

MINUTES OF THE OCTOBER 1, 2024, 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 videoconference meeting on October 1, 2024. Participating were Committee Chair Michael Govan and Committee members Senator Gary Peters, Representative Garret Graves, Ambassador Barbara M. Barrett, and Toni Bush.

Also present by invitation of the Committee were Inspector General Nicole Angarella; Deputy Chief of Staff to Representative Graves, Maggie Ayrea; Chief of Staff to the Secretary Greg Bettwy; Director of the Office of Equal Employment and Supplier Diversity Aretha Carr; Under Secretary for Finance and Administration and Chief Financial Officer Ron Cortez; Deputy Chief of Staff to the Regents Kate Forester; Special Assistant to the Regents Mallory Gianola (recorder); Director of the Office of Human Resources Antonio Guzmán; Executive Resources Manager Suleyka Lozins; Chief Legal Officer Jennifer McIntyre; Deputy Director of Human Capital and Resource Management David Opkins; Deputy Secretary and Chief Operating Officer Meroë Park, Chief of Staff to Senator Peters, Caitlyn Stephenson; Counselor and Chief of Staff to the Regents Porter Wilkinson; and Head Diversity Officer Beth Ziebarth.

Pearl Meyer consultants Jim Hudner and Peter Wertheimer also participated in the meeting.

CALL TO ORDER AND AGENDA REVIEW

Committee Chair Michael Govan called the meeting to order at 10:00 a.m. and reviewed the agenda.

REVIEW OF THE MAY 15, 2024, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the draft minutes of the May 15, 2024, Committee meeting were approved.

CALENDAR YEAR 2025 COMPENSATION

As part of the annual cycle of the Committee, the October meeting focused on reviewing the core principles and decisions that form the foundation for the executive pay cycle and will culminate with the compensation recommendations that the Committee and the Board will review in January 2025.

2025 List of Disqualified Person Positions

The Committee reviewed the proposed list of disqualified person positions for compensation year 2025. The list includes the same positions from 2024 and updates three position titles reflecting changes that are part of the Smithsonian's reorganization request being considered by Congress. Mr. Govan noted that the disqualified persons list aligns with the 990 reporting requirements for officers and key employees and the applicable Internal Revenue Service guidance.

Upon motion duly made and seconded, the following was approved:

VOTED that the Compensation and Human Resources Committee approves the 2025 List of Disqualified Persons Positions. The total number is 14.

2025 Decision-Making Levels

The Committee reviewed the criteria that distinguishes compensation decisions made by the Regents and those made by the Secretary. It was recommended that the decision-making levels for 2025 remain unchanged. The Board's review will include positions that meet the following criteria: Trust positions that report to the Regents and/or Secretary or Deputy Secretary/COO; Federal positions that report to the Regents; Trust positions designated as Disqualified Person positions; and any other position with a proposed 2025 salary above \$300,000 or proposed 2025 total compensation above \$325,000. The decision-making levels will result in approximately 15 positions going to the full Board for review in January 2025.

Upon motion duly made and seconded, the following was approved:

VOTED that the Compensation and Human Resources Committee approves the 2025 Decision Making Levels.

2025 Updated Compensation Philosophies

Next, Mr. Govan led the Committee's review of the Trust and Federal compensation philosophies, which are reviewed and updated annually to reflect any changes in compensation approaches, salary ranges, and/or effective dates.

Upon motion duly made and seconded, the following was approved:

VOTED that the Compensation and Human Resources Committee approves the updated compensation philosophy to include new projected salary ranges and effective dates for calendar year 2025.

2025 Comparable Process

Pearl Meyer Consultants Jim Hudner and Peter Wertheimer briefed the Committee on the recommended approach and methodology for determining comparable compensation for approximately 130 Trust executive positions to be analyzed for 2025. Mr. Hudner reminded the Committee of the Smithsonian's approach of aging data every other year. In 2024, a full analysis of all positions was completed. Pearl Meyer will provide data for the Institution's Trust executive positions and recommended changes to the peer groups based on changes in the market for the 2025 process. Mr. Hudner outlined the approach and methodology for assessing the competitiveness and reasonableness of Smithsonian compensation levels, which is guided by the Smithsonian's compensation philosophies and the benchmarking analysis of market peers.

Upon motion duly made and seconded, the following was approved:

VOTED that the Compensation and Human Resources Committee approves the comparables approach for the positions being analyzed for 2025.

Preliminary Investment Incentive Payouts

The Committee reviewed preliminary calculations for the quantitative and qualitative portion of the Investment Incentive Program for the 2024 performance year. Preliminary data show the Institution's three-year portfolio return was 2.37%, which was 2.02% less than the benchmark return of 4.39%, for the annual performance period ending June 30, 2024. These preliminary estimates of projected payouts for certain executives included in the Investment Incentive Program will be verified and validated by a third party, prior to being formally presented for the Committee's review and discussion in January 2025.

EXECUTIVE SEARCHES

To conclude the open session, the Committee received an update on the progress of searches for seven vacant senior-level positions: Director, National Museum of African Art; Director, Smithsonian Institution Traveling Exhibition Services|Smithsonian Affiliations; Director, Smithsonian Libraries and Archives; Director, Smithsonian Environmental Research Center; Director, Asian Pacific American Center; Chief Information Officer; and Director, Smithsonian American Art Museum.

EXECUTIVE SESSION

The Committee moved into an Executive Session at approximately 10:22 a.m. to discuss confidential business matters and the pay equity analysis to be conducted by independent compensation consultant Pearl Meyer.

ADJOURNMENT

With no further business to consider, the meeting was adjourned at approximately 10:35 a.m.

Respectfully submitted,

Michael Govan, Chair