

MEETING OF THE STATE BOARD OF ADMINISTRATION

**GOVERNOR CRIST AS CHAIRMAN
CHIEF FINANCIAL OFFICER SINK AS TREASURER
ATTORNEY GENERAL MCCOLLUM AS SECRETARY**

JANUARY 18, 2007

AGENDA

ITEM 1. Request approval of minutes from the meeting of December 5, 2006.

(See Attachment 1)

ACTION REQUIRED

ITEM 2. SBA Financial Reports – 1) FY 2005-2006 Annual Report on Corporate Governance, and 2) Perspectives on Executive Compensation.

The attached *FY2005-2006 Annual Report on Corporate Governance* summarizes the activities of the State Board of Administration from July 1, 2005 through June 30, 2006. The report provides an overview of the SBA's governance activities and describes several shareowner issues, including majority voting, executive compensation and proxy vote benchmarking.

(See Attachment 2-A)

The attached *Perspectives on Executive Compensation* report provides detailed coverage of the SBA's policies and analysis related to executive compensation and serves as a companion document to the SBA's Annual Report on Corporate Governance. The Perspectives report contains the SBA's policy statement on executive compensation, an overview of the link between compensation and company performance, as well as other related items.

(See Attachment 2-B)

INFORMATION ONLY

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ITEM 3. Request approval of and authority to file with the Secretary of State under Chapter 120, F.S., Rule Chapter 19-15.001, F.A.C.

(See Attachment 3)

INSURANCE CAPITAL BUILD-UP INCENTIVE PROGRAM

19-15.001, F.A.C. Insurance Capital Build-Up Incentive Program

ACTION REQUIRED

ITEM 4. Reaffirmation of the Executive Director.

F.S. 215.441 provides that the State Board of Administration's Executive Director must be reaffirmed annually by the Board of Trustees following the original appointment. Mr. Stipanovich was appointed Executive Director in 2002.

ACTION REQUIRED