



RELIABILITY FIRST

Agenda

Board of Directors • Compensation Committee

August 23, 2023 • 9:00 am – 12:00 pm (ET)

ReliabilityFirst Corporation
 3 Summit Park Drive, Suite 600
 Cleveland, OH 44131
 Room: Ohio Conference Room
 Attire: Business Casual

Closed Agenda

1. **Call to Order**
 Presenter: Lesley Evancho, Chair
2. **Appoint Secretary to Record Minutes**
3. **Antitrust Statement**
 Presenter: Niki Schaefer, VP and General Counsel
4. **Approve Compensation Committee Meeting Minutes**
 Presenter: Lesley Evancho, Chair
 Reference: [Draft Minutes for the April 26, 2023 Compensation Committee Meeting](#)
 Action: **Approve Minutes**
5. **Succession Planning**
 Presenter: Beth Dowdell, Sr. Director, Corporate Services
 Description: Ms. Dowdell will discuss the process used for succession and workforce planning, the gaps that were identified and plans to address those gaps for committee awareness and input on progression of staff.
 Reference: a) Presentation
 b) 2023 Succession Plan
 Action: Information and Discussion
6. **Staffing Demographics & Diversity Strategy Update**
 Presenter: Hue DeLuca, Manager Human Resources
 Description: Ms. DeLuca will present year-to-date data on RF's demographics, provide an overview of diversifying recruiting efforts, and outline DEI initiatives for committee awareness on meeting corporate goals related to DEI.
 Reference: Presentation
 Action: Information and Discussion
7. **2023 Corporate Goals Update**
 Presenter: Beth Dowdell, Sr. Director Corporate Services
 Description: Ms. Dowdell will review key activities completed in Q2 and discuss progress towards completion of corporate goals for committee awareness.
 Reference: Presentation
 Action: Information and Discussion

8. Benefits Discussion

Presenter: Beth Dowdell, Sr. Director Corporate Services
Description: Ms. Dowdell will review how RF's benefits benchmark against national averages and make recommendations regarding changes to the overall benefits plan that can assist with company saving, employee engagement and overall retention.
Reference: Presentation
Action: Information and Discussion
Approval of Proposed Holidays

9. Compensation Committee Charter Review

Presenter: Lesley Evancho, Chair
Description: Chair Evancho will review the charter revisions and request approval of the changes to take effect after the Annual Meeting of Members in December.
Reference: a) [Summary](#)
b) [Charter - redline](#)
c) [Charter - clean](#)
Action: **Approval of the Charter Revisions**

10. Annual Review of President and CEO

Presenter: Beth Dowdell, Sr. Director Corporate Services
Description: Ms. Dowdell will discuss the timeline and activities needed from the Chairperson and board to conduct the annual CEO review in preparation for the December Compensation Committee meeting for committee awareness.
Action: Information and Discussion

CLOSED EXECUTIVE SESSION – COMMITTEE MEMBERS ONLY**11. Mid-year Review of President and CEO**

Presenter: Lesley Evancho, Chair
Description: Chair Evancho and Mr. Gallagher will provide an update on progress towards 2023 goals and initiatives.
Action: Information and Discussion

12. Succession Planning

Presenter: Tim Gallagher, President and CEO
Description: Mr. Gallagher will lead a discussion on the succession planning for VP and CEO roles.
Action: Information and Discussion

13. Future Meetings:

- December 6

14. Adjourn

Roster • Compensation Committee

Lesley Evancho, **Chair** • Independent (2025)

Ken Seiler, **Vice Chair** • PJM (2024)

Joanna Burkey • Independent (2025)

Pat Cass • Lead Independent (2023)

Courtney Geduldig • Independent (2024)

Antonio Smyth • AEP (2023)

Jennifer Sterling • Exelon (2025)

Draft Minutes for the April 26, 2023 Compensation Committee Meeting



RELIABILITY FIRST

PUBLIC

DRAFT - Minutes

Board of Directors • Compensation Committee

April 26, 2023 • 9:00 am – 12:00 pm (ET)

