



## PROXY VOTING AT A GLANCE

May 31, 2015 – June 1, 2016

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Sound corporate governance principles enhance the NC SRP long-term portfolio value. Voting rights should be exercised for the exclusive benefit of NC SRP members and their beneficiaries.

### Post-transition Account Status

- All account set up successfully and connectivity between custodial system and voting system at Glass Lewis confirmed.
- Ongoing, monthly account audit implemented to verify voting status and to ensure there are no instances of equity cross-overs between DB and DC proxy policies.

Most active voting regions	Least active voting regions
<ul style="list-style-type: none"><li>• United States and Canada</li><li>• Europe</li></ul>	<ul style="list-style-type: none"><li>• Africa</li><li>• Oceania</li></ul>
Most common proposal categories – Management	Most common proposal categories – Shareholders
<ul style="list-style-type: none"><li>• Board related: Election of directors</li><li>• Audit and Financials: Financial statement</li><li>• Compensation: Executive compensation and director's fees</li></ul>	<ul style="list-style-type: none"><li>• Governance: Separation of Chair and CEO</li><li>• Social: Political spending and lobbying reports</li><li>• Environmental: Climate change</li></ul>

### North Carolina- based Companies – Proposals of Interest

- Bank of America management issued a proposal to ratify the bylaw permitting Board to appoint a non-independent chairman.
- BB&T management proposed an advisory vote on executive compensation.
- Reynolds American, Inc., management proposed an increase of authorized shares of common stock.