NORTH DAKOTA STATE INVESTMENT BOARD
EXECUTIVE REVIEW AND COMPENSATION COMMITTEE
MINUTES OF THE AUGUST 11, 2026, MEETING

MEMBERS PRESENT

Dr. Rob Lech, TFFR Board, Chair
Gerald Buck, PERS Board, Vice Chair

MEMBER ABSENT
Art Thompson, Director, WSI

STAFF PRESENT

Chase Kauffeld, CRO
Missy Kopp, Executive Assistant
Sarah Mudder, Communications/Outreach Dir.
Sara Seiler, Supervisor of Internal Audit
Jodi Smith, Executive Director

GUESTS

Rick Funston, Funston Advisory
Evan Norton, Funston Advisory
Kirsten Tuntland, Assistant Attorney General

CALL TO ORDER

Dr. Lech called the State Investment Board (SIB) Executive Review and Compensation Committee (ERCC) meeting to order at 10:00 a.m. on Tuesday, August 11, 2026. The meeting was held virtually.

ACCEPTANCE OF AGENDA

IT WAS MOVED BY MR. BUCK AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO ACCEPT THE AUGUST 11, 2026, AGENDA AS DISTRIBUTED.

AYES: MR. BUCK AND DR. LECH
NAYS: NONE
ABSENT: MR. THOMPSON
MOTION CARRIED

ACCEPTANCE OF MINUTES

IT WAS MOVED BY MR. BUCK AND SECONDED BY SEN. KLEIN AND CARRIED BY A VOICE VOTE TO ACCEPT THE JUNE 18, 2026, MINUTES AS DISTRIBUTED.

AYES: MR. BUCK AND DR. LECH
NAYS: NONE
ABSENT: MR. THOMPSON
MOTION CARRIED

ERCC CHARTER REVIEW

Ms. Smith reviewed the Executive Review and Compensation Committee Charter, noting that only minor changes were made following the adoption of the new Governance Policy System. The Committee's primary responsibilities include annually evaluating the Executive Director's performance, recommending executive

compensation to the Board, overseeing executive succession and leadership continuity planning, and ensuring the compensation philosophy supports the agency's long-term mission. The Committee is also responsible for commissioning independent compensation benchmarking, which is included in the 2027 budget.

EXECUTIVE DIRECTOR (ED) THIRD PARTY ANNUAL REVIEW

Ms. Smith reviewed changes to the Executive Director's annual performance evaluation process under the new Governance Policy System. Previously coordinated by Internal Audit and completed by the ERCC, the evaluation must now be facilitated by either the Chief Legal Officer or an independent third party. Because RIO does not currently have a Chief Legal Officer, staff recommended engaging Funston Advisory Services under the existing master services agreement rather than conducting a separate procurement. The estimated cost is $20,000.

The Committee discussed the advantages of using Funston, including reducing demands on staff resources and establishing a consistent, repeatable evaluation framework that could eventually be administered by a Chief Legal Officer.

IT WAS MOVED BY MR. BUCK AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO NEGOTIATE A STATEMENT OF WORK UNDER THE EXISTING FUNSTON CONTRACT FOR THE THIRD PARTY ANNUAL REVIEW OF THE ED.

AYES: MR. BUCK AND DR. LECH
NAYS: NONE
ABSENT: MR. THOMPSON
MOTION CARRIED

EXECUTIVE DIRECTOR ANNUAL GOALS

Ms. Smith discussed three proposed annual goals, noting that development of the goals had been delayed by the governance restructuring, biennial budget process, and absence of an updated Board strategic plan.

The proposed goals focus on implementing the SIB Governance Policy System and completing the TFFR governance review, including operationalizing new policies and delivering BoardSmart fiduciary education; advancing transparency initiatives through the Legacy Fund disclosure website and improvements identified in the transparency assessment; and building organizational capacity to support growing assets and operational responsibilities.

The Committee discussed the importance of proactively communicating transparency initiatives to the general public, addressing staffing and technology limitations, and pursuing greater legislative flexibility to respond to agency growth. Ms. Smith outlined potential approaches, including additional staffing authority, modernization of financial systems, and alternative legislative funding and oversight structures. Committee members expressed support for the three proposed goals, and Ms. Smith indicated she would develop formal goals for presentation to the Board.

OTHER

With no further business to come before the ERCC, Dr. Lech adjourned the meeting at 8:58 a.m.

Submitted by:

Missy Kopp, Assistant to the Board