Performance, Compensation & Talent Management Committee

Meeting Summary

June 17, 2026

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 June 16, 2026.

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

- AGENDA ITEM 5a – Annual Review: 2026-27 Incentive Metrics
  Approve incentive metrics for fiscal year 2026-27 as presented by the board's compensation consultant, Global Governance Advisors.

- AGENDA ITEM 5b – 2026-27 Incentive Plan of the Chief Executive Officer
  Approve a fiscal year 2026-27 incentive plan for the Chief Executive Officer (CEO), as proposed by the board's compensation consultant, Global Governance Advisors.

The Chair directed staff to…

- Provide additional information regarding introducing annual risk considerations for next year; establishing a mid-year checkpoint to review risk and overall performance; providing updates on the feasibility of legislative changes that would allow CIO and CEO input on incentive metrics; and conducting discussion on qualitative performance ranges.

The Committee heard public comment on the following topics:

- Incentive metrics and reward structures; levels of performance for incentive payouts.

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 evaluation of the Chief Executive Officer and review the CEO's report of fiscal year 2025-26 performance for executive and investment management positions in closed session.

The next meeting of the Performance, Compensation & Talent Management Committee is scheduled for September 15, 2026, in Sacramento, California.