

Minutes Corporate Governance and Human Resources Committee

February 10, 2016 | 9:00–10:30 a.m. Eastern

Hyatt Regency Sarasota
1000 Boulevard of the Arts
Sarasota, FL 34236

Ms. Jan Schori, 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”) on February 10, 2016, at 9:00 a.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Committee Members:

Jan Schori, Chair
Robert G. Clarke
Frederick W. Gorbet
George Hawkins
Kenneth G. Peterson

Board Members:

Paul F. Barber
Janice B. Case
Gerald W. Cauley, President and Chief Executive Officer
David Goulding
Roy Thilly

NERC Staff:

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Tina Buzzard, Associate Director
Stan Hoptroff, Vice President and Chief Technology Officer
Mark G. Lauby, Senior Vice President and Chief Reliability Officer
Sonia Mendonca, Vice President of Enforcement and Deputy General Counsel
Timothy E. Roxey, Vice President and Chief E-ISAC Operations Officer
Marcus H. Sachs, Senior Vice President and Chief Security Officer
Janet Sena, Senior Vice President and Director Policy and External Affairs
Michael Walker, Senior Vice President, Chief Financial and Administrative Officer, and Treasurer

NRC Antitrust Compliance Guidelines

Ms. Schori directed the participants’ attention to the NERC Antitrust Compliance Guidelines included with the agenda materials.

Minutes

Upon motion duly made and seconded, the Committee approved the minutes of the October 22, 2015 conference call as presented at the meeting.

Report on Matters Discussed in Closed Sessions

Ms. Schori reported on the items that were discussed during a closed meetings of the Committee, held on January 20, 2016 and February 9, 2016, including approval of the 2016 performance metrics, recommendation for Board approval of an 8 percent contribution in the Savings and Investment Plan and the approval of officer compensation and recommendation to the Board for the CEO compensation.

2016 Board Committee and Board Committee Chair Assignments, and Vice Chair Recommendation

Mr. Gorbet presented the proposed 2016 Board of Trustees Committee membership and chair assignments. Upon motion duly made and seconded, the Committee approved the proposal and recommended approval by the Board.

Appointment of Officers

Mr. Cauley presented the proposed NERC officers for 2016. Upon motion duly made and seconded, the Committee approved the proposal and recommended approval by the Board.

Committee Mandates

Mr. Berardesco presented the proposed revisions to the mandates for the Standards Oversight and Technology, Finance and Audit and Enterprise-wide Risk Committees, each of which had been endorsed by the relevant Committee. Upon motion duly made and seconded, the Committee recommended Board approval of the proposed revised mandates.

2015 Year-End Performance Report

Mr. Lauby reviewed the 2015 NERC Performance Report, which had been included in the advance Committee materials, and answered questions regarding the performance levels.

Board and Board Committees' Self-Assessments and MRC Assessment of Board of Trustees Effectiveness Results

Mr. Berardesco summarized a report from TalentQuest that analyzed the results of the 2015 Board and Board Committee self-assessments as well as the MRC assessment of the Board's effectiveness. With respect to a comment regarding transparency of Board actions, Mr. Cauley noted that management was reviewing the "accountability matrix" that had been developed to track management and Board commitments, and would be posting a revised version. There was general agreement that the three focus areas identified for the Board were appropriate.

Savings and Investment and 457(b) Plan Committees Member

Mr. Walker proposed the addition of Scott Jones, NERC's Senior Director of Finance, to the Plan Committees. Upon motion duly made and seconded, the appointment was approved.

Staffing and Recruiting Update

Ms. Schori referenced the staffing and recruiting update, which had been included in the advance Committee materials.

Adjournment

Mr. Clarke, the incoming Chair of the Committee, outlined his goals for the Committee in 2016, including consideration of the findings of the compensation study, future participation in the company's 457(f) Plan and review of a new employee climate survey.

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

Submitted by,

A handwritten signature in black ink, appearing to read 'Charles A. Berardesco'.

Charles A. Berardesco
Secretary

Agenda

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Call to Order

Introductions and Chair's Remarks

NERC Antitrust Compliance Guidelines

Agenda Items

1. **Minutes* — Approve**
 - a. October 22, 2015 Conference Call
2. **Report on Matters Discussed in January 20 and February 9, 2016 Closed Sessions — Discussion**
3. **Proposed 2016 Board Committee and Vice Chair Appointments* — Review and Recommend Board of Trustees Approval**
4. **Appointment of Officers — Review and Recommend Board of Trustees Approval**
5. **Mandates: Standards Oversight and Technology, Finance and Audit, and Enterprise-wide Risk Committees* — Review and Recommend Board of Trustees Approval**
6. **2015 Year-End Performance Report* — Review**
7. **Board and Board Committees' Self-Assessments and MRC Assessment of Board of Trustees Effectiveness Results* — Review**
8. **NERC Savings and Investment and 457(b) Plan Committees - Appointment of Additional Committee Member* — Approve**
9. **Staffing and Recruiting Update* — Review**
10. **Adjournment**

*Background materials included.