

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

NERC Committee Assessments

2019 Board of Trustees Working Sub-Committees
Final Results

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Corporate Governance and Human Resources Committee Meeting
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- NERC engaged TalentQuest to conduct its annual Board of Trustees' Committee Surveys. This report provides the results for the assessments from the following six committees:
 - *Compliance Committee (5 members)*
 - *Nominating Committee (12 members)*
 - *Finance and Audit Committee (5 members)*
 - *Enterprise-wide Risk Committee (8 members)*
 - *Corporate Governance and Human Resources Committee (5 members)*
 - *Technology and Security Committee (5 members)*
- The assessments consisted of the same three Yes-No questions with comment fields for explaining responses.
 - *Is the organization and structure of the committee appropriate for effective operation?*
 - *Is the committee effectively carrying out its purpose, as well as performing such other responsibilities as directed by the Board or the committee mandate?*
 - *Is the committee's mandate appropriate?*

- Response from the committee members was as follows:
 - *Compliance Committee, 5 of 5 members – 100%*
 - *Nominating Committee, 10 of 12 members – 82%*
 - *Finance and Audit Committee, 4 of 5 members – 80%*
 - *Enterprise-wide Risk Committee, 7 of 8 members – 87.5%*
 - *Corporate Governance and Human Resources Committee, 5 of 5 members – 100%*
 - *Technology and Security Committee, 5 of 5 members – 100%*
- 97% of all committee members were able to answer “Yes” to questions 1 and 2. 100% were able to answer “Yes” to question 3
- Comment themes and specific counts appear on the following slides by Committee

Assessment Results By Committee

- **Q1. Is the organization and structure of the committee appropriate for effective operation? 100% “Yes”, N=5**
 - *The organization and structure of the committee is appropriate.*

- **Q2. Is the committee effectively carrying out its purpose as well as performing such other responsibilities as directed by the Board or the committee mandate? 100% “Yes”, N=5**
 - *Great progress; continued focus on repeat medium and serious violations.*

- **Q3. Is the committee's mandate appropriate? Include any specific provision the committee should add to or remove from the mandate. 100% "Yes", N=5**
 - *The mandate is appropriate.*

- **Q1. Is the organization and structure of the committee appropriate for effective operation? 90% “Yes”, 10% “No” N=10**
 - *Successful addition of a new Trustee.*
 - *Committee make-up, communications, and partnership with the MRC members continues to be appropriate.*

- **Q2. Is the committee effectively carrying out its purpose as well as performing such other responsibilities as directed by the Board or the committee mandate? 100% “Yes”, N=10**
 - *The Committee continues to perform effectively taking the responsibility of ensuring new members possess the needed skills, experience, and meet all independence requirements.*

- **Q3. Is the committee's mandate appropriate? Include any specific provision the committee should add to or remove from the mandate. 100% "Yes" N=10**
 - *The mandate is clear, simple, and appropriately provides for common support by the MRC and Board members in the selection of new members.*

- **Q1. Is the organization and structure of the committee appropriate for effective operation? 100% “Yes”, N=4**
 - *The Committee Chair and NERC Staff have done an excellent job of focusing in the proper areas, making good use of the Committee’s time, and providing information in a clear and transparent manner.*

- **Q2. Is the committee effectively carrying out its purpose as well as performing such other responsibilities as directed by the Board or the committee mandate? 100% “Yes”, N=4**
 - *The Committee continues to perform effectively; suggested focus areas for 2020: cash management, internal controls, total ERO reserves, business plan and budget process, financial statements format.*

- **Q3. Is the committee's mandate appropriate? Include any specific provision the committee should add to or remove from the mandate. 100% "Yes", N=4**
 - *The mandate is appropriate.*

- **Q1. Is the organization and structure of the committee appropriate for effective operation? 100% “Yes”, N=7**
 - *Meeting preparation, and quality of materials and presentations is appropriate and effective.*

- **Q2. Is the committee effectively carrying out its purpose as well as performing such other responsibilities as directed by the Board or the committee mandate? 83% (5) "Yes", 17%(1) "No" N=6**
 - *Committee is performing effectively; focus areas for 2020: ensure work plan is appropriate and not overly ambitious, continue to refine the level and delivery of information with respect to defining risks and their mitigating activities.*

- **Q3. Is the committee's mandate appropriate? Include any specific provision the committee should add to or remove from the mandate. 100% "Yes", N=6**
 - *The mandate is appropriate; continue proper collaboration on identification of emerging risks with other Board Committees as needed.*

- **Q1. Is the organization and structure of the committee appropriate for effective operation? 100% “Yes”, N=5**
 - *The organization and structure of the committee is appropriate.*

- **Q2. Is the committee effectively carrying out its purpose as well as performing such other responsibilities as directed by the Board or the committee mandate? 100% “Yes”, N=5**
 - *The committee is performing effectively; focus area for 2020: Board and NERC staff compensation market studies.*

- **Q3. Is the committee's mandate appropriate? Include any specific provision the committee should add to or remove from the mandate. 100% "Yes", N=5**
 - *The mandate is appropriate.*

- **Q1. Is the organization and structure of the committee appropriate for effective operation? 100% “Yes”, N=5**
 - *The Committee Chair and NERC Staff have done an excellent job of focusing in the proper areas, making good use of the Committee’s time, and providing continued education on important matters such as cyber hygiene.*

- **Q2. Is the committee effectively carrying out its purpose as well as performing such other responsibilities as directed by the Board or the committee mandate? 100% “Yes”, N=5**
 - *The committee is performing effectively; focus area for 2020: continued oversight of the Align project, information security program, and the E-ISAC.*

- **Q3. Is the committee's mandate appropriate? Include any specific provision the committee should add to or remove from the mandate. 100% "Yes", N=5**
 - *The mandate is appropriate.*



Questions and Answers