

From: Philip Larrieu  
Sent: Sunday, November 06, 2011 10:20 PM  
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*Board Response to MOP*

The board should issue a response if the MSOP receives a high level of against vote (I think 30% reasonable). Also I think if insider votes should be removed before the 30% is applied.

*Does your organization believe that the proposed ISS policy appropriately and reasonably addresses corporate political contributions disclosure as a proxy issue?*

The ISS policy is reasonable.

*Is additional information from companies regarding their political contributions policies and oversight mechanisms sufficient, or would your organization prefer disclosure on specific information about actual political contributions (aggregate or individual) reported in company materials such as on a Web site or in a company report?*

CalSTRS policy is that the board needs to review and disclose political contributions at least annually.

*Does your organization intend to generally support or oppose proxy access shareholder proposals? Would your organization's view differ based on whether the proposal is a binding bylaw resolution versus a percatory (non-binding) one? If so, how?*

CalSTRS supports will support proxy access proposals. We will only oppose the proposals if the terms requested are unreasonable. We could be more lenient on the terms if the proposal is percatory and the company's past actions make the need for access more desirable.

*If your organization is likely to take a Case-by-Case approach on proxy access shareholder proposals, are there any additional factors not enumerated in ISS' proposed policy that your organization believes are central to the evaluation of these proposals? If yes, please specify.*

We will take a case-by-case approach.

*Would your organization look for specific thresholds or limits when evaluating these shareholder proposals (e.g., a minimum or maximum ownership percentage or number of board seats)? If yes, what specific parameters does your organization favor?*

We have not set specific limits to holdings percentage or duration. They will be evaluated on the need for access at the company, and reasonableness of the requested limits.

*Would your organization oppose the shareholder proposal if it allowed 13D filers seeking a change in control to place candidates on ballots? If no, please explain.*

Case-by-Case if it appears a group is trying to use access to affect a change in control we may vote against. If it does not appear a group is trying to change control we may still support it if the proposal is reasonable.

*In cases where a company fails to adopt an MSOP frequency that received majority support by shareholders, should there be additional considerations given to these companies?*

we would only support the company if they moved to a vote more frequent than the one that received a majority vote. for example a 3-year frequency received a majority but they implement annual voting.

*In cases where a company implements an option that is less frequent than that which received a plurality, but not a majority, of votes cast (e.g., one year received 43 percent of votes cast, two year received 1 percent, and three year received 39 percent, excluding abstentions), would the proposed factors help your organization analyze such situations? Are there other factors that your organization would recommend?*

Yes we would want to make sure the company was not using the fact there was a plurality to choose the frequency they wanted. In the example provided we would withhold if they chose 3-year.

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