

**NORTH DAKOTA STATE INVESTMENT BOARD
EXECUTIVE REVIEW AND COMPENSATION COMMITTEE
MINUTES OF THE OCTOBER 15, 2025, SPECIAL MEETING**

MEMBERS PRESENT: Dr. Rob Lech, TFFR, Chair
Gerald Buck, PERS Board, Vice Chair
Sen. Jerry Klein, LBSFAB

STAFF PRESENT: Scott Anderson, CIO
Missy Kopp, Executive Admin.
Sarah Mudder, Communications/Outreach Dir.
Adam Otteson, CFOO
Sara Seiler, Supervisor of Internal Audit
Chad Roberts, DED/CRO
Jodi Smith, Executive Director

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 Wednesday, October 15, 2025. The meeting was held virtually.

ACCEPTANCE OF AGENDA:

IT WAS MOVED BY SEN. KLEIN AND SECONDED BY MR. BUCK AND CARRIED BY A VOICE VOTE TO ACCEPT THE OCTOBER 15, 2025, AGENDA AS DISTRIBUTED.

AYES: MR. BUCK, SEN. KLEIN, AND DR. LECH

NAYS: NONE

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 AUGUST 6, 2025, MINUTES AS DISTRIBUTED.

AYES: SEN. KLEIN, MR. BUCK, AND DR. LECH

NAYS: NONE

MOTION CARRIED

INCENTIVE COMPENSATION OVERVIEW:

Ms. Smith provided an overview of the incentive compensation policy. The committee and staff discussed the discretionary component of the incentive compensation opportunity which carries 20% weight in the calculation of the compensation amount. The Committee discussed developing a structured rubric or point system to evaluate individual performance elements, ensuring transparency and consistency in determining incentive payouts. Staff will draft a proposed framework for consideration at the next meeting, with the goal of presenting a recommendation for board approval in November and processing payouts in December in line with existing policy timelines.

POSITION TITLE UPDATE:

During staff review of the incentive compensation policy, they identified the need to clarify the general titles and bonus percentages in the policy with the updated job titles for eligible staff. Many of the titles have changed since the approval of the policy. The Committee reviewed the updated titles and how they align with the policy.

IT WAS MOVED BY MR. BUCK AND SECONDED BY SEN. KLEIN AND CARRIED BY A VOICE VOTE TO RECOMMEND APPROVAL OF THE CURRENT TITLES AND THEIR ACCOMPANYING MAXIMUM INCENTIVE COMPENSATION TO THE SIB.

AYES: MR. BUCK, SEN. KLEIN, AND DR. LECH

NAYS: NONE

MOTION CARRIED

BENCHMARK FOR INCENTIVE COMPENSATION CALCULATION:

Staff reviewed the provided information about the appropriate benchmark for the incentive compensation calculations. The original structure used a single benchmark, multiple benchmarks are now available, requiring the committee to determine the most suitable option. Staff explained the “corridor benchmark” approach, which adjusts for changes between public and private market allocations and prevents the need to sell illiquid assets. He clarified that while not directly tied to incentive compensation, it provides a more accurate and transparent performance measure previously approved by the board. Committee members agreed that the corridor benchmark better reflects factors within management’s control and ensures consistency in evaluation.

IT WAS MOVED BY SEN. KLEIN AND SECONDED BY MR. BUCK AND CARRIED BY A VOICE VOTE TO RECOMMEND TO THE SIB TO USE THE CORRIDOR TARGET INDEX AS THE MEASURE FOR CALCULATING THE VALUE-ADDED PERFORMANCE COMPONENT OF THE INCENTIVE COMPENSATION PLAN.

AYES: SEN. KLEIN, MR. BUCK, AND DR. LECH

NAYS: NONE

MOTION CARRIED

OTHER:

With no further business to come before the ERCC, Dr. Lech adjourned the meeting at 10:42 a.m.

Submitted by:

Missy Kopp, Assistant to the Board