



Performance, Compensation & Talent Management Committee Meeting Summary

June 15, 2022

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Performance, Compensation & Talent Management Committee met on June 15, 2022.

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:

- **AGENDA ITEM 5a - Review of Board's Compensation Policy for Executive and Investment Management Positions**
Approve the proposed non-substantive changes noted in the item in green text; approve the treatment of pro-rata awards and the treatment of termination.
- **AGENDA ITEM 5b - Compensation Review and Recommendations for Statutory Positions**
This item was deferred to a future meeting, after a workshop to gather the board's additional insight and feedback on key components of the compensation policy which may impact future recommendations.
- **AGENDA ITEM 5c - Annual Review: 2022-23 Incentive Metrics**
Approve the incentive metrics as proposed for fiscal year 2022-23 incentive plans.
- **AGENDA ITEM 5d - 2022-23 Incentive Plan of the Chief Executive Officer**
Approve the fiscal year 2022-23 incentive plan for the CEO, except for the proposed rating scale for the Individual Key Business Objective, which will instead remain as it is currently listed in the policy.

The Chair directed staff to...

- Coordinate a workshop for the board to discuss various components of the compensation policy.
- Work with the consultant to ensure metrics proposed in the future for the CEO differ from those for staff so that the CEO can provide insight on the metrics for staff.

The Committee heard public comment on the following topics:

- The consultant's proposed hurdle rates for the total fund metric and the CEO's incentive plan

At this time, I would like to share some highlights of what to expect at the next Performance, Compensation & Talent Management Committee meeting:

- The Committee will receive the Chief Executive Officer's Report of 2021-22 Performance: Executive and Investment Management Positions and evaluate the Chief Executive Officer's 2021-22 performance

The next meeting of the Performance, Compensation & Talent Management Committee will be scheduled for September 20, 2022, in Sacramento, California.