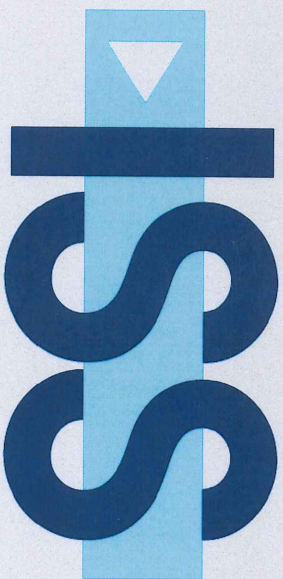


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MEETING DATE  
**March 27, 2013**  
AGENDA ITEM  
**#6**

Contra Costa County  
Employees' Retirement  
Association  
(CCCCERA)

March 27, 2012

# Agenda

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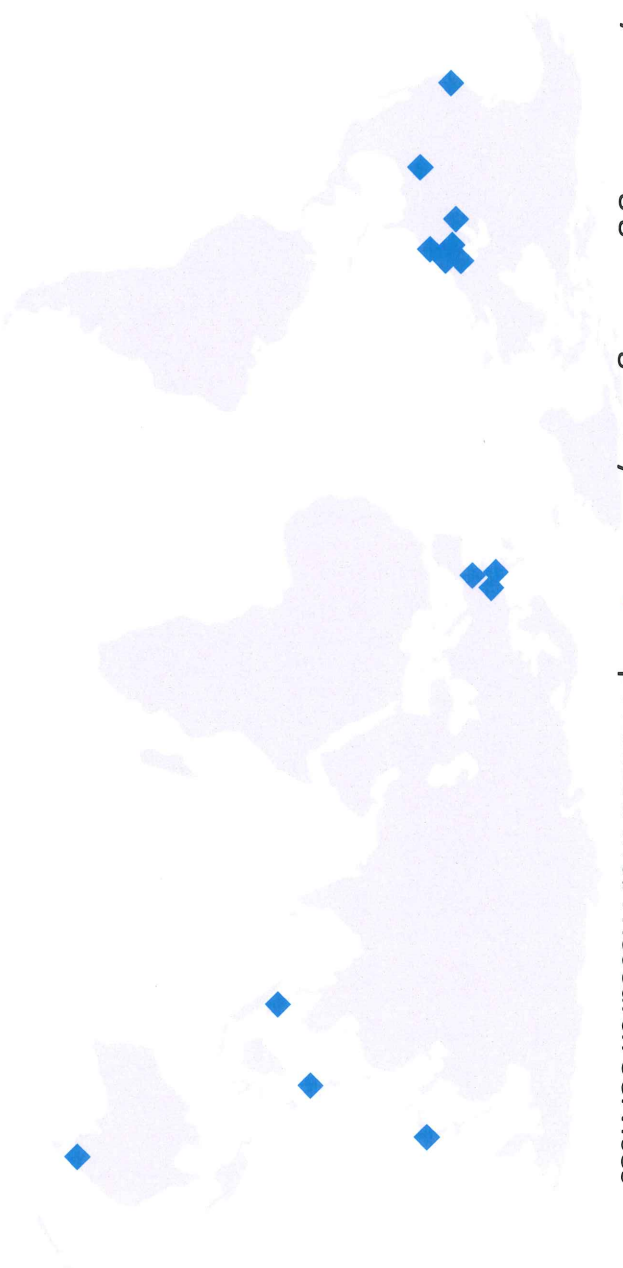


- **ISS Overview**
- **Benefits of ISS' Benchmark Policies**
  - **Board of Directors**
  - **Executive Compensation**
  - **Social and Environmental Issues**
- **Questions**

# ISS Overview



- ▶ ISS is the leading global provider of proxy research & voting solutions, with 1,300 clients worldwide
- ▶ ISS governance experts cover 40,000+ meetings annually in over 100 markets
- ▶ More than 500 employees in fourteen offices in the U.S., Canada, Europe and Asia
- ▶ ISS' critical international scale and expertise allows for adaptability to evolving global regulatory changes.
- ▶ Full-service vote execution, reporting and disclosure through an integrated voting platform
- ▶ Turnkey securities class actions research and claims filing services
- ▶ Comprehensive proxy services for custodian banks including proxy distribution, meeting notification and power-of-attorney management
- ▶ Specialized M&A Research Services



