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AMENDMENT TO THE BY-LAWS OF THE NYISO MANAGEMENT COMMITTEE

- 9.02 The Management Committee shall assist the NYISO Board of Directors (“ISO Board”) in the filling of ISO Board vacancies.¹
- 9.02.1 In the event of a vacancy on the ISO Board, the Management Committee shall assist the ISO Board in the selection of a new board member.² As part of this process, the Management Committee shall conduct a search for new directors and provide the ISO Board with a list of at least three (3) qualified candidates for that vacancy.³ The Management Committee shall ensure that its recommended candidates meet the qualifications set forth in Article 5 of the ISO Agreement.⁴
- 9.02.2 The Management Committee shall establish a Board Selection Sub-Committee (“BSSC”) to assist it in fulfilling its responsibility to assist the ISO Board in selecting new board members.
- 9.02.2.a The BSSC shall be comprised of ten (10) members, with each sector represented by two (2) of the members.
- 9.02.2.b Each sector shall be responsible for selecting its own members.
- 9.02.2.c Each sector shall designate two (2) representatives and two (2) alternates. Each sector may replace one or more of its representatives and alternates if the members of the sector deem replacement necessary or appropriate.
- 9.02.2.d BSSC members represent their sectors and shall consult with their sector members with respect to the nomination of new board members
- 9.02.2.e The BSSC shall elect a chair from among its members.
- 9.02.2.f In the event of a vacancy on the ISO Board, the Management Committee shall activate the BSSC. Each sector shall select its members on the BSSC within seven (7) days of a request by the Management Committee that the BSSC assist it in the search for qualified candidates. Members shall continue to serve on the BSSC until replaced by their sector. When a replacement ISO Board member is seated, the

¹ ISO Agreement Section 5.04.

² ISO Agreement Section 5.04.

³ ISO Agreement Section 5.04.

⁴ ISO Agreement Sections 5.02 and 5.04.

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work of the BSSC shall be done and it shall be disbanded until further notice by the Management Committee.

- 9.02.3 The BSSC shall make all reasonable efforts to conduct a search jointly with the Governance Committee of the ISO Board (“Governance Committee”) and to develop a list of candidates for submission to the ISO Board that is acceptable to both the BSSC and the Governance Committee.
- 9.02.4 The BSSC shall work with a search firm selected by the BSSC, selected jointly by the BSSC and the ISO Board, or selected by the ISO Board and acceptable to the BSSC. The search firm shall provide the BSSC and the Governance Committee with a list of qualified candidates. The BSSC and the Governance Committee shall develop a process to narrow the field of candidates from the list provided to them by the search firm to a smaller list of candidates to be interviewed. The search firm will use its best efforts to provide the BSSC and the Governance Committee with at least 10 candidates for each vacancy on the ISO Board.
- 9.02.5 The BSSC shall strive to conduct interviews of ISO Board candidates jointly with the Governance Committee. If that is not possible, the BSSC shall coordinate its interviews with the Governance Committee.
 - 9.02.05.a The BSSC shall have an interview team, comprised of five (5) members, with each sector represented by one (1) member.
 - 9.02.05.b The two (2) members of each sector shall determine which one of them shall participate in any given interview.
- 9.02.6 At least six (6) affirmative votes of the BSSC are needed to recommend a candidate to the Management Committee. Voting on all other matters shall require a majority of the BSSC members present.
- 9.02.7 The BSSC shall use its best efforts to present at least three (3) qualified candidates to the Management Committee for its consideration. The BSSC will strive to present candidates acceptable to both the BSSC and the Governance Committee.
- 9.02.8 The BSSC will report to the Management Committee all candidates that received at least 6 affirmative votes, along with the vote totals for each candidate and a narrative of why the BSSC recommends that candidate. In reporting the vote totals received by a candidate, the BSSC shall not disclose how each BSSC member voted.
- 9.02.9 If the BSSC is unable to present at least three (3) names to the Management Committee with at least six (6) affirmative votes, the BSSC shall issue a status report to the Management Committee. Such status report shall disclose the vote totals received by those three (or more) candidates receiving the highest number of votes, provided, however that

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the BSSC shall not disclose how each BSSC member voted. In this event, the Management Committee shall on its own motion decide whether to require the BSSC to continue to work, including working with the search firm, in order to come up with three (3) acceptable candidates or whether the Management Committee shall select at least three (3) qualified candidates on its own from among those considered by the BSSC.

9.02.10 If the Management Committee does not approve of at least three (3) of the candidates presented to it by the BSSC, the Management Committee shall on its own motion decide whether to require the BSSC to continue to work, including working with the search firm, in order to come up with three (3) acceptable candidates or whether the Management Committee shall select at least three (3) qualified candidates on its own from among those considered by the BSSC.

9.02.11 The Management Committee shall present at least three (3) qualified candidates to the ISO Board for its consideration.⁵

9.02.12 If the ISO Board decides to consider any candidate that has not been provided to it by the Management Committee, then pursuant to the provisions of the ISO Agreement, the ISO Board will transmit the names of this candidate along with sufficient background material to the Management Committee. The Chair of the Management Committee shall work with the ISO Board to obtain additional information, if appropriate, concerning the candidate's background and qualifications. The Management Committee shall review the qualifications of the candidate and ⁶ may request the BSSC to evaluate the qualifications of the candidate and to interview the candidate. The Management Committee shall submit its comments on the candidate to the ISO Board and pursuant to the provisions of the ISO Agreement, the ISO Board shall consider those comments prior to the selection of a new director.

9.02.13 The BSSC and the Management Committee will make reasonable efforts to ensure the confidentiality of the candidates, provided that such efforts shall be consistent with the obligation of the BSSC members to consult with their sector members and the Management Committee's obligation to make informed decisions in the execution of its responsibilities related to the selection of new directors.

9.02.14 The consideration of ISO Board candidates by the Management Committee and voting on the candidates to present to the ISO Board shall be done in Executive Session.

⁵ ISO Agreement Section 5.04.

⁶ ISO Agreement Section 5.04.

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9.02.14a The agenda for meetings at which ISO Board candidates will be considered shall state that such consideration and voting will be done in Executive Session.

9.02.14b Voting at the Management Committee on ISO Board candidates shall be done by secret ballot.

9.02.14c Fifty-eight percent (58%) of the vote shall be required to recommend a candidate to the ISO Board.⁷

9.02.14d The Chair of the Management Committee shall present a written list of recommended candidates to the Chair of the ISO Board.

⁷ Section 7.03.