

## Minutes

# Corporate Governance and Human Resources Committee Meeting

February 7, 2018 | 8:00–8:45 a.m. Eastern

Hilton Fort Lauderdale Marina  
1881 SE 17<sup>th</sup> Street  
Fort Lauderdale, FL 33316

Chair Robert G. Clarke called to order a duly noticed open meeting of the Corporate Governance and Human Resources Committee (the “Committee”) of the Board of Trustees (“Board”) of the North American Electric Reliability Corporation (“NERC” or the “Company”) on February 7, 2018, at 8:00 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  
Janice B. Case  
Frederick W. Gorbet  
George S. Hawkins  
Roy Thilly

### **Board Members**

Charles A. Berardesco, Interim President and CEO  
Kenneth W. DeFontes, Jr.  
David Goulding  
Jan Schori

### **NERC Staff**

Tina Buzzard, Associate Director to the Office of the President and CEO  
Scott Jones, Vice President, Chief Financial and Administrative Officer, and Corporate Treasurer  
Mark G. Lauby, Senior Vice President and Chief Reliability Officer  
Sonia C. Mendonça, Vice President, Acting General Counsel and Corporate Secretary, and Director of Enforcement  
Janet Sena, Senior Vice President and Director of Policy and External Affairs  
Michael Walker, Senior Vice President and Chief Enterprise Risk and Strategic Development Officer

### **NERC Antitrust Compliance Guidelines**

Mr. Clarke directed the participants’ attention to the NERC Antitrust Compliance Guidelines included in the agenda, 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 Committee approved the minutes of the January 24, 2018 meeting as presented at the meeting.

**Report on Matters Discussed in January 24, 2018 and February 6, 2018 Closed Sessions**

Mr. Clarke reported that during these meetings, the Committee addressed a number of compensation related items, including (a) acceptance of the 2017 metrics results, (b) review of performance management results for all officers, (c) approval of NERC officer compensation, (d) recommendation of the compensation for the Interim CEO, (e) approval of compensation metrics for 2018, and (f) recommendation of the Company contribution to the employees' 401K accounts. The Board also conducted its annual review of the Board Chair, and reviewed the overall Board schedule and trustee stakeholder outreach.

**Board Committees' Self-Assessment Surveys**

Ms. Mendonça presented the proposed revised Board Committees' Self-Assessment surveys, referencing the material included in the advance agenda package. After discussion, and upon motion duly made and seconded, the Committee approved the surveys and recommended approval by the Board.

**Board Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Results**

Mr. Berardesco presented the results of the Board Self-Assessment and MRC Assessment of Board of Trustees Effectiveness, referencing the presentation included in the advance agenda package. He focused on the major themes resulting from the assessments, noting that there was little significant change from the prior year's assessment. The Committee discussed the assessment results, focusing on potential future actions. Mr. Berardesco noted that staff was working with the assessment consultant and an overall update to the assessment approach that would be presented to the Committee.

Mr. Thilly noted the results were unsurprising but requested that survey responders provide more specific feedback regarding opportunities for improvement, particularly in areas where other type of input had been favorable, such as the cost effectiveness of standards.

**2017 Year-End Performance Report**

Mr. Lauby presented the 2017 NERC Performance Report, which had been included in the advance Committee materials.

**NERC Governance Guidelines Annual Review**

Ms. Mendonça reviewed the NERC Governance Guidelines and did not recommend any revisions.

**Annual Conflict of Interest and Independence Report**

Ms. Mendonça reviewed the Company's processes for considering conflicts of interest for employees, officers, and Trustees, and for assuring the independence of the Trustees as required by the Bylaws and NERC Governance Guidelines.

**Annual Review of Committee Mandate**

Ms. Mendonça noted that the Committee is required to review its mandate on an annual basis. No changes were recommended to the mandate, and the Committee concurred.

**Human Resources and Staffing Update**

Mr. Jones provided an update on staff retention and attrition, referencing the information provided in the advance Committee materials. He noted the long-term improvement in the employee attrition rate, now at approximately nine percent.

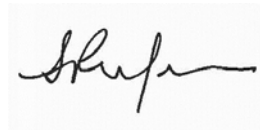
**Proposed 2018 ERO Enterprise Metrics Revisions**

Mr. Clarke presented the 2018 ERO Enterprise metrics revisions, noting that the Board's continued oversight of results resulted in a change to the 2018 metrics. Specifically, NERC will continue to measure performance associated with cold weather in light of the 2017 results.

**Adjournment**

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

Submitted by,



Sonia C. Mendonça  
Acting Corporate Secretary

## Agenda

# Corporate Governance and Human Resources Committee

February 7, 2018 | 8:00-8:45 a.m. Eastern

Hilton Fort Lauderdale Marina  
1881 SE 17<sup>th</sup> Street  
Fort Lauderdale, FL 33316

Conference Room: Grand Ballroom (1<sup>st</sup> Floor)

### Call to Order

### Introductions and Chair's Remarks

### NERC Antitrust Compliance Guidelines

### Agenda Items

1. **Minutes\* — Approve**
  - a. January 24, 2018
2. **Report on Matters Discussed in January 24 and February 6, 2018 Closed Sessions — Discussion**
3. **Board Committees' Self-Assessment Surveys\* — Approve**
4. **Board Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Results\* — Review**
5. **2017 Year-End Performance Report\* — Review**
6. **NERC Governance Guidelines Annual Review\* — Review**
7. **Annual Conflict of Interest and Independence Report\* — Review**
8. **Annual Review of Committee Mandate\* — Review**
9. **Human Resources and Staffing Update\* — Review**
10. **Proposed 2018 ERO Enterprise Metrics Revisions\* — Review**
11. **Adjournment**

\*Background materials included.