STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

DELEGATION RESOLUTION

Subject: Performance, Compensation and Talent Management Committee

Delegation No: PC-1~~2~~4-01

WHEREAS, (1) In accordance with Government Code sections 20120, 9353, 75005, 75505,21661,21670,21759,22200,22201,22794,22940, 22960.35 and 22970.30, the Board of Administration of the California Public Employees' Retirement System (the "Board") is charged with the administration and management of the Public Employees' Retirement System, the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, the Public Employees' Long-term Care Act, the Public Employees' Deferred Compensation Program, the Replacement Benefit Plan, the Old Age and Survivors' Insurance Program, the Public Employees' Medical and Hospital Care Act, the Annuitants' Health Care Coverage Fund, the State Peace Officers' and Firefighters' Defined Contribution Plan and the Supplemental Contributions Program (collectively, the "System").

WHEREAS, (2) In accordance with Government Code sections 20171, 9354.1, 75105,75607,21664,21677,21759,22601,22910,22911,22940, 22960.46 and 22970.41, the Board is also charged with the exclusive control of the administration and investment of the Public Employees' Retirement Fund, the Legislators' Retirement Fund, the Judges' Retirement Fund, the Judges' Retirement System II Fund, the Public Employees' Long-term Care Fund, the Public Employees' Deferred Compensation Fund, the Replacement Benefit Custodial Fund, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, the Public Employees' Health Care Fund, the Annuitants' Health Care Coverage Fund, the State Peace Officers' and Firefighters' Defined Contribution Plan Fund, and the Supplemental Contribution Program Fund (collectively, "the Fund").

WHEREAS, (3) In accordance with Government Code section 20098, the Board is authorized to appoint and establish the compensation of the officers and employees whose positions are designated in section 20098 ("Covered Personnel").

WHEREAS, (4) In accordance with Government Code section 20099, the Board is authorized to appoint a committee of one or more of its members to perform any act within the power of the Board itself to perform, and may through express delegation authorize any such committee to act finally.

RESOLVED, (A) That, pursuant to the foregoing, the Board hereby authorizes and ratifies the annual appointment by the Board President of a Performance, Compensation and Talent Management Committee (the "Committee") to be comprised of not less than seven (7) members of the Board.

RESOLVED, (B) Except as otherwise provided within this Resolution, and consistent with Government Code section 20099, the Performance, Compensation and Talent Management Committee is authorized to:

(1) Approve compensation policies and procedures for Covered Personnel.

(2) Conduct the hiring and termination of the Chief Executive Officer (CEO) and Chief Investment Officer (CIO) with input from the CEO regarding the hiring and termination of the CIO.

(3) Advise the CEO regarding the hiring and termination of the Chief Financial Officer, Chief Actuary, and General Counsel, and retain veto authority over the CEO's decisions.

(4) Set performance goals, base salaries and ranges, incentive ranges and plans, and other compensation for the CEO and CIO.

(5) Conduct the performance evaluations of the CEO and CIO.

(6) Approve base salary ranges and incentive ranges for the Chief Financial Officer, Chief Actuary, General Counsel, Chief Operating Investment Officer and other Covered Personnel (except the CEO and the CIO) positions according to established compensation policies and procedures.

(7) Oversee the compensation paid to the Chief Financial Officer, Chief Actuary, General Counsel, Chief Operating Investment Officer, and other Covered Personnel (except the CEO and CIO) positions according to established compensation policies and procedures and consistent with the delegation of authority to the Chief Executive Officer.

(8) Conduct long-term succession planning for the CEO and CIO.

(9) Oversee senior executive long-term succession planning.

(10) Conduct the selection of the Board's executive compensation consultant(s) and executive search firm(s), when the search is for the CEO and CIO, and recommend the finalist to the Board.

(11) Set the benchmarks and triggers for information that comes to the Committee for review, as well as approve performance metrics to be reported to the Committee.

(12) Approve positions on legislation affecting employee performance and compensation.

(13) Adopt regulations affecting employee performance and compensation.

(14) Oversee talent management strategies, including practices to acquire, develop, motivate and retain competent employees.

(15) Oversee management of risks related to the duties delegated to the Committee.

RESOLVED, (C) That the authority granted under this Resolution is subject to the following conditions:

(1) The Committee must discharge its duties "solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system." In exercising this responsibility, the Committee shall place the interests of system members and beneficiaries above all other interests. (Cal. Const. art. XVI sec. 17(b).)

(2) The Committee must discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. (Cal. Const. art. XVI, sec. 17(c).)

RESOLVED, (D) That, notwithstanding any other provision within this Resolution, all acts of the Performance, Compensation and Talent Management Committee shall be reported to the Board, at its next regular meeting, and shall be subject to review and ratification or reversal by the Board.

RESOLVED, (E) That this Resolution shall be effective immediately upon adoption, and supersedes all previous delegations of authority to this, or any predecessor, committee.

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I hereby certify that on the 16th day of April, 2014, ~~2012,~~ the Board of Administration of the California Public Employees' Retirement System, made and adopted the foregoing Resolution.

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ROB FECKNER
President, Board of Administration
California Public Employees' Retirement System