

Proposed FY 2016-17 Performance Plan Chief Executive Officer

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25%	Key Business Objectives	<table border="1"> <thead> <tr> <th>Score</th> <th>Payout Ratio</th> </tr> </thead> <tbody> <tr> <td>Far Exceeds High Expectations</td> <td>1.50 (150%)</td> </tr> <tr> <td>Meets High Expectations</td> <td>1.0 (100%)</td> </tr> <tr> <td>Does Not Meet High Expectations</td> <td>0 (0%)</td> </tr> <tr> <td colspan="2"><i>Intermediate points are interpolated</i></td> </tr> </tbody> </table>		Score	Payout Ratio	Far Exceeds High Expectations	1.50 (150%)	Meets High Expectations	1.0 (100%)	Does Not Meet High Expectations	0 (0%)	<i>Intermediate points are interpolated</i>					
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<p>Through June 30, 2017, provide organizational leadership in support of the following priorities:</p> <ul style="list-style-type: none"> • Board Support • Open and Transparent Communication / Building Relationships • Efficient and Effective Organization • Supportive and Engaged Leadership • Customer Satisfaction Driven Organization • Team Member Engagement 																	
20%	Enterprise Operational Effectiveness (OOC ¹)	<table border="1"> <thead> <tr> <th>Score</th> <th>Payout Ratio</th> </tr> </thead> <tbody> <tr> <td>33.8%</td> <td>1.50 (150%)</td> </tr> <tr> <td>34.3%</td> <td>1.25 (125%)</td> </tr> <tr> <td>34.9%</td> <td>1.0 (100%)</td> </tr> <tr> <td>35.9%</td> <td>.75 (75%)</td> </tr> <tr> <td>36.4%</td> <td>.50 (50%)</td> </tr> <tr> <td>>36.4%</td> <td>0 (0%)</td> </tr> </tbody> </table>		Score	Payout Ratio	33.8%	1.50 (150%)	34.3%	1.25 (125%)	34.9%	1.0 (100%)	35.9%	.75 (75%)	36.4%	.50 (50%)	>36.4%	0 (0%)
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¹ "OOC" stands for *Overhead Operating Costs as a % of Total Operating Costs*

Weight	Metric	Payout % of Target	
10%	INVO CEM	Score	
		Payout Ratio	
		Outperforms US Benchmark on Net Value Added (Returns) and Cost by 0.2% and 5 bps, respectively	1.50 (150%)
		Outperforms US Benchmark on Returns and Cost by .001% and 1 bps, respectively	1.0 (100%)
		Outperforms US Benchmark on Cost	.50 (50%)
		Outperforms US Benchmark on Returns	.50 (50%)
		Underperforms US Benchmark on Returns and Cost	0 (0%)
100%	Total Plan Weight		

Metric	Description Definition
Enterprise Operational Effectiveness (OOC ²)	<p>The Enterprise Operational Effectiveness Metric for FY16/17 is defined as Overhead Operating Costs as a percentage of Total Operating Costs ("OOC").</p> <ul style="list-style-type: none"> Total Overhead Operating Costs ("OOC") identify all administrative costs not mapped directly to Product and Service Delivery Operating Costs ("PSDOC") OOC = OOC / (OOC + PSDOC)
Total Fund Performance (7/1/12 – 6/30/17)	The Total Fund Performance Metric is measured based on fund performance for the five-year period of July 1 st , 2012, through June 30, 2017.
Customer Service	<p>The Customer Service Metric for FY16/17 is based on the following two Service Dimensions:</p> <ul style="list-style-type: none"> Percentage of benefit payments issued to our customers within established service levels Customer service with CalPERS services as measured by surveys and other methods
Stakeholder Engagement	<p>The Stakeholder Engagement Metric for FY16/17 is based on results of the following three Stakeholder Engagement Survey questions:</p> <ul style="list-style-type: none"> Is CalPERS sensitive to the needs of Stakeholders? Does CalPERS do a good job of keeping its stakeholders informed? On a scale of one to ten, how would you rate CalPERS being effective in engaging and communicating with stakeholders?
INVO CEM	Each year, INVO participates in a CEM benchmarking (CEM) survey which analyzes our costs and return performance over a five-year period against a customized peer group.

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