ReliabilityFirst Corporation
3 Summit Park Drive, Suite 600 • Cleveland, OH 44131

Closed Session

Call to Order – Chair Lesley Evancho called to order a duly noticed closed meeting of the Compensation Committee (Committee) on April 26, 2023 at 9:00 a.m. (ET). A quorum was present, consisting of the following Committee members: Lesley Evancho, Chair; Ken Seiler, Vice Chair; Joanna Burkey; Pat Cass; Courtney Geduldig; Antonio Smyth (virtual); and Jennifer Sterling. A list of others present during the Committee meeting is set forth in Attachment A.

Appoint Secretary to Record Minutes – Chair Evancho designated Niki Schaefer, ReliabilityFirst's (RF) Vice President and General Counsel, as the secretary to record the meeting minutes.

Antitrust Statement – Ms. Schaefer advised all present that this meeting is subject to, and all attendees must adhere to, RF's Antitrust Compliance Guidelines.

Approve Compensation Committee Meeting Minutes – Chair Evancho presented draft minutes from the December 6, 2022 Compensation Committee meeting, which were included in the agenda package. Upon a motion duly made and seconded, the Committee approved the minutes as presented.

Q1 Staffing Demographics & Diversity Strategy Update - Beth Dowdell, RF's Senior Director Corporate Services, began by discussing the new Human Resources (HR) dashboard measuring HR KPIs related to recruitment, workforce planning and Diversity, Equity, and Inclusion (DEI). She then discussed RF's recruiting metrics, noting that RF added six new employees in 2023, the average time to hire was 82 days, 33% of open positions were filled internally, and 100% of the candidate pool had diverse representation. Ms. Dowdell noted that although the candidate pools were diverse, the ultimate hires were not as diverse as RF wanted to see. A discussion ensued about adding more rigor to the hiring process, particularly thinking through whether backfilled positions could be filled by a lower-level employee than the original position. Ms. Dowdell talked about various efforts to improve racial diversity at RF, such as using recruiting firms that specialize in diverse candidates, and Ms. Burkey noted that this approach has worked at her organization. Ms. Dowdell noted that employees, particularly diverse employees, can be quite helpful in recruiting activities.

Ms. Dowdell reported that RF has had strong employee retention numbers in the first quarter and discussed the efforts regarding leadership development and engagement. She then explained how one of RF's goals this year is to build out the plan for developing high potential employees. A discussion ensued about the changes in how work is conducted and how people are managed in a virtual work world.

Ms. Dowdell reported that from a demographic standpoint, 19% of RF staff are eligible to retire (which RF defines as sixty and over). While these employees are still high contributors, being aware of the gaps that can be created if/when they leave is important in ensuring resource adequacy. There was discussion on increasing RF's bench strength and the pipeline of employees. Mr. Seiler noted that PJM is focusing more on hiring people just out of school to improve demographic diversity. Ms. Dowdell described the challenges RF faces regarding not having the resources to train and develop people so new to the workforce. She then discussed that RF is also looking at whether someone who is high potential or retirement eligible is in a "critical" role. She also noted that RF continues to leverage the hybrid work model with employees coming in one day a week (either Wednesday or Thursday), with 25% of employees as fully remote.

Ms. Dowdell then reported that RF is currently at 8% ethnic diversity, which RF considers a number that needs to improve. She stated that RF is engaging in efforts such as hiring recruiting firms specializing in diverse candidates and expanding partnerships with specialized engineering groups like the National Society of Black Engineers. RF is also looking at other opportunities to have booths or other promotions at events that could be feeders to the RF employee candidate pool.

She then shared that females in leadership roles make up 30% of management staff, and discussed staff gender and age demographics. Ms. Burkey asked if people are working longer in general, and Ms. Evancho noted that her employer is seeing a considerable number of employees (28%) moving out of the Pittsburgh area now that they are fully remote. A discussion ensued about why retirements are being delayed, and then about the effects of flexibility at work on diverse employees, particularly women, with Committee members sharing the effect of stricter in-office policies at their respective organizations.

