

Incentive Compensation Project

Summary of Discussion

In this session, the project consultants, FutureSense will present their initial recommendations for Board input. In general, the panel discussion is intended to engage discussion around the areas:

- Competitive total direct compensation (TDC) and the CalPERS talent marketplace
- Eligibility and strategic advantage positions within CalPERS
- Incentive plan designs
- Goals - transparency, simplicity and alignment

The purpose of this session is to assist the Board in identifying a compensation philosophy that is aligned with organizational objectives and effectively drives desired organizational performance and behaviors to ensure that CalPERS compensation policies, philosophy and rationale remain appropriate and relevant.

The materials for this session include:

- External Presenter Biographies
- PowerPoint Presentation
- Background Information
 - *Going Beyond Best Practices: The Role of the Board in Effectively Motivating and Rewarding Executives*
 - *Total Reward Architecture*

Next Steps:

- Based on the discussions and Board input, recommendations will be presented to the Board in February or March, 2015.
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