

**NEW YORK STATE RELIABILITY COUNCIL, LLC (“NYSRC”)
POLICY NO. 7-1**

NOMINATIONS POLICY

Purpose of Policy

To continue to have successful governance to establish, maintain and assure compliance with Reliability Rules NYSRC deems necessary to meet the unique reliability needs of the New York State electric power system, the NYSRC needs active and efficient governance including Executive Committee leadership. The purpose of this Nominations Policy is to assist the Executive Committee with nominations for Executive Committee Officers and Unaffiliated Managers and recommend candidates for those positions who will best serve the NYSRC.

Background

The Executive Committee elects Officers, consisting of a Chairperson, Vice Chairperson and Secretary, for one (1) year terms and may elect other Officers. (See Operating Agreement Section 4.08). The NYSRC Operating Agreement (as amended, the “Operating Agreement”) contains no limitation with respect to the number of terms an Officer may serve.

Per Section 4.01 of the Operating Agreement, Executive Committee Managers serve two (2) year terms without limitation on the number of terms a Manager may serve. The NYSRC Agreement among the Member Systems determines the selection of all Managers except for the four (4) Unaffiliated Managers. Those seats are filled by vote of the Executive Committee and are the only seats not filled as prescribed by the NYSRC Agreement. (See Operating Agreement Section 4.02). This Policy is applicable to the election of Unaffiliated Managers (as well as Officers).

The Executive Committee may create subcommittees and make assignments to subcommittees. (See Operating Agreement Section 5.02). This Policy includes the creation of a Nominating Subcommittee by the Executive Committee.

Scope of Policy

The Nominations Policy extends to the following elections:

- 1. Annual Nominations for Executive Committee Officers** – The Nominating Subcommittee shall make recommendations to the Executive Committee for candidates for the annual election of Officers.
- 2. Nominations for Executive Committee Officer Vacancies** - The Nominating Subcommittee shall make recommendations to the Executive Committee for candidates to fill Officer vacancies that occur during the term of any Officer.

3. **Biennial Nominations for Unaffiliated Managers** - The Nominating Subcommittee shall make recommendations to the Executive Committee for candidates for the biennial election of Unaffiliated Managers.
4. **Nominations for Unaffiliated Manager Vacancies** - The Nominating Subcommittee shall make recommendations to the Executive Committee for candidates to fill Unaffiliated Manager vacancies that occur during the term of any Unaffiliated Manager.

The Nominating Subcommittee recommendations or other acts do not replace the need for normal Executive Committee approval of all Officers, agents, and Managers as set forth in Section 4.08 of the Operating Agreement. Such approval by the Executive Committee shall be by secret vote.

Responsibilities of Nominating Subcommittee

1. In alignment with Section 4.04 of the Operating Agreement, the Nominating Subcommittee shall act for the Executive Committee to find candidates for Officers and Unaffiliated Managers who have current and substantial knowledge and/or experience in the reliable operation of modern bulk power electric systems.
2. Ascertain if Officers and Unaffiliated Managers currently in office are interested in continuing to serve in their current capacities and/or if they are seeking different offices.
3. Recommend to the Executive Committee, candidates for the annual election of Officers, biennial election of Unaffiliated Managers as well as candidates to fill Officer or Unaffiliated Manager vacancies.
4. In connection with the foregoing responsibilities, find, review the credentials and work experience of, and interview proposed candidates.
5. Maintain records in connection with the foregoing responsibilities.
6. Recommend to the Executive Committee proposed revisions to this Policy when appropriate.

Procedures of Nominating Subcommittee

1. Each year, the Executive Committee will appoint a Nominating Subcommittee consisting of an odd number of Managers, which may be changed by resolution of the Executive Committee from time to time. The initial number of Nominating Subcommittee members shall be fixed at three (3). Members of the Nominating Subcommittee shall not receive a stipend or other payment for serving thereon with the exception of any Unaffiliated Manager. All Nominating Subcommittee members shall be entitled to reimbursement for expenses in connection with Subcommittee duties. The Nominating Subcommittee shall be comprised of Managers as follows: one (1) Transmission Owner Manager; one (1) Affiliated Manager; and one (1) Unaffiliated Manager whose term is not the subject of the Nominating Subcommittee. In the event that all Unaffiliated Manager seats are the subject

of election, the Executive Committee shall appoint a third Manager to serve on the Nominating Subcommittee.

2. Each year, the Nominating Subcommittee shall issue a Request for Interest for any Officer or Unaffiliated Manager positions subject to election.
3. The Executive Committee may provide access to or empower the Nominating Subcommittee to procure part-time administrative support.
4. The Nominating Subcommittee will seek to balance the value of maintaining experience and continuity in offices with the value of bringing new ideas and views to offices. As part of its reporting to the Executive Committee prior to an election cycle, the Nominating Subcommittee shall provide, for information, an average tenure of Officers and Unaffiliated Managers, by office.
5. With respect to nominations for Chairperson and Vice Chairperson, the Nominating Subcommittee will seek to: (a) biennially rotate nominations for office holders among the three groups of Managers - Transmission Owners, Affiliated, and Unaffiliated; and (b) nominate candidates such that both offices are not held by Managers of the same group.
6. The Nominating Subcommittee will seek to produce one (1) slate of candidates for biennial elections, and one (1) candidate for a mid-term vacancy election, to forward in writing to the Executive Committee. In the event the Nominating Subcommittee cannot achieve agreement on a slate of candidates or single candidate, majority and minority slates of candidates will be submitted to the Executive Committee. An incumbent Unaffiliated Manager may choose to be included on the slate of candidates.
7. For annual elections of Officers, the Nominating Subcommittee shall set forth for vote any Executive Committee Manager that has expressed an interest in serving as an Officer.
8. The Nominating Subcommittee will produce its slate of candidates to the Executive Committee at least one meeting prior to the Executive Committee meeting wherein a vote for the election of Unaffiliated Managers and Officers occurs. In that initial EC meeting, the Nominating Subcommittee will report on its process, the top candidates it interviewed, and an explanation for its recommendation. During that initial EC meeting discussion, there will be an opportunity for discussion about the Unaffiliated Manager subject to re-election both with and without their presence in the meeting. First, the Nominating Committee and Executive Committee will have a closed discussion without such Unaffiliated Manager present. Next, the Unaffiliated Manager will join the discussion, and the Chair will summarize the points that were discussed. Finally, the Unaffiliated Manager will have an opportunity to respond to feedback that was provided as a result of the closed Executive Committee discussion.
9. If during the course of the Nominating Subcommittee's process it determines that an Unaffiliated Manager currently serving a term will not be recommended for re-election for a subsequent term, the Nominating Subcommittee shall first discuss this with the Chair and Vice Chair (if not the subject of re-election) and then inform that individual confidentially and provide them with an opportunity to withdraw their name from consideration in

advance of such recommendation being provided to the Executive Committee for review. Such discussion will occur at least one meeting prior to the Executive Committee meeting wherein a vote for the election of Unaffiliated Managers and Officers occurs.

10. Notwithstanding any other NYSRC policy, access to Nominating Subcommittee meetings shall only be open to the Managers appointed to the Nominating Subcommittee and Counsel.
11. Notwithstanding any other NYSRC policy, certain information used or possessed by the Nominating Subcommittee shall be confidential and not shared beyond the Nominating Subcommittee or Executive Committee, in the sole discretion of the Executive Committee including candidate resumes, email, home addresses, telephone numbers, family information, credentials, work histories, and other, similar information of a personal, confidential nature.

Reporting - The Nominating Subcommittee reports to the Executive Committee