Ms. Dowdell then shared veteran and disability demographics, as well as the four pillars of RF's DEI strategy. Regarding DEI goals, she described the efforts RF is undertaking to increase workforce diversity, including a presentation at Howard University, speaking engagements at local high schools, and partnering with minority vendors such as catering companies.

She then described RF's efforts in creating a culture of inclusion, including events surrounding Black History Month, Chinese New Year, and Women's History Month. Ms. Dowdell discussed the lunch with leaders series, and the positive feedback RF has received on those events. Then she discussed sustainability and accountability efforts, including DEI certifications for DEI committee members, partnering with HRKS (a DEI training organization), and focusing on the actionable parts of DEI. She also mentioned DEI training for new staff on LinkedIn Learning to create a DEI baseline. Ms. Evancho shared

that LinkedIn Learning has been a useful platform for her organization, especially when there is a group discussion or activity after the course.

Finally, Ms. Dowdell discussed efforts to avoid blind spots through the employee engagement survey and wellness and training survey metrics. She reported that RF recently received a top workplace in Northeast Ohio award for 2023. A discussion ensued about broadening wellness incentives and incorporating mental health, and the benefits of the Calm and Headspace apps for staff to promote mental health.

Mr. Seiler noted the workforce challenges ahead for RF and the importance of remaining vigilant. Ms. Evancho commented on the breadth of activity for an organization of RF's size, which Ms. Dowdell noted is a concern she shares and shared her plans to look further into activities that may not be yielding results. Mr. Smyth shared that for hiring and onboarding, RF is in a lean, "just-in-time" hiring model, which may present challenges in terms of what RF wants to accomplish in the future. He commented that RF may need to start recruiting and hiring resources that can help the organization flex in the future. The Committee then decided to move to agenda item number 10 about hiring philosophy.

Hiring Philosophy – Tim Gallagher, RF's President & CEO, commented that a just-in-time hiring philosophy, while helpful for the budget, presents challenges on the diversity front. He also discussed talent losses and the difficulty in absorbing those losses, as well as the benefits of showing employees that there are opportunities to advance and progress through the organization. Mr. Gallagher then noted that the downside of hiring in anticipation of the future (instead of just-in-time) is cost, and that he recognizes the reaction of industry when RF adds staff. Mr. Smyth noted that he recognizes how lean RF staff is, and gave an example of RF coming to a FERC meeting with AEP to facilitate an important conversation and the strain that a key activity like that places on RF resources.

Ms. Evancho noted that RF needs to start looking at employee retention and development as a risk, and recommended looking at data for what jobs are difficult to hire, what areas are seeing the most attrition, and where does the data support a need. Mr. Seiler noted that industry could be more proactive based on trends everyone is seeing, and Ms. Sterling discussed the importance of facilitating knowledge transfer. Mr. Gallagher noted that there are activities like state-wide security tabletop exercises, which RF is uniquely positioned to perform, that contribute to reliability but require a significant resource investment. Mr. Smyth shared AEP's sincere appreciation for RF filling the gap with its tabletop exercise in Ohio, but also noted that as the needs of the industry change, RF's allocation of resources will have to change as well. A discussion ensued about the homework RF needs to do to present the business case for adjusting its hiring approach. Ms. Burkey said there is a fundamental choice to be made regarding whether RF focuses on statutory compliance or on smoothing out the risk curve. Mr. Seiler noted that the energy transition is coming, and that RF needs to be anticipatory in its actions. A discussion ensued about examining RF's activities that are clearly within its delegated authority and what is not spelled out in the law but is focused on mitigating reliability risks.

