

Minutes

Corporate Governance and Human Resources Committee Meeting

February 5, 2020 | 8:00-9:00 a.m. Pacific

westdrift Manhattan Beach, Autograph Collection
1400 Park View Avenue
Manhattan Beach, California 90266

Mr. Kenneth W. DeFontes, Chair 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 February 5, 2020, at 8:00 a.m. Pacific, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Committee Members

Kenneth W. DeFontes, Chair
Robert G. Clarke
Robin E. Manning
Jan Schori
Roy Thilly, *ex officio*

Board Members

Janice B. Case
Frederick W. Gorbet
George S. Hawkins
Suzanne Keenan
James B. Robb, President and Chief Executive Officer
Colleen Sidford

NERC Staff

Tina Buzzard, Associate Director
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
Stan Hoptroff, Vice President, Business Technology
Ed Kichline, Senior Counsel and Director of Enforcement Oversight
Mark Lauby, Senior Vice President and Chief Engineer
Bill Lawrence, Vice President, ERO Enterprise Security Initiatives
Sônia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Janet Sena, Senior Vice President, External Affairs
Andy Sharp, Vice President, and Interim Chief Financial Officer
Mehelle Thomas, Vice President, Compliance

NERC Antitrust Compliance Guidelines

Mr. DeFontes 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 October 31, 2019 meeting as presented at the meeting.

Report on Matters Discussed in January 13-14 and February 4, 2020 Closed Sessions

Mr. DeFontes reported that during these meetings, the Committee addressed a number of compensation related items, including: (i) acceptance of the 2019 metrics results; (ii) recommendation of the compensation for the Chief Executive Officer; and (iii) approval of NERC officer compensation. 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 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 and recommended approval by the Board.

2020 Board of Trustees Committee, Chair and Chair-Elect/Vice Chair Appointments and Related Assignments

Mr. DeFontes reviewed the Committee, Chair, and Chair-Elect/Vice Chair appointments, and related assignments recommended by Mr. Thilly. After discussion, and upon motion duly made and seconded, the Committee recommended approval of the proposed appointments and assignments by the Board.

2020 Work Plan Priorities

Mr. Lauby reviewed the proposed 2020 Work Plan Priorities, highlighting how the priorities closely align with the ERO Enterprise Long-Term Strategy. The Committee proposed revising the wording for the Supply Chain objective in the 2020 Work Plan Priorities. After discussion, and upon motion duly made and seconded, the Committee approved the 2020 Work Plan Priorities and recommended approval by the Board, recognizing the Supply Chain language will be revised.

2019 Work Plan Priorities Year-End Report

Mr. Lauby reviewed the 2019 Work Plan Priorities Year-End Report, referencing the material included in the advance agenda package. He noted that the 2019 Work Plan was largely on track, and all but one objective was completed.

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 ("MRC") Assessment of Board of Trustees Effectiveness, referencing the presentation included in the advance agenda package. She highlighted the 100 percent response rate and the increased

comment rate by the Board and MRC. The Committee discussed the importance of maintaining a focus on the effectiveness and efficiency of meetings and stakeholder engagement.

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

Mr. DeFontes 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. He reported that no independence issues were identified and all appropriate recusals are in place.

Annual Review of Committee Mandate

Mr. DeFontes noted that the Committee is required to review its mandate on an annual basis. He stated that the NERC Legal Department did not recommend any revisions to the Committee Mandate.

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 investments and progress in enhancing all Human Resource products and services, resulting in improved employee retention and a low annual attrition rate for 2019.

Adjournment

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

Submitted by,



Sônia Mendonça
Corporate Secretary

Agenda

Corporate Governance and Human Resources Committee

February 5, 2020 | 8:00-9:00 a.m. Pacific

(Please note the Schedule may be adjusted real-time should meetings conclude early and/or extend past their scheduled end time.)

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Conference Room: Loftlight – Lobby Level

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines*

Agenda Items

1. **Minutes* — Approve**
 - a. October 31, 2019 Meeting
2. **Report on Matters Discussed in January 13-14 and February 4, 2020 Closed Sessions — Discussion**
3. **Board Committees' Self-Assessment Surveys* — Approve**
4. **2020 Board of Trustees Committee, Chair and Chair-Elect/Vice Chair Appointments and Related Assignments* — Review and Recommend to Board of Trustees for Approval**
5. **2020 Work Plan Priorities* — Approve and Recommend for Board of Trustees Approval**
6. **2019 Work Plan Priorities Year-End Report* — Review**
7. **Board Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Results* — Review**
8. **NERC Governance Guidelines Annual Review* — Review**
9. **Annual Conflict of Interest and Independence Report* — Review**
10. **Annual Review of Committee Mandate* — Review**
11. **Human Resources and Staffing Update* — Review**
12. **Adjournment**

*Background materials included.