#### 3. *Hydraulic Fracturing*

Hydraulic fracturing (fracking) is a method used to extract natural gas from rock formations which involves a mix of water, chemicals, and particles injected under high pressure into a bore hole to create openings in rock formations through which natural gas can flow. Fracking has become the subject of increasing attention by investors, environmentalists, regulators and the media. Potential risks allegedly associated with fracking include environmental, health, regulatory, and reputational.

Shareholder proponents have argued that companies have not provided adequate disclosure, transparency and sufficient information to address potential risks. Boards generally contend that there is no need for further disclosure and transparency of fracking operations citing the frequent use and long history of fracking operations, strict adherence to current laws and regulations, and proprietary business concerns.

PERA will review all fracking disclosure proposals on a case-by-case basis and vote pursuant to the Voting Guidelines.

### All Other Social Responsibility Proposals

PERA will **Abstain** on all other social responsibility proposals and only vote a social responsibility proposal if there is a clear, evident, and demonstrable economic impact to the company as recommended by our proxy advisory consultants.

## Domestic Proxy Voting

DESCRIPTION: Proxy voting for domestic companies is handled by internal PERA staff. The Board of Trustees has determined that the best method for voting domestic proxies at this time is to continue having internal PERA staff vote domestic proxies.

Shares of stock with associated voting rights, which are purchased by PERA's internal investment staff, and shares of stock with associated voting rights which are purchased by external equity managers for PERA, shall be voted internally by PERA staff subject to the following requirements and standards:

1. PERA staff shall vote all domestic proxies pursuant to the written proxy voting policy adopted by the PERA Board of Trustees.
2. PERA staff shall report monthly all domestic proxy votes to the Shareholder Responsibility Committee.

## Non U.S. Proxy Voting

DESCRIPTION: Proxy voting for non U.S. companies is currently handled by both internal PERA staff and external managers.

Non U.S. shares of stock with associated voting rights, which are purchased and managed by external equity managers for PERA, shall be voted by the purchasing external equity manager subject to the following requirements and standards:

1. Each manager shall have a written proxy voting policy which shall be submitted to PERA. Changes or amendments to this policy shall be submitted to PERA when implemented. This policy shall not conflict with the principles set out in PERA's general *Proxy Voting Policy* unless for good reason, communicated to PERA in writing.
2. The manager shall vote all proxies unless it documents in writing that the cost/benefit ratio of voting in that case is unfavorable.
3. The manager shall vote in accordance with any timely directive by PERA with regard to any proxy.
4. The manager shall report quarterly in writing all proxy votes. Any exceptions from the manager's proxy voting policy shall be documented.

Non U.S. shares of stock with associated voting rights, which are purchased and managed by internal PERA staff, shall be voted by internal PERA staff pursuant to the written domestic proxy voting policy adopted by the PERA Board of Trustees.

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*Revised and adopted by the PERA Board of Trustees and Shareholder Responsibility Committee (formerly Proxy Committee) in March 2012. Previous versions of the Proxy Voting Policy were revised and adopted by the PERA Board of Trustees and/or Shareholder Responsibility Committee (formerly Proxy Committee) in September 2010, January 2003, November 2002, November 1997, March 1997, November 1993, 1990, 1987, 1985, 1984, 1980, and 1979.*