2024 Staffing and Budget Discussion – Ms. Dowdell shared a presentation on staffing and the 2024 Business Plan and Budget (BP&B) that she presented to the Finance and

Audit Committee (FAC) when seeking approval on headcount-related budget assumptions. First, she discussed RF's headcount request compared to the other Regions and NERC. Ms. Dowdell then spoke to the drivers behind headcount additions across the Regions, such as the changing resource mix, NERC/FERC oversight, increasing/changing Reliability Standards, an increasing number of Registered Entities, increasing security expectations, increasing outreach needs and expectations, and new ERO-wide tools such as Align/SEL.

Ms. Dowdell discussed the factors that will likely drive headcount needs in the future, such as outreach. She noted that Diane Holder has received numerous requests by state legislatures and regulators for testimony, presentations, and discussions about reliability related information related to the grid's changing resource mix. Mr. Gallagher mentioned the success of the testimony Ms. Holder provided to Illinois. Mr. Seiler cautioned that outreach work can be endless and that as RF goes further into this space, it will have to prioritize which endeavors are worth the time and effort. A discussion ensued about planning work, and Ms. Evancho shared that her organization started a scoring system to rank outreach requests based on factors such as audience and opportunity for influence. She offered to share her organization's checklist with the Committee.

Ms. Dowdell then discussed the justifications for each of the headcount requests. She stated that RF is requesting two CIP monitoring FTE's and one Operations and Planning FTE, and the Committee discussed whether compliance monitoring reductions are being made due to a need for staff and requested the Board be given visibility into those reductions. Ms. Dowdell then discussed the requests for one FTE in the Enforcement Department, one FTE in internal security, one FTE in IT, and one FTE in data analytics. She noted that the FAC approved moving forward with seven FTEs in the 2024 BP&B, and a deferred security FTE for 2025, who would focus on external-facing security activities such as tabletop exercises. Ms. Dowdell also discussed the use of additional reserves to offset the budget. She then noted some process changes RF intends to implement going forward.

2023 Corporate Goals Update— In the interest of time, Ms. Dowdell gave a high-level overview of progress on the 2023 goals and indicated that management has no concerns about their progress.

Employee Survey Results Update – Ms. Dowdell provided an update on RF's engagement survey, which resulted in RF winning The Plain Dealer's Top Workplace award for 2023. She noted that in the electric industry overall, industry engagement is going down, whereas RF's engagement went up a percentage point. Ms. Dowdell shared that in the areas where RF was weaker in previous surveys, there was significant improvement, which was encouraging.

Ms. Evancho noted that the statement "I feel included" at RF went down and suggested that follow-up questions should be asked on this item. Ms. Dowdell then discussed the rankings of management, including the executive team and directors and managers. Mr. Cass noted his surprise at the decrease in the statement "new ideas are encouraged at RF," and RF staff took an action item to investigate this decrease. Ms. Geduldig asked about what employee groups went down in score, and Ms. Dowdell noted there was a dip in IT Department scores, CIP Compliance Monitoring Department scores, and the 5-10

year employee scores. Ms. Dowdell noted a decrease in the benefits satisfaction scores, and the issues with transitioning to a new benefits provider that occurred at the same time as the survey. Finally, Ms. Dowdell discussed the areas of opportunity noted in the comments from staff, which included: pace of change in the industry, growth opportunities, technical issues with tools, visibility into company projects, workload, and staff recognition. The next steps for the survey are to review the results with staff and to create focus groups to work on prioritized areas of opportunity.

Compensation Committee Review – Ms. Schaefer led a review of the Compensation Committee Charter, and a timeline for the Committee vote on the proposed changes. The Committee was supportive of all the proposed redlines in the package, which were geared towards changing the name of the Committee to the Talent and Compensation Committee to more accurately reflect its jurisdiction, and clarifying the roles and responsibilities of the Committee. The Committee planned to vote on the final revisions at the August 2023 RF Board meeting.

Next Meeting – Chair Evancho noted that the next Committee meeting will occur on August 23, 2023. At 11:45 AM (ET), Chair Evancho moved the Committee into closed session.

Closed Executive Session – Committee Members Only

Executive Session – The Committee discussed confidential topics in executive session.