# Benefits of ISS' Benchmark Policies

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The ISS benchmark policies:

- represent broad-based market approach to governance
- capture current regulatory requirements
- are updated annually, following robust review
- allow boards of trustees to leverage industry expertise in their approach to proxy voting
- offer a cost-effective option

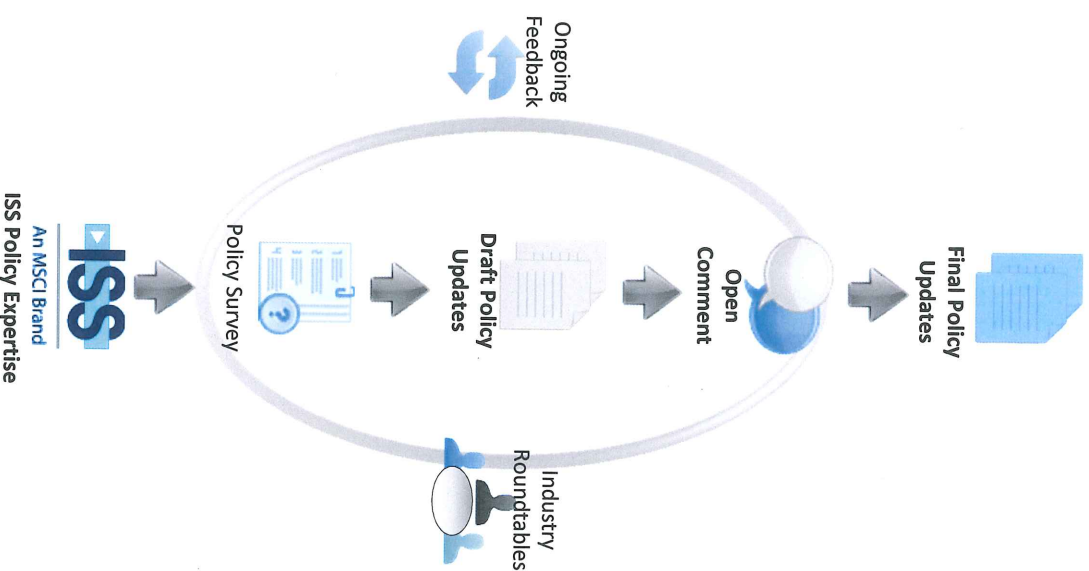


# Rigorous and Inclusive Policy Formulation Process



**ISS collaborates with institutional investors, corporate issuers and industry experts to guide the development of voting policies in a fully transparent and extraordinarily extensive way**

- ▶ **Annual Policy Survey** brings in perspectives from institutional investors, corporate issuers and governance experts. Offers all market constituents the ability to actively participate in ISS' policy development process.
- ▶ **Extensive In-person Discussion Forums** and roundtables augment the policy process
- ▶ **Balanced Viewpoint** through guidelines that strike the right balance between shareholder interests and economic practicality.
- ▶ **Engagement with Issuers** on behalf of shareholders ensures a full understanding of the facts and enriches our analysis.





## Board of Directors

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### CCCERA Policy:

- Director election:
  - board independence, director qualifications, attendance
- Classified boards
- Cumulative voting
- Separate Chairman/CEO
- Removal of directors

### Items Not Addressed:

- **Majority Voting**
- **Proxy Access**

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## Executive Compensation

### CCCERA Policy:

- Stock option plans:
  - acceleration, director participation
- Employee stock ownership plans
- Golden Parachutes
- Shareholder proposals

### Items Not Addressed:

- Management say on pay (*Dodd-Frank Act*)
- Say on pay frequency (*Dodd-Frank Act*)
- Say on golden parachutes (*Dodd-Frank Act*)

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# Social and Environmental Issues

## CCCERA Policy:

- Labor Issues:
  - child labor, sweatshops, slave labor, EEO, diversity, MacBride
- Product safety
- CERES Principles
- Environmental issues:
  - respect for laws, disclosure of liabilities, elimination/reduction of toxic emissions

## Items Not Addressed:

- Political Contributions (*Citizens United*)
- Sustainability Reporting
- Water Use
- Workplace Safety





## Questions and Next Steps



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