

EXECUTIVE COMPENSATION PROGRAM APPROVAL MATRIX

PERFORMANCE PLANS		
Program Components	Positions	Approver(s)
<p>Development of Annual Performance Plan Prior to the beginning of the fiscal year (or as soon as is practical for new hires), each covered executive develops an annual performance plan comprised of quantitative and/or qualitative performance plan measures for approval.</p> <p>Timeframe: First Reading in May, Second / Final Reading in June; or as soon as is practical after new appointment</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration ¹ Chief Executive Officer Chief Investment Officer Chief Executive Officer
<p>Making Changes to Performance Plan during the Fiscal Year If necessary, performance measures may be added, amended or deleted as part of the quarterly review process.</p> <p>Timeframe: Quarterly, or as soon as is practical after need is determined</p>		
<p>Quarterly Status Reports At the end of every quarter in the fiscal year, each covered executive must prepare a short status report on both quantitative and qualitative performance measures.</p> <p>Timeframe: November (1st Quarter) May (3rd Quarter) February (2nd Quarter) September (Year-end)</p>		
<p>Completion of Performance Evaluations The year-end performance appraisal process is the basis of the payment of the annual performance (incentive) award and the individual base pay increase. The performance appraisal document is completed at the end of the plan/fiscal year and covers both individual achievement on the annual performance objectives and general managerial performance.</p> <p>Timeframe: August / September</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration ¹ Board of Administration ¹ (with input from the CEO) Chief Executive Officer (with input from the Board) Chief Investment Officer Chief Executive Officer

¹ Upon recommendation of Performance & Compensation Committee

COMPENSATION		
Program Components	Positions	Approver(s)
<p>Establishment of Base Salary Ranges Base salary ranges are established by using a blend of global private and public sector data.</p> <p>Timeframe: Reviewed every two years or as deemed necessary by P&CC</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration ¹
<p>Individual Base Salary and Incentive Schedule, Determined at Time of Hire Individual base salary is determined at the time of hire by the hiring supervisor based on factors such as appointee's current compensation, internal equity, value of skills and/or expertise, and other relevant factors</p> <p>Timeframe: Upon appointment</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration ¹ Chief Executive Officer ² Chief Executive Officer ³
<p>Annual Base Salary Increase Individual base salary increases are considered annually in conjunction with the performance appraisal process.</p> <p>Timeframe: In conjunction with annual performance evaluations in August / September</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration ¹ Chief Executive Officer ⁴ Chief Executive Officer ^{3 5}

¹ Upon recommendation of Performance & Compensation Committee

² By delegation from the Board of Administration

³ Upon recommendation of Chief Investment Officer

⁴ Board retains veto authority

⁵ By delegation from the Board

COMPENSATION (continued)		
Program Components	Positions	Approver(s)
<p>Special Within-Range Base Pay Adjustment The Chief Investment Officer may, at any time during the year, recommend granting a special within-range base salary adjustment of up to 15% of annual base salary to an investment management staff member covered by these policies, to address retention or internal equity issues. In extenuating circumstances, the within-range adjustment may exceed 15% of annual base salary.</p> <p>There may be extraordinary circumstances that warrant a covered non-Investment executive's base salary rate be increased, in conjunction with or outside of the annual performance appraisal process, to address unique retention or pay equity considerations.</p> <p>All adjustments must be reported to the Performance and Compensation Committee.</p> <p>Timeframe: As deemed necessary by recommendation; see footnotes</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration ¹ Chief Executive Officer ⁴ Chief Executive Officer ^{2 3}
<p>Performance Award Payment A performance (incentive) award is part of an individual's total compensation, a one-time payment based on achieving specific organizational objectives as defined in an annual performance plan.</p> <p>Timeframe: After the end of the fiscal / plan year, in August / September</p>		
<p>Establishment of Performance Award Ranges The Board, upon recommendation of the Performance and Compensation Committee, sets the performance award ranges for all covered positions. The performance award range represents the percentage of base pay available to be earned based on the level of achievement (threshold, target, or maximum) on the performance plan objectives.</p> <p>Timeframe: Reviewed every two years or as deemed necessary by the Performance & Compensation Committee</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration ¹

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COMPENSATION (continued)		
Program Components	Positions	Approver(s)
<p>Performance Award Range Movement For Senior Portfolio Managers and Portfolio Managers, any movement from one established performance award range to another, must be fully documented in a request from the appropriate Senior Investment Officer, which identifies the specific criteria and justification for change.</p> <p>Timeframe: As deemed necessary by recommendation of Chief Investment Officer</p>	Senior Portfolio Manager Portfolio Manager	Chief Executive Officer ³
<p>Recruitment Differential In order to attract and retain highly skilled executives, a recruitment differential may be provided when hiring executives from outside State service. It is a one-time front-end payment upon appointment and is designated as an incentive to accept a position. The amount of the differential is specific to each eligible executive's personal circumstances. In no case shall a recruitment differential exceed 60% of a new hire's annual base salary.</p> <p>Timeframe: Negotiated at the time of hire</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration ¹ Chief Executive Officer ⁵ Chief Executive Officer ³

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³ Upon recommendation of Chief Investment Officer

⁵ By delegation from the Board

OTHER ACTIONS		
Program Components	Positions	Approver(s)
<p>Hire / Terminate The authority for hiring or terminating staff in covered positions is dictated by the Powers Reserved for the Board and the Delegations of Authority for the Chief Executive Officer and Chief Investment Officer.</p> <p>Timeframe: As determined by the designated approver</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration Board of Administration (with input from CEO) Chief Executive Officer ⁴ Chief Executive Officer ³
<p>Search Firm Selection The authority for the selection of a search firm for purposes of recruiting to fill a covered position is prescribed by the Delegation of Authority for the Chief Executive Officer.</p> <p>Timeframe: Prior to the beginning of a search to fill the vacant position, as determined by the Approver.</p>	Chief Executive Officer Chief Investment Officer General Counsel Chief Actuary Chief Financial Officer Chief Operating Investment Officer Senior Investment Officer Senior Portfolio Manager Portfolio Manager	Board of Administration ¹ Chief Executive Officer Chief Investment Officer

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