Adjourn – Upon a motion duly made and seconded, Chair Evancho adjourned the Committee meeting at 12:05 pm (ET).

As approved on this 23 day of August, 2023, by the
Compensation Committee,

Niki Schaefer
*Vice President, General Counsel and Corporate
Secretary*

Attachment A

Others Present During the Compensation Committee Meeting

Jeff Craig
Beth Dowdell
Tim Gallagher
Diane Holder
Niki Schaefer

Summary



SUMMARY

Summary of Proposed Changes to Board Committee Charters

In late 2022, the Board Executives and Independent Directors met to discuss broadening the Compliance Committee to the Compliance and Risk Committee. It was determined, because of the interrelatedness of the Committees, and to ensure holistic risk oversight, that the Board and Committees should review all Charters for potential changes.

During the April meetings, each Committee reviewed and discussed prospective changes to their Charter. Now, the redlines and proposed revisions are being presented for final approval by the Committees and endorsement to the Board. A high-level summary of the proposed changes presented is below. The draft Charter revisions (redlines) also include minor language updates to increase uniformity and consistency among the four Committee charters with language on Committee composition, minutes, and other areas where it made sense to align.



RISK AND COMPLIANCE COMMITTEE (FORMER COMPLIANCE COMMITTEE)

- **Broaden**
 - **Risks to Grid** - broaden focus to include grid risks beyond compliance, including broader focus on risks in the Regional Risk Assessment; discuss how RF deploys all risk tools (e.g., outreach, CMEP, Standards, registration)
 - **CMEP Strategy** - focus on enforcement and monitoring relating to big picture strategy
 - **Cyber** - focus on cyber as related to risks in footprint
 - **Oversight** - maintain awareness of FERC/NERC/CCC oversight relating to CMEP program
- **Add**
 - **Stakeholder Advisory and Technical Committees** - expand scope to include overseeing technical committee work (CIPC, Reliability Committee, and subcommittees) (*oversight and effectiveness of Stakeholder Advisory and Technical committees currently with Nom and Gov*)

NOMINATING AND GOVERNANCE COMMITTEE

- **Broaden**
 - **Conflicts** - committee will also review directors’ potential conflicts to ensure independence (*previously with staff*)
- **Add**
 - **Hearing Body** - appoint members to Hearing Body under the compliance monitoring and enforcement program’s hearing procedures (*previously with Compliance*)

FINANCE AND AUDIT

- **Broaden**
 - **ERM** - expand oversight of ERM beyond legal requirements to look at corporate risk (continue to separate detailed discussions of grid risk from corporate risk, but FAC will coordinate with other Committees to ensure risks are addressed)

TALENT AND COMPENSATION (FORMER COMPENSATION)

- **Broaden**
 - **Title** - expand title to account for diversity and engagement work
 - **Detailed Charter** - Ensure Charter Actions reflect work being done (diversity and retention updates, and input to FAC on benefits and FTE’s).

FULL BOARD

- **Significant Risks to Grid will still be discussed** (keynote speakers, specific agenda items, committee report-outs)
- **Standing Items** (Security, State Outreach, DEI, Finance)

Charter - redline



TALENT and COMPENSATION COMMITTEE CHARTER

The Board of Directors of ReliabilityFirst Corporation (“ReliabilityFirst”) has established a Compensation Committee (the “Committee”) with general responsibility and specific duties as described below:

COMPOSITION

The Committee shall be comprised of at least five (5) directors including all the Independent Directors, according to independence standards established under the governance guidelines adopted by the Board (the “Governance Guidelines”). Committee members shall be elected by the Board at its annual meeting and shall serve until their successors are duly elected and qualified. The Committee shall have a chair and a vice chair. The vice chair shall assume the duties of the chair in the absence of the chair at any meeting. The Committee’s chair shall be an independent director and the chair and vice-chair shall be designated by the full Board upon the recommendation of the Nominating and Governance Committee.

