



Performance, Compensation & Talent Management Committee Meeting Summary

December 20, 2017

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 December 19, 2017.

The Committee received reports on the following topics:

- Incentive metrics, discretionary modifier, and outstanding recommendations for the Executive Compensation Program.

Summary of Committee Direction:

The Chair directed staff to conduct further analysis and work with the Board's Executive Compensation Consultant to explore the following areas:

- Provide additional information on the Stakeholder Engagement metric ranges
- Develop options for a more effective Enterprise Operational Effectiveness metric
- Bring back options to amend the discretionary modifier
- Provide additional information for further discussion on long-term incentive plan options
- Provide additional information and options for further discussion to address base salary and incentive levels

Recommendations on these items will be brought back at the February 2018 Committee meeting.

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

- The Committee will receive semiannual status reports on the performance plans of the CEO and CIO, review the Committee Delegation, and receive recommendations for Executive Compensation Policy revisions.
- The Committee will also receive information and recommendations regarding the incentive metrics, long-term incentive plan options, and base salary and incentive compensation options.

The next meeting of the Performance, Compensation & Talent Management Committee is scheduled for February 13, 2018, in Sacramento, California.