

**RESOLUTION OF THE BOARD OF GOVERNORS
OF THE
UNITED STATES POSTAL SERVICE**

Resolution No. 22-15

Charter of the Compensation and Governance Committee

RESOLVED:

Pursuant to 39 C.F.R. §5.1, the Board of Governors (Board) of the United States Postal Service have established a standing committee, the Compensation and Governance Committee (Committee). The Board exercises the regulatory powers of the Postal Service to establish an effective governance structure to promote the review and evaluation of practices and policies, and the direction and control of expenditures and risk for the Postal Service. To achieve these results, the Committee recommends, develops, and evaluates the effectiveness of Board processes and protocols, structures, and roles including retreat planning, leadership development, and on- and off-boarding.

Correspondingly, the Committee shall ensure that the Postal Service has an effective total compensation plan and implementation process as well as effective processes for recruitment, leadership development, succession planning, and performance assessment.

MEMBERSHIP AND AUTHORITY

The Board Chairman shall appoint the Chairman, Vice Chairman (if applicable), and members of the Committee and may change the membership of the Committee at any time in accordance with 39 C.F.R. §§4.1(a)(3) and 5.1.

When the Committee is addressing a governance issue reserved to the Governors, only the Presidentially-appointed Governors may address and vote on the issue.

The Committee shall report regularly to the Board with respect to the Committee's activities and recommendations. The report to the Board may take the form of an oral or written report by the Chairperson or any other designated member of the Committee.

The Committee assists the Board and reports to the Board but is not empowered to act on behalf of the Board without an explicit delegation of authority from the Board to act on its behalf.

The Committee may retain outside counsel or other experts as it deems appropriate.

For meetings of the Committee, members may attend in person, if possible, or by conference telephone, video conference, or similar communications equipment which enables all persons participating in the meeting to hear each other.

COMMITTEE RESPONSIBILITIES

Along with such other matters as the Committee finds appropriate to pursue in the performance of its functions, the Committee shall:

Governance and Regulatory

- Periodically review, evaluate, and make recommendations regarding:
 - Board and Committee structure, bylaws, policies, Committee charters, and any other governance procedures; and
 - overall effectiveness of the governance practices and performance of the Board, Committees, and Governors.
- Periodically conduct a performance evaluation of the Board and Board Committees to assure the efficiency and effectiveness of the Board's approved procedures and practices.
- Review and make recommendations on the Board's on-boarding program for new Governors and off-boarding program for exiting Governors. As appropriate, review and recommend training and continuing education for Governors, Officers, Committee Chairs, and members.
- Annually, the Committee shall review the Board's expenses and report on those expenses to the Board. In addition, periodically review the Board's expense policies and, as appropriate, recommend changes to the Board.
- Annually, the Committee shall review officer travel and representation expenses and report on those expenses to the Board.
- Periodically review the "Supplemental Standards of Ethical Conduct for Employees of the U.S. Postal Service". Recommend proposed changes to the Board, where consistent with governing law.

- Periodically review the adequacy of the Postal Service's Directors' and Officers' Liability Insurance policy and, as appropriate, make recommendations to the Board.

Compensation

Annually, the Committee shall:

- Review development and succession plans for Postal Service senior leadership including the current and prospective officers, the Deputy Postmaster General, and the Postmaster General; and the Office of Inspector General including the current and prospective Inspector General, Deputy Inspector General, and potential successors to those positions.
- Consider and make recommendations to the Board on management's proposals regarding salaries, incentive plans, benefits, and other compensation to be paid to Postal Service officers at the PCES-II level and separately with the Office of Inspector General officers.
- Review the fiscal year goals and performance of the Postmaster General, Deputy Postmaster General, Secretary of the Board, and Inspector General. Present compensation recommendations for the Secretary of the Board, the Postmaster General and, in conjunction with the Postmaster General, the Deputy Postmaster General to the Governors for consideration.
- Review the Compensation Discussion and Analysis portion of the Postal Service's Annual Financial Report for a recommendation to the Board's Audit and Finance Committee and the Board.
- Review and, as appropriate, make recommendations to the Board on compensation disclosures in the "Comprehensive Statement on Postal Operations".
- Review the performance appraisal system for affected officers and employees of the Postal Service (as designed and applied) and provide a recommendation as to whether the performance appraisal system for affected officers and employees of the Postal Service for the annual appraisal period involved makes meaningful distinctions based on relative performance.
- Review the National Performance Assessment (NPA) goals and results. Provide a recommendation on the NPA goals to the Board for consideration.

As needed, the Committee shall:


- Conduct, on behalf of the Board, the initial review of candidates in the event of a vacancy in the Postmaster General, Deputy Postmaster General, Inspector General, or Secretary of the Board of Governor's positions.
- Prior to execution, review and, if appropriate, discuss with the full Board the terms of all new contracts and contract modifications for direct report officers and all other direct reports to the Postmaster General.
- Prepare, if applicable, the Postmaster General's contract and any modifications for recommendation to the Governors.

General

- Annually review and assess the relevance of this charter and recommend any proposed changes to the Board.
- Report regularly to the Board on matters within the scope of the Committee and special issues that may merit attention of the Board.
- Perform other duties required by law or otherwise necessary for effective guidance of the Postal Service's compensation, governance, ethics, and compliance, or as the Board may from time to time direct.

This Resolution supersedes Resolution 21-37, adopted November 9, 2021, and rescinds all previous Resolutions of the Board to the extent that such Resolutions are inconsistent with this Resolution.

The foregoing Resolution was adopted by the Board of Governors on November 9, 2022.



Michael J. Elston
Secretary of the Board of Governors