RESPONSIBILITY

~~The primary purpose of the Committee shall be to assist the Board in discharging its responsibilities relating to compensation of ReliabilityFirst’s executives and by making recommendations regarding compensation programs for independent directors. The primary purpose of the Committee shall be to assist the Board in its responsibilities relating to the compensation and development of, and the benefits provided to, ReliabilityFirst employees, as well as the compensation of Independent Directors.~~

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The Committee is empowered, without seeking Board approval, to retain persons having special competence, including outside consultants and other advisors, as necessary to assist the Committee in fulfilling its responsibility.

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ATTENDANCE AND VOTING

The Committee shall meet as often as it deems necessary in order to fulfill its duties and responsibilities. Meetings may be called either by the Committee Chair or by a majority of the members of the Committee. Members of the Committee should endeavor to be present, in the designated format, (in-

~~person or virtual), at all meetings. Members of the Committee should endeavor to be present, in person or by telephone, at all meetings; however, T~~three (3) Committee members shall constitute a quorum. Each member of the Committee, including the chair, shall be entitled to one vote on each matter presented before the Committee. Action by the Committee may be taken at any duly called meeting at which a quorum is present upon the vote of a majority of the members present.

MINUTES OF MEETINGS

Minutes of each meeting shall be prepared and sent to Committee members for approval at the next regularly scheduled meeting and thereafter publically posted on the ReliabilityFirst's website, and presented to ReliabilityFirst directors who are not members of the Committee. The Committee's minutes will be kept by the person so designated by the Chair with a copy retained by Secretary of ReliabilityFirst.

SPECIFIC DUTIES

The Committee will:

1. In consultation with management, review and maintain ReliabilityFirst's general policies relating to employee compensation, and oversee the implementation of compensation programs.
2. Periodically review the compensation of the independent members of the Board of Directors and make recommendations regarding compensation, to the Board of Directors.
3. Review budget planning process and provide input to FAC ~~Committee~~Committee on headcount and benefit assumptions.
4. Recommend to the full Board for approval the President's compensation, and, in furtherance thereof, adopt and review corporate goals and objectives relevant to the President's compensation, evaluate the President's performance in light of those goals and objectives, set the President's compensation level based on this evaluation, and provide to the Board's directors the results of such evaluation for the purpose of an annual performance review of the President.
5. Assess the competitiveness and appropriateness of, determine, and authorize, the salaries, incentive plans, terms of employment, retirement or severance, benefits, and perquisites of the executive officers of ReliabilityFirst.

6. Authorize the granting of incentive compensation to other employees and delegate to the President, to the extent the Committee deems appropriate, the authority to allocate such awards among employees other than executive officers, subject to the limitations set forth in the applicable plans pursuant to which such compensation or awards are to be granted.
7. As requested by the full Board, review management's long-range planning for executive development and succession, and develop a President succession plan.
8. ~~Review progress on diversity, equity, and inclusion efforts.~~
7. ~~Perform periodic review of effectiveness of ReliabilityFirst's recruiting efforts and talent oversight, management compensation and relevant human resources policies.~~
- 8-9. ~~Perform other review functions relating to management compensation and human resources policies, including diversity, equity & inclusion, as the Committee deems appropriate.~~
- 9-10. Conduct an evaluation of the Committee's performance and charter at least annually, and adopt such Committee Charter changes, as the Committee deems appropriate, subject to approval by the Board.
- 10-11. Regularly report to the Board regarding the Committee's activities.
11. ~~Have consultants to advise the Committee on compensation matters, as appropriate.~~

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APPOINTMENT OF ADVISORS

The Committee shall have the sole authority to retain, and approve the fees and other retention terms of, executive compensation, legal and other advisors, as it deems necessary for the fulfillment of its responsibilities.

ADOPTION AND APPROVAL

As adopted by the Compensation Committee on ~~December-August 237~~, 202~~32~~ and approved by the Board of Directors on ~~December-August 248~~, 202~~32~~.

