

Human Resources and Compensation Committee (HRCC) Scope Document



Purpose

The SERC Human Resources and Compensation Committee (HRCC) is a committee of the SERC Board of Directors (Board) that is responsible for oversight and/or action on the following:

- 1) SERC's organization and staffing needs;
- 2) General targets for SERC employee compensation and benefits;
- 3) Compensation of SERC key employees;
- 4) Maintain a strong and effective management team and staff;
- 5) Employee policies, guidelines and codes of conduct; and
- 6) SERC budget input for compensation and benefits.

Responsibilities and Activities

The following is a list of the HRCC's responsibilities and routine activities:

- 1) Review SERC's staffing needs and make recommendations to the Board or Board Executive Committee (BEC), as appropriate.
- 2) Make recommendations to the President regarding general salary structures, targets for employee compensation, and any appropriate changes to employee benefits.
- 3) Make recommendations to the President regarding SERC corporate HR policies.
- 4) Annually review the base salary, bonus, and any other forms of compensation for key employees, which shall include the five highest compensated employees.
- 5) Recommend to the SERC Board Officers guidelines for compensation of the President and other officers of corporation.
- 6) Assist the President in maintaining a succession plan for all key personnel, including recommendations for the recruitment and promotion of staff officers as appropriate to maintain continuity and fulfill the corporation's mission, consistent with SERC's Bylaws.
- 7) Approve the SERC employee Code of Conduct.
- 8) Receive reports from the Plan Committee regarding changes associated with SERC's Retirement Plans.
- 9) Perform other functions as may be assigned from time to time by the Board or BEC.
- 10) Convene ad hoc committees to review and address items within its scope, if needed.

Representation

The HRCC shall be composed of not less than three (3) and no more than five (5) Directors from the Board, including Alternate Directors.

Each HRCC representative shall serve for a term of two (2) years, beginning on July 1 of the appointment year, and may be reappointed by the Board to successive terms. To permit the presence of experienced HRCC representatives, terms should be staggered so that approximately half of the representatives rotate off the HRCC each year.

The Nominating Committee shall propose a slate of representatives to serve on the HRCC annually at the April meeting of the Board. The Board shall approve the slate as presented, or as modified by the Board.

The Board Chair shall appoint a Chair of the HRCC from among the HRCC representatives. The HRCC Chair shall serve for a term of two (2) years beginning on July 1 of the appointment year.

In the event that a representative of the HRCC is unable to complete a term, the Board shall fill such vacancy at its next meeting. The BEC may appoint an interim representative to serve on an interim basis until the vacancy is filled.

The Board Chair shall serve as a non-voting Ex Officio member of the HRCC.

Governance

The HRCC shall meet as required and at least twice per year.

HRCC decisions and recommendations are generally made by consensus. If a vote is required, each HRCC representative shall have one (1) vote. HRCC representatives holding a simple majority of the individual votes shall constitute a quorum. A simple majority of those present is needed to approve any motion or vote.

The HRCC shall abide by the SERC Confidentiality Policy, the SERC Antitrust Compliance Guidelines, all other applicable statutes and regulations, and any other applicable policies approved by the Board or the BEC in carrying out its purpose. The HRCC shall otherwise be governed by Robert's Rules of Order.

In the event of a conflict between the language in this document and the SERC Bylaws, the language of the Bylaws will control.

Reporting

The HRCC shall report to the Board and the BEC at each meeting.