

# Nominating and Governance Committee Charter



## **Purpose**

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The SERC Nominating and Governance Committee is a committee of the SERC Board of Directors (Board). The purpose of the Nominating and Governance Committee is to: (i) seek out nominations for Independent Directors for presentation to the Members for approval; (ii) coordinate with Sectors to select Sector Directors for approval by Members; (iii) assist the Board in identifying and recommending appointments for Officers of the Board and for appointments of members of Board Committees and Board Committee chairs; (iv) assist the Board in fulfilling its fiduciary duties as they pertain to reviewing the Corporation's Bylaws and other governing policies and procedures and recommending changes as needed; and (v) ensure that annual fiduciary duty training is provided to the Board of Directors.

## **Responsibilities and Activities**

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The following is a list of the Nominating and Governance Committee's responsibilities and routine activities:

### Responsibilities:

- 1) Coordinate with Sectors to select Sector Directors for approval by the Members.
- 2) Search for, recruit, screen, interview and select candidates for Independent Director positions as necessary to fill vacancies on the Board, and consider management's recommendations for candidates. Present Independent Director candidates to the Members for approval. The Committee may retain the services of an independent outside consultant to identify Independent Director candidates and otherwise provide such advice as the Committee shall deem necessary in discharging its duties and responsibilities.
- 3) Evaluate the qualifications and performance of Sector and Independent Directors and determine whether to nominate them for election or re-election to the Board.
- 4) Identify, vet, and recommend candidates to serve as Board Officers, consistent with the terms set out in the Bylaws, for approval by the Board.
- 5) Identify, vet, and recommend candidates to serve as representatives on the Board committees, consistent with the terms set out in the Bylaws, for approval by the Board.
- 6) Establish and periodically reevaluate criteria for Board membership and selection of new Independent Directors including independence criteria; and determine as necessary the portfolio of skills, experience, perspectives and backgrounds required for the effective functioning of the Board considering the Corporation's strategy, and its regulatory and geographic environments.
- 7) Assist the Board in fulfilling its fiduciary duties as they pertain to reviewing the Corporation's Bylaws and other governing policies and procedures and recommending changes as needed.

- 8) Ensure that annual fiduciary duty and conflict of interest training is provided to the Board of Directors.
- 9) Perform other functions within the scope of the foregoing, which either the Board directs to the Committee or the Committee deems appropriate to undertake from time to time.

Activities:

- 1) The Nominating and Governance Committee shall, as necessary, initiate a search for candidates to fill a vacant or soon-to-be vacant position, discuss the candidates' fitness for the position, and reach consensus on a candidate to recommend to the Board or the Members for approval.
- 2) The Nominating and Governance Committee shall work to identify Directors or other company representatives with an interest in being active on the SERC Board or on its committees.
- 3) The Chair of the Nominating and Governance Committee shall conduct all meetings of the Nominating and Governance Committee and shall be responsible for the preparation of the agenda.
- 4) Perform such other functions as may be delegated from time to time by the Board.
- 5) Perform an annual review of this charter.

## **Representation**

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The Nominating and Governance Committee shall be composed of up to five (5) members of the Board, at least one of which shall be an Independent Director.

After soliciting interest from the Board, the Nominating and Governance Committee shall propose a slate of representatives to serve on the Nominating and Governance Committee annually at the April meeting of the Board.

Each Nominating and Governance Committee 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 Nominating and Governance Committee representatives, terms should be staggered so that half of the representatives rotate off the Nominating and Governance Committee each year.

The Board Chair shall appoint a Chair of the Nominating and Governance Committee from among the Nominating and Governance Committee representatives. The Nominating and Governance Committee 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 Nominating and Governance Committee is unable to complete a term, the Board shall fill such vacancy at its next meeting.

## **Governance**

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The Nominating and Governance Committee shall meet as determined by the representatives of the Nominating and Governance Committee.

Each representative of the Nominating and Governance Committee shall have one (1) vote. The presence of a majority of the members of the Nominating and Governance Committee shall constitute a quorum. A simple majority of those present is needed to approve any motion or vote.

The Nominating and Governance Committee 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 in carrying out its purpose. The Nominating and Governance Committee 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**

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The Nominating and Governance Committee shall report to the Board as necessary.