Charter - clean



TALENT AND COMPENSATION COMMITTEE CHARTER

The Board of Directors of ReliabilityFirst Corporation (“ReliabilityFirst”) has established a Compensation Committee (the “Committee”) with general responsibility and specific duties as described below:

COMPOSITION

The Committee shall be comprised of at least five (5) directors including all the Independent Directors, according to independence standards established under the governance guidelines adopted by the Board (the “Governance Guidelines”). Committee members shall be elected by the Board at its annual meeting and shall serve until their successors are duly elected and qualified. The Committee shall have a chair and a vice chair. The vice chair shall assume the duties of the chair in the absence of the chair at any meeting. The Committee’s chair shall be an independent director and the chair and vice-chair shall be designated by the full Board upon the recommendation of the Nominating and Governance Committee.

RESPONSIBILITY

The primary purpose of the Committee shall be to assist the Board in its responsibilities relating to the compensation and development of, and the benefits provided to, ReliabilityFirst employees, as well as the compensation of Independent Directors.

The Committee is empowered, without seeking Board approval, to retain persons having special competence, including outside consultants and other advisors, as necessary to assist the Committee in fulfilling its responsibility.

ATTENDANCE AND VOTING

The Committee shall meet as often as it deems necessary in order to fulfill its duties and responsibilities. Meetings may be called either by the Committee Chair or by a majority of the members of the Committee. Members of the Committee should endeavor to be present, in the designated format, (in-person or virtual), at all meetings. Three (3) Committee members shall constitute a quorum. Each member of the Committee, including the chair, shall be entitled to one vote on each matter presented before the Committee. Action by the Committee may be taken at any duly called meeting at which a quorum is present upon the vote of a majority of the members present.

MINUTES OF MEETINGS

Minutes of each meeting shall be prepared and sent to Committee members for approval at the next regularly scheduled meeting and thereafter publicly posted on

ReliabilityFirst's website. The Committee's minutes will be kept by the person so designated by the Chair with a copy retained by Secretary of ReliabilityFirst.

SPECIFIC DUTIES

The Committee will:

1. In consultation with management, review and maintain ReliabilityFirst's general policies relating to employee compensation, and oversee the implementation of compensation programs.
2. Periodically review the compensation of the independent members of the Board of Directors and make recommendations regarding compensation, to the Board of Directors.
3. Review budget planning process and provide input to FAC Committee on headcount and benefit assumptions.
4. Recommend to the full Board for approval the President's compensation, and, in furtherance thereof, adopt and review corporate goals and objectives relevant to the President's compensation, evaluate the President's performance in light of those goals and objectives, set the President's compensation level based on this evaluation, and provide to the Board's directors the results of such evaluation for the purpose of an annual performance review of the President.
5. Assess the competitiveness and appropriateness of, determine, and authorize, the salaries, incentive plans, terms of employment, retirement or severance, benefits, and perquisites of the executive officers of ReliabilityFirst.
6. Authorize the granting of incentive compensation to other employees and delegate to the President, to the extent the Committee deems appropriate, the authority to allocate such awards among employees other than executive officers, subject to the limitations set forth in the applicable plans pursuant to which such compensation or awards are to be granted.
7. As requested by the full Board, review management's long-range planning for executive development and succession, and develop a President succession plan.
8. Review progress on diversity, equity, and inclusion efforts.
9. Perform periodic review of effectiveness of ReliabilityFirst's recruiting efforts and talent oversight, management compensation and relevant human resources policies.
10. Perform other review functions as the Committee deems appropriate.

11. Conduct an evaluation of the Committee's performance and charter at least annually, and adopt such Committee Charter changes, as the Committee deems appropriate, subject to approval by the Board.

12. Regularly report to the Board regarding the Committee's activities.

APPOINTMENT OF ADVISORS

The Committee shall have the sole authority to retain, and approve the fees and other retention terms of, executive compensation, legal and other advisors, as it deems necessary for the fulfillment of its responsibilities.

ADOPTION AND APPROVAL

As adopted by the Compensation Committee on August 23, 2023 and approved by the Board of Directors on August 24, 2023.