

# Draft Minutes

## Corporate Governance and Human Resources Committee Meeting

November 3, 2021 | 11:30 a.m. – 12:15 p.m. Eastern

Virtual Meeting

### Call to Order

Chair George S. Hawkins called to order a duly noticed 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 November 3, 2021, at approximately 11:30 a.m. Eastern, and a quorum was declared present.

Present at the meeting were:

#### Committee Members

George S. Hawkins, Chair  
Jane Allen  
Robert G. Clarke  
Colleen Sidford  
Roy Thilly  
Kenneth W. DeFontes, Jr., *ex officio*

#### Board Members

Larry Irving  
Susan Kelly  
Suzanne Keenan  
Robin E. Manning  
Jim Piro  
James B. Robb, NERC President and Chief Executive Officer

#### NERC Staff

Tina Buzzard, Assistant Corporate Secretary  
Manny Cancel, Senior Vice President and CEO of the E-ISAC  
Damon Epperson, Director of Human Resources  
Howard Gugel, Vice President, Engineering and Standards  
Kelly Hanson, Senior Vice President and Chief Administrative Officer  
Stan Hoptroff, Vice President, Business Technology  
Mark Lauby, Senior Vice President and Chief Engineer  
Sônia Mendonça, Senior Vice President, General Counsel and Corporate Secretary  
Lauren Perotti, Senior Counsel  
Bryan Preston, Vice President, People and Culture  
Janet Sena, Senior Vice President, External Affairs  
Andy Sharp, Vice President and Chief Financial Officer  
Mechelle Thomas, Vice President, Compliance

#### Chair’s Remarks

Mr. Hawkins welcomed the participants to the meeting. He remarked on the momentous changes in workforce participation models due to the pandemic and emphasized that the Committee and NERC management continue to pay close attention to the health and welfare of the enterprise as changes unfold. Mr. Hawkins also welcomed the new NERC Vice President of People and Culture Bryan Preston.

Mr. Hawkins reported that the Committee met in closed session on September 28, 2021, to review the results of the Board of Trustees compensation study and discuss the Trustee compensation recommendations being presented at this meeting. The Committee also reviewed the results of the NERC officer compensation study it commissioned. Mr. Hawkins reported that the Committee met in closed session on November 1, 2021, to review its mandate and travel policies and conduct executive sessions to discuss NERC's people and culture initiatives and compensation matters.

### **NERC Antitrust Compliance Guidelines**

Mr. Hawkins 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 Committee approved the minutes for the August 11, 2021, meeting as presented to the Committee.

### **Board of Trustees Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Survey**

Ms. Perotti presented the Board of Trustees Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Survey for the Committee's approval, referencing the materials included in the advance agenda package. She noted that the questions remain consistent from prior years to aid in more meaningful year over year analysis, and the results would be reviewed and discussed at the February 2022 meetings.

Upon motion duly made and seconded, the Committee approved the Board of Trustees Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Survey, as presented to the Committee.

### **Board of Trustees Proposed Compensation Changes**

Mr. Hawkins introduced the topic, noting that the Committee engaged the compensation consulting firm of Meridian Compensation Partners ("Meridian") to conduct an update to the market study of Board compensation completed in 2018, to aid in its determination of whether to recommend any changes to the Board's compensation program. He referred to the findings of the Meridian report summarized in the advance agenda package. Mr. Hawkins then reviewed the proposed changes to existing trustee compensation, noting that the proposed target annual retainer is below the median of the range contemplated by the NERC Governance Guidelines and no changes are being proposed to the chair and liaison retainers at this time.

Following discussion and upon motion duly made and seconded the Committee voted to accept the Meridian report and recommend for the Board's approval the following Trustee compensation program:

- Annual Retainer: Establish a target annual retainer for each Trustee of \$135,000. The new retainer will be implemented annually over the next three years with no increase in 2022, a \$3,500 increase in 2023, and a \$4,000 increase in 2024.

- Chair Retainer: Continue the annual retainer for the Board Chair of \$47,500.
- Committee Chairs Retainer: Continue the annual retainer for Committee Chairs of \$10,000, with an annual review in 2023 and 2024 if an adjustment is warranted.
- Vice Chair and Liaison Retainers: Continue the annual retainer of \$5,000 for the Board Vice Chair, with a separate retainer of \$5,000 for the Trustee who is designated as the liaison to the Standards Committee and the Trustee designated as the liaison to the Reliability and Security Technical Committee.

Mr. Hawkins thanked the Committee and the Board for their work and thoughtful discussions regarding this matter.

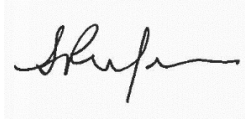
### **Human Resources Update and Staffing Report**

Mr. Epperson provided the human resources and staffing update, highlighting positive trends in employee engagement, record low attrition, and the recent addition of Mr. Preston. Mr. Hawkins reported highlights from Mr. Preston's discussion at the November 1 closed meeting, noted the continued importance of diversity and inclusion efforts, and remarked on the need to remain competitive in light of current labor market conditions.

### **Adjournment**

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

Submitted by,



Sônia Mendonça  
Corporate Secretary