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Key Proxy Votes to Watch in 2016

THE MARCO CONSULTING GROUP

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Company	**Proposal**	**Sponsor**	**Vote**
Alphabet	Majority Voting	Firefighters' Pension System of Kansas City, Missouri, Trust	For
Bed, Bath & Beyond	Shareholder Approval of Golden Parachutes	Trowel Trades S&P500 Index Fund/IBEW Pension Benefit Fund	For
Bed, Bath & Beyond	Equity Retention	City of Philadelphia Pension Board Trust/AFL-CIO Equity Index Fund	For
Chevron	Lobbying Disclosure	City of Philadelphia Pension Board	For
Chipotle Mexican Grill	Proxy Access	New York City Pension Funds/UAW Medical Benefits Trust/ City of Philadelphia Pension Board	For
Discovery Communications	Board Diversity	City of Philadelphia Pension Board /Boston Common Asset Management/Calvert/Walden	For
Exxon Mobil	Proxy Access	New York City Pension Funds	For
Salesforce.com	Accelerated Vesting	New York State Comptroller/AFL-CIO Equity Index Fund	For
Spectrum Pharmaceuticals	Accelerated Vesting	City of Philadelphia Pension Board	For
T-Mobile	Proxy Access	Marco Consulting Group Trust	For
Vertex Pharmaceuticals	Accelerated Vesting	City of Philadelphia Pension Board	For
Vertex Pharmaceuticals	Declassify Board	New York State Comptroller	For
Vertex Pharmaceuticals	Equity Retention	Trowel Trades S&P500 Fund/IBEW Pension Benefit Fund	For
Vertex Pharmaceuticals	Proxy Access	New York City Pension Funds	For
Xerox	Stock Repurchases and Executive Pay	AFL-CIO Equity Index Funds	For

Alphabet

Vote For Majority Voting

Alphabet (the new parent company of Google) elects its board members through a plurality vote standard, which means directors receiving a little as one vote from the shareholders they represent could gain a seat on the board. This proposal requests the board require directors be elected by a majority of vote cast by investors. Among the S&P500, 90 percent of companies have a majority voting standard.

Bed, Bath & Beyond

Vote For Shareholder Approval of Golden Parachute

At the 2015 Bed, Bath & Beyond shareholder meeting, only 35 percent of investors voted in favor of the Company's executive compensation plans. The CEO earns twice the median pay of his peers despite the Company providing lower returns to shareholders. This proposal asks that shareholders be given a vote to approve any golden parachute arrangements the firm intends to provide to executives. Providing shareholder review of golden parachutes will act as a check on excessive severance agreements of questionable value to investors.

Bed, Bath & Beyond

Vote For Equity Retention

At the 2015 Bed, Bath & Beyond shareholder meeting, only 35 percent of investors voted in favor of the Company's executive compensation plans. The CEO earns twice the median pay of his peers despite the Company providing lower returns to shareholders. This proposal asks that executives be required to hold a significant amount of granted equity until they leave the company. Such a policy will help align the interests of investors and executives.

Chevron

Vote For Political Lobbying

This proposal requests that Chevron disclose its indirect lobbying and grassroots lobbying expenditures, including memberships in and spending through trade associations and other intermediaries. Chevron does not disclose membership in or contributions to tax-exempt organizations that write and endorse model legislation, such as being a member of the American Legislative Exchange Council (ALEC), which promotes the elimination of defined benefit plans. This proposal does not ask Chevron to change its political spending; rather, that it disclose the spending to inform shareholders about how their resources are spent.

Chipotle Mexican Grill

Vote For Proxy Access

Proxy access gives shareholder the ability to nominate their own directors to run alongside management's nominees. In the past two years, investors have filed hundreds of proposals asking companies to provide this right and more than 150 firms now have such policies in place.

Discovery Communications

Vote For Board Diversity

The Board of Directors at Discovery Communications does not include any diverse directors in terms of race or gender. In addition, the nomination committee charter of the board fails to welcome diverse board candidates. This proposal asks the firm to report on their efforts to encourage board diversity.

