

DRAFT Minutes

Finance and Audit Committee

February 3, 2021 | 11:00 a.m. - 12:00 p.m. Eastern

Conference Call

Mr. Robert G. Clarke, Chair, called to order a duly noticed open meeting of the Finance and Audit Committee (the "Committee") of the Board of Trustees ("Board") of the North American Electric Reliability Corporation ("NERC" or the "Company") on February 3, 2021, at approximately 11:00 a.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Committee Members

Robert G. Clarke, Chair
Suzanne Keenan
Robin E. Manning
Jim Piro
Roy Thilly, *ex officio*

Board of Trustees Members

Jane Allen
Kenneth W. DeFontes
George Hawkins
James B. Robb, President and Chief Executive Officer
Jan Schori
Colleen Sidford

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
Kelly Hanson, Senior Vice President and Chief Administrative Officer
Stan Hoptroff, Vice President, Business Technology
Nina Jenkins-Johnston, Senior Counsel
Mark Lauby, Senior Vice President and Chief Engineer
Meg Leonard, Controller
Sônia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Kristin Miller, Director, Internal Audit
Janet Sena, Senior Vice President, External Affairs
Andy Sharp, Vice President and Chief Financial Officer

Introduction and Chair's Remarks

Mr. Clarke welcomed the participants to the meeting and provided an overview of the agenda.

NERC Antitrust Compliance Guidelines

Ms. Buzzard directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the agenda package, and indicated that all questions regarding antitrust compliance or related matters should be directed to Ms. Mendonça.

Minutes

Upon motion duly made and seconded, the November 4, 2020, meeting minutes were approved as presented at the meeting.

2020 Year-End Unaudited Statement of Activities

Mr. Sharp reviewed the 2020 Year-End Unaudited Statement of Activities for NERC and the ERO Enterprise, highlighting that NERC's total funding was 0.8 percent under budget and total expenditures were 5.3 percent under budget. Mr. Sharp noted that Grant Thornton will begin the NERC financial audit in March 2021 and the auditor's report and findings will be presented to the Committee in May 2021.

Mr. Sharp reported that the total expenditures for the ERO Enterprise were under budget by 5.4 percent. He noted the 2020 total ERO operating reserves and referred to the Regional Entity reports.

After discussion, and upon motion duly made and seconded, the Committee recommended the 2020 Year-End Statement of Activities for acceptance by the Board.

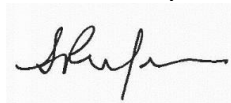
Proposed Amendments to Committee Mandate

Ms. Jenkins-Johnston presented the proposed amendments to the Committee mandate, noting that the revisions to the Committee mandate implement a new policy on Internal Audit and Corporate Risk Management which was discussed with the Committee at the October 2020 meeting. Ms. Jenkins-Johnston summarized the proposed changes to the Committee mandate related to Committee membership, purpose, and authority and responsibilities. After discussion, and upon motion duly made and seconded, the Committee recommended the revised mandate for approval by the Corporate Governance and Human Resources Committee.

Adjournment

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,



Sônia Mendonça
Corporate Secretary

Agenda

Finance and Audit Committee

Open Meeting

February 3, 2021 | 11:00 a.m. – 12:00 p.m. Eastern
Virtual Meeting

WebEx: [Join meeting](#)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Agenda Items

1. **Minutes* — Approve**
 - a. November 4, 2020 Meeting
2. **2020 Year-End Unaudited Statement of Activities* — Review and Recommend Board of Trustees Acceptance (Andy, 25 minutes)**
 - a. NERC Summary of Unaudited Results Fourth Quarter 2020
 - b. ERO Enterprise Combined 2020 Unaudited Results
 - c. Regional Entity Reports
3. **Proposed Amendments to Committee Mandate* — Review and Recommend Corporate Governance and Human Resources Committee Approval (Nina, 5 minutes)**
4. **Other Business and Adjournment**

*Background materials included.