



Performance, Compensation & Talent Management Committee Meeting Summary

August 15, 2018

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 August 14, 2018.

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:

- AGENDA ITEM 6a – 2018-19 Incentive Metric Recommendations

For the Stakeholder Engagement incentive metric, approve Option A, to retain existing survey questions and align scores with KPI average aspirations.

For the Enterprise Operational Effectiveness incentive metric, approve Option A, to exclude Board and Third-Party Costs.

- AGENDA ITEM 6b – 2018-19 Incentive Plan for the Chief Executive Officer (CEO)
Approve Option A, to retain the current incentive plan structure for the CEO.

The Committee heard public comment on the following topics:

- The fiscal year 2018-19 incentive metrics and CEO incentive plan from JJ Jelincic and Al Darby.

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

- The Committee will conduct the annual performance review of the CEO and receive a summary of appraisal outcomes for all other positions covered by the Board's Compensation Policy for Executive and Investment Management Positions.

The next meeting of the Performance, Compensation & Talent Management Committee is scheduled for September 25, 2018, in Sacramento, California.