

MINUTES OF THE JANUARY 18, 2022, 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 January 18, 2022. Participating were Committee Chair Michael Govan and Committee members Representative Lucille Roybal-Allard, Ambassador Barbara M. Barrett, and Steve Case.

Also present by invitation of the Committee were Associate Director of the Office of Human Resources Angela Ameen, Chief of Staff to the Secretary Greg Bettwy, Chief of Staff to Representative Roybal-Allard Victor Castillo, Under Secretary for Administration Ron Cortez, Associate General Counsel Farleigh Earhart, 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, Acting Deputy Under Secretary for Administration Doug Hall, Inspector General Cathy Helm, General Counsel Judith Leonard, Human Resources Specialist Suleyka Lozins, Director of the Office of Equal Employment and Supplier Diversity Era Marshall, Deputy Secretary and Chief Operating Officer Meroë Park, and Chief of Staff to the Regents Porter Wilkinson.

Pearl Meyer consultant Jim Hudner also participated in the meeting.

CALL TO ORDER AND AGENDA REVIEW

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

REVIEW OF THE DECEMBER 14, 2021, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the draft minutes of the December 14, 2021, Committee meeting were approved without modification.

2022 GENERAL COMPENSATION BACKGROUND

Mr. Govan opened the discussion of compensation recommendations and reviewed the Committee’s responsibilities and duties related to the area of compensation, including full disclosure of any real or perceived conflicts of interest with any of the Smithsonian executives considered in the meeting materials.

Mr. Govan outlined the Smithsonian’s general approach to compensation for senior-level Trust and Federal executives, and reminded the Committee of the Trust compensation philosophies, which include a market-based compensation approach, a Federal-equivalent compensation approach, and the Augmented (“hybrid”) compensation approach that was adopted in 2018. The Committee reviewed the general summary statistics data provided in the meeting

materials. Statistics included general demographic information, performance appraisal data, and average total cash and salary information for 2022. Mr. Govan also noted that pay raises and performance awards were frozen in 2021 for Trust executives due to the financial implications of COVID-19 on the Institution.

The Committee discussed the competitive and reasonableness of Smithsonian compensation levels as defined by the Smithsonian's compensation philosophy, past practice, and relevant labor market comparisons. The Smithsonian ensures that the compensation levels for Trust positions are (i) reasonable as defined by the Internal Revenue Service ("IRS") guidelines, and (ii) comparable to compensation offered by organizations and executives with similar duties and responsibilities. The Committee's review is validated and supported through a reasonable analysis provided by independent compensation consultant Pearl Meyer. The Committee was briefed on the competitive benchmarking summary report from the independent compensation consultants. The Committee reviewed the reasonable analysis used by the consultants and compared the 75th percentile to the proposed compensation levels. The Committee also considered compensation proposals using the 50th percentile, recognizing the Smithsonian's role as a public trust and compensation philosophy of targeting the 50th percentile

EXECUTIVE SESSION: 2022 COMPENSATION DECISIONS

The Committee moved into an executive session at approximately 1:13 p.m. to discuss and vote on the 2022 compensation recommendations.

Decisions Made by the Committee

The Committee reviewed compensation information regarding the positions for which the Committee alone approves compensation decisions. The positions include those considered to be market-based, Federal-equivalent, or Augmented ("hybrid"), which are Trust-funded positions. The Committee reviewed justifications for variances above and below the competitive market range for the compensation recommendations. Three proposals above the competitive range and two proposals above the guidance on salary increases were presented and discussed.

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

VOTED that the Compensation and Human Resources Committee approves the 2022 compensation recommendations for senior executive positions recommended for Committee decision, effective January 2, 2022.

Decisions Made by the Board

The Committee then reviewed compensation decisions for a limited number of "high-impact" positions, which require the approval of the Board. Affected staff exited the meeting for this discussion. The Committee discussed salary adjustments that were proposed to align with the Smithsonian's compensation philosophy and the competitive market range. One proposal above the competitive range, six proposals above the guidance on salary increases, five

proposals above the guidance for performance awards, and one special act award were presented and discussed.

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

VOTED that the Compensation and Human Resources Committee recommends that the Board of Regents approves the 2022 compensation recommendations for senior executive positions.

EXECUTIVE SESSION: SECRETARIAL COMPENSATION

The Committee moved into an executive session to discuss compensation recommendations for the Secretary. Members received a briefing from Board Chair Steve Case with regard to the Secretary's performance for fiscal year 2021. The Committee concluded that the proposed 2022 compensation recommendation was consistent with the comparable positions identified by Pearl Meyer.

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

VOTED that the Compensation and Human Resources Committee recommends that the Board of Regents approves the 2022 compensation recommendation for the Secretary.

ADJOURNMENT

With no further business to consider, the meeting was adjourned at approximately 1:53 p.m.

Respectfully submitted,

Michael Govan
Chair