

Minutes

Corporate Governance and Human Resources Committee Meeting

February 3, 2021 | 4:15 p.m. – 5:30 p.m. Eastern
WebEx

Call to Order

Mr. George S. Hawkins, Chair, 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 3, 2021, at 4:15 p.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Committee Members

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

Board Members

Jane Allen
Suzanne Keenan
Robin E. Manning
Jim Piro
James B. Robb, NERC President and Chief Executive Officer
Jan Schori

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and Chief Executive Officer 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
Sonia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Andy Sharp, Vice President and Chief Financial Officer
Mechelle Thomas, Vice President, Compliance

Introduction and Chair’s Remarks

Mr. Hawkins welcomed attendees to the meeting. He highlighted NERC's work in 2020 amid weather events, social unrest, the supply chain compromise, and COVID-19. Mr. Hawkins noted that the Committee's 2021 agenda will continue emphasizing diversity and inclusion.

NERC Antitrust Compliance Guidelines

Ms. Buzzard 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.

Regular Agenda

Minutes

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

Report on Matters Discussed in January 20 and February 1, 2021 Closed Sessions

Mr. Hawkins reported that during these meetings, the Committee addressed a number of compensation related items, including: (1) recommendation of the compensation for the Chief Executive Officer; and (2) approval of NERC officer compensation. The Board also conducted its annual review of the Board Chair.

Board Committees' Self-Assessment Surveys

Ms. Mendonça presented the proposed 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 proposed surveys as presented at the meeting.

2021 Board of Trustees Committee, Chair and Vice Chair Appointments and Related Assignments

Mr. Hawkins reviewed the Committee, Chair, and Vice Chair appointments, and related assignments recommended by Mr. Thilly. After discussion, and upon motion duly made and seconded, the Committee recommended the proposed appointments and assignments to the Board for approval.

2020 Work Plan Priorities Year-End Report

Mr. Lauby reviewed the 2020 Work Plan Priorities Year-End Report, referencing the material included in the advance agenda package. He reviewed the focus areas and noted the reprioritization of efforts due to COVID-19.

NERC Governance Guidelines Annual Review

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

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

Ms. Mendonça presented the results of the Board Self-Assessment and Member Representatives Committee Assessment of Board of Trustees Effectiveness, referencing the material included in the advance agenda package. She highlighted the robust participation rate and positive feedback on the Board's effectiveness in its overall function.

Annual Conflict of Interest and Independence Report

Ms. Mendonça reviewed NERC'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. She reported that NERC is in compliance with all applicable legal requirements related thereto.

Committee Governance

Ms. Mendonça presented on the proposed amendments to the Committee mandate, referencing the material included in the advance agenda package. She noted that the revisions to the Committee mandate improve efficiency and effectiveness and better align the ownership of governance accountabilities. Upon motion duly made and seconded, the Committee recommended the revised mandate to the Board for approval.

Ms. Mendonça presented on the proposed amendments to the Technology and Security Committee (TSC), Finance and Audit Committee (FAC), and Enterprise-wide Risk Committee Mandate (EWRC) mandate. Upon motion duly made and seconded, the Committee recommended the revised TSC, FAC, and EWRC mandate to the Board for approval.

Ms. Mendonça summarized the Policy on Internal Audit and Corporate Risk Management, referencing the material included in the advance agenda package. She noted that the policy more closely aligns NERC's approach to Enterprise Risk Management with the "Three Lines of Defense" model. After discussion, and upon motion duly made and seconded, the Committee recommended the Policy on Internal Audit and Corporate Risk Management to the Board for approval.

Human Resources and Staffing Update

Mr. Epperson provided an update on staff retention and attrition, referencing the information provided in the advance agenda package. He noted NERC's efforts to strengthen the processes by which it attracts, retains, and engages employees amid COVID-19. Mr. Epperson emphasized NERC's focus on cultural transformation and investments in communication and productivity tools, resulting in NERC's lowest annual attrition rate since 2011.

Other Matters and Adjournment

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

Submitted by,



Sonia Mendonça
Corporate Secretary