

## **MINUTES OF THE DECEMBER 10, 2019, MEETING OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE**

The Compensation and Human Resources Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) held a meeting on December 10, 2019, at the Smithsonian Castle in Washington, D.C. Participating were Committee Chair John Fahey and Committee member Michael Govan.\*

Also present by invitation of the Committee were Secretary Lonnie Bunch; Chief of Staff to the Secretary Greg Bettwy; Provost and Under Secretary for Museums, Education, and Research John Davis; Associate General Counsel Farleigh Earhart; Deputy Chief of Staff to the Regents Kate Forester; Special Assistant to the Regents Mallory Gianola (recorder); Inspector General Cathy Helm;\* General Counsel Judith Leonard; Human Resources Specialist Suleyka Lozins; Special Advisor to the Acting Under Secretary for Finance and Administration Brenda Richardson Malone; Director of the Office of Equal Employment and Minority Affairs Era Marshall;\* Acting Under Secretary for Finance and Administration/Chief Operating Officer Mike McCarthy; and Chief of Staff to the Regents Porter Wilkinson. Pearl Meyer Compensation Consultants Beth Florin\* and Jim Hudner also participated in the meeting.

### **CALL TO ORDER AND AGENDA REVIEW**

Committee Chair John Fahey called the meeting to order at 1:00 p.m. and reviewed the agenda.

### **AMENDMENT TO THE COMPENSATION AND HUMAN RESOURCES COMMITTEE CHARTER**

Chief of Staff to the Regents Porter Wilkinson briefed the Committee on a proposed modification to the Committee charter. The proposed Charter amendment includes an addition to the responsibilities of the Committee that clarifies the reporting of information related to sexual harassment complaints and workplace culture to the Board of Regents.

The Committee also reviewed the proposed mandatory reporting procedures related to sexual harassment complaints at the Smithsonian, which detail the types of complaints that must be reported to the Board of Regents through the Compensation and Human Resources Committee. The Committee will receive complaints involving high-ranking people; repeat offenders; a frequency of complaints indicating a toxic culture; a minor; and anything that poses a material risk to the Institution.

### **ALTERNATIVE EXECUTIVE COMPENSATION PAY BAND APPROACH FOR TRUST MARKET-BASED POSITIONS**

At its September 2019 meeting, the Committee requested that its compensation consultant Pearl Meyer and management work together to refine the specific framework and parameters of a new pay band approach for the compensation of Trust market-based executives as well as

*\*Participated by telephone*

conduct an internal pay equity analysis. Pearl Meyer consultant Jim Hudner provided an overview of the methodology and initial results of its benchmarking work. Mr. Hudner explained that the new approach will establish appropriate pay ranges, promote internal salary alignment among Trust executives, increase transparency around compensation decisions at the Institution, and better position the Smithsonian to take internal factors into account when setting compensation levels. The Committee directed Pearl Meyer and management to continue working on the development of pay ranges for senior level market-based positions, including the development of guidelines for executive pay-setting and administration.

#### **EXECUTIVE SESSION**

The Committee moved into an Executive Session at approximately 1:36 p.m. to review the summarized findings of the internal pay equity analysis conducted by its compensation consultant Pearl Meyer.

#### **ADJOURNMENT**

With no further business to consider, the meeting was adjourned at approximately 2:00 p.m.

#### **EMAIL BALLOT**

Due to a lack of quorum at the scheduled meeting, the Committee voted to approve the following three motions via email ballot completed on December 13, 2019.

**VOTED** that the Compensation and Human Resources Committee approves the draft minutes of the September 18, 2019, Committee meeting without modification.

**VOTED** that the Compensation and Human Resources Committee recommends approval by the Governance and Nominating Committee of the proposed amendment to the Compensation and Human Resources Committee Charter.

**VOTED** that the Compensation and Human Resources Committee approves and adopts the mandatory reporting procedures related to sexual-harassment complaints at the Smithsonian to the Board of Regents; and that the Compensation and Human Resources Committee must approve any changes to the reporting procedures.

Respectfully submitted,

John Fahey  
Chair