Exxon Mobil

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Salesforce.com

Vote For Accelerated Vesting

Only 52 percent of Salesforce.com investors approved the Company's executive compensation plans at the 2015 shareholder meeting. The average support level for executive compensation plan among companies is more than 90 percent. Salesforce.com's CEO is paid 4.55 times the peer median rate. This proposal requests that the Company not automatically pay out a windfall of unvested equity should there be a change in control at the Company. Instead, the proposal requests, the Company should allow equity to vest on a proportional basis based on executives' tenure and performance.

Spectrum Pharmaceuticals

Vote For Accelerated Vesting

Spectrum Pharmaceuticals investors did not approve the Company's executive pay plans at the 2015 shareholder meeting. The Company's CEO received a total compensation package that exceeded the peer median despite underperforming for investors as compared to the same companies. This proposal requests that the Company not automatically pay out a windfall of unvested equity should there be a change in control at the Company. Instead, the proposal requests, the Company allow equity to vest on a proportional basis based on executives' tenure and performance.

T-Mobile

Vote For Proxy Access

Proxy access gives shareholders the ability to nominate their own directors to run alongside management's nominees. In the past two years, investors have filed hundreds of proposals asking companies to provide this right and more than 150 firms now have such policies in place. This right is particularly important at T-Mobile where Deutsche Telecom owns a majority stake and has a strong influence on board elections.

Vertex Pharmaceuticals

Vote For Accelerated Vesting

Vertex Pharmaceuticals investors did not approve the Company's executive pay plans at the 2015 shareholder meeting. The Company's CEO received a total compensation package valued at four times the peer median. This proposal requested that the Company not automatically pay out a windfall of unvested equity should there be a change in control at the Company. Instead, the proposal requests, the Company allow equity to vest on a proportional basis based on executives' tenure and performance.

Vertex Pharmaceuticals

Vote For Declassify

Vertex Pharmaceuticals investors did not approve the Company's executive pay plans at the 2015 shareholder meeting. The Company's CEO received a total compensation package valued at four times the peer median. This proposal asks that each director stand for election each year, rather than serving as a member of a class that comes up for election every three years. With annual elections, shareholders have increased leverage to hold directors accountable.

Vertex Pharmaceuticals

Vote For Equity Retention

Vertex Pharmaceuticals investors did not approve the Company's executive pay plans at the 2015 shareholder meeting. The Company's CEO received a total compensation package valued at four times the peer median. This proposal asks that executives be required to hold a significant amount of granted equity until they leave the company. Such a policy will help align the interests of investors and executives.

Vertex Pharmaceuticals

Vote For Proxy Access

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Xerox

Vote For Stock Repurchases and Executive Pay

Xerox uses financial metrics for executive compensation that may be inflated by share repurchases. This proposal asks the Company to exclude the impact of stock buybacks when calculating how executives performed. Implementation of the proposal will better align executive incentives with long-term economic growth rather than short-term financial manipulation.

How to Gain Control of Your Proxy Votes

- Investigate who is voting the proxies on your separately managed equity holdings.
- If money managers are voting your proxies ask for a report on how they vote on the issues.
- Direct the money manager to vote according to your direction.
- Consider hiring a cost-effective service provider to cast your proxy votes.

About The Marco Consulting Group

The Marco Consulting Group (MCG) is an investment consulting firm. Since 1988, we have been independently owned and operated by our employees. We serve more than 400 benefit plans with combined assets of more than $160 billion. Our clients are exclusively public pension plans and Taft-Hartley funds.

MCG offers corporate governance services as a stand-alone product and as part of the work it provides to investment consulting and fiduciary services clients. Corporate governance services cover proxy voting on domestic and international equity holdings as well as strategies for advocating for investors' interests at publicly traded firms.

MCG established the proxy voting service to enable clients to gain access to their own proxy votes to ensure votes were cast in their interest. MCG also helps protect clients' investments and encourage better returns by promoting corporate governance best practices at publicly traded firms. Each year, MCG strategizes with clients about corporate governance priorities and methods for advancing them. We file shareholder proposals, attend shareholder meetings, speak regularly with corporate representatives and report on our progress.

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