



RELIABILITY FIRST

PUBLIC

Agenda

Board of Directors • Nominating & Governance Committee

August 23, 2023 • 3:10 PM – 5:10 PM (EDT)

ReliabilityFirst Corporation

3 Summit Park Drive

Cleveland, OH 44131

Room: 5th Floor Franklin

Attire: **Business Casual**

Open Agenda

1. **Call to Order – Rachel Snead, Vice Chair**
2. **Appoint Secretary to Record Minutes – Rachel Snead, Vice Chair**
3. **Antitrust Statement – Rachel Snead, Vice Chair**
4. **Approve Nominating & Governance Committee Meeting Minutes**
Presenter: Rachel Snead, Vice Chair
Reference: [Draft Minutes from April 26, 2023 Nominating & Governance Committee Meeting](#)
Action: **Approve Minutes**
5. **Timetable of Key ReliabilityFirst Events**
Presenter: Chelsey Eppich, Managing Corporate Counsel
Description: Chelsey Eppich will present the Nominating & Governance Committee 2023 Timetable of Key Events for review and discussion.
Reference: [Timetable of Key Events](#)
Action: Information and Discussion
6. **Resolution for Annual Meeting of Members**
Presenter: Chelsey Eppich, Managing Corporate Counsel
Description: Recommendation for Board approval of the resolution to conduct the 2023 Annual Meeting of Members.
Reference: [Resolution No. 2023-03](#)
Action: **Recommend Board Approval of Resolution 2023-3**
7. **Nominating & Governance Committee Charter Review**
Presenter: Rachel Snead, Vice Chair
Description: Vice Chair Snead will review the Nominating & Governance Committee 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**

8. Review Director Selection Process

Presenter: Niki Schaefer, VP and General Counsel
Description: Niki Schaefer will review the Procedure for Electing Directors and will provide an overview of the upcoming August and December elections.
Reference: Procedure for Electing Directors
Action: Information and Discussion

Closed Agenda**9. Individual Director Surveys**

Presenter: Niki Schaefer, VP and General Counsel
Description: Section 14(b) of the Governance Guidelines requires the Board to assess individual director performance. Ms. Schaefer will confidentially review the results of these assessments with the Nominating & Governance Committee, and the Chair of the Board will review the results with the individuals.
Reference: None
Action: Information and Discussion

10. Evaluate and Nominate At-Large Director and Independent Director Candidates

Presenter: Rachel Snead, Vice Chair
Description: Vice Chair Snead will lead a discussion and evaluation of the incumbent At-Large and Independent Director candidates, Scott Etnoyer (At-Large) and Patrick Cass (Independent). This discussion will be followed by nominations for the At-Large and Independent Directors.
Reference: a) Criteria for At-Large Director
b) Criteria for Independent Director
Action: **Nominate At-Large Director and Independent Director Candidates**

11. Next Meeting: December 6, 2023 • Washington, DC

12. Adjourn

Roster • Nominating & Governance Committee

Courtney Geduldig, **Chair** • Independent
Rachel Snead, **Vice Chair** • Dominion Resources Services, Inc. (S • 2024)
Steve Ambrose • DTE Energy (M-LSE • 2025)
Lesley Evancho • Independent (2025)
Scott Hipkins • FirstEnergy (T • 2024)
Jason Marshall • Wabash Valley Power Association (S-LSE • 2023)

Draft Minutes from April 26, 2023 Nominating & Governance Committee Meeting



RELIABILITY FIRST

PUBLIC

DRAFT Minutes

Board of Directors • Nominating & Governance Committee

April 26, 2023 • 3:10 PM – 5:10 PM (ET)

ReliabilityFirst Corporation
3 Summit Park Drive • Cleveland, OH 44131

Open Session

Call to Order – Chair Courtney Geduldig called to order a duly noticed open meeting of the Nominating & Governance Committee (Committee) on April 26, 2023, at 3:10 pm (ET). A quorum was present, consisting of the following members of the Committee: Chair Courtney Geduldig; Lesley Evancho, Scott Hipkins, Jason Marshall, and Rachel Snead. A list of others present during the Committee meeting is set forth in Attachment A.

Appoint Secretary to Record Minutes – Chair Geduldig designated Kristen Senk, ReliabilityFirst's (RF) Director of Legal & Enforcement, as secretary to record the meeting minutes.

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

Approve Nominating & Governance Committee Meeting Minutes – Chair Geduldig presented draft minutes from the meeting on December 7, 2022, which were included in the agenda package. Upon a motion duly made and seconded, the Committee approved the minutes.

Timetable of Key ReliabilityFirst Events – Chelsey Eppich, Managing Corporate Counsel, reviewed the Timetable of Key ReliabilityFirst events. Ms. Eppich recapped events that have taken place since the December meeting, including the Board members' completion of the annual conflict of interest survey in a new format on Board Vantage. She then discussed upcoming events, including the industry sector elections in August and the individual director evaluation surveys.

Industry Sector Elections – Ms. Eppich presented Resolution 2023-1 to hold the Industry Sector elections for expiring director terms in the Small LSE and Supplier Sectors, and to fill a vacancy in the Medium LSE Sector. She noted that Antonio Smyth and Jason Marshall will be up for reelection in the Small LSE and Supplier Sectors. Ms. Eppich also noted that Ben Felton recently resigned from the Medium LSE Sector director position, and an election for this vacancy will also take place during the upcoming August elections. She stated that the elections will take place on August 3, 2023, and nominations are due by

Nominating and Governance Committee Minutes
April 26, 2023

June 23, 2023. Upon a motion duly made and seconded, the Committee endorsed Board adoption of Resolution No. 2023-1.

2023 Charter Discussion – Ms. Senk discussed proposed changes to the Board Committee Charters, and presented proposed redlines to the Nominating and Governance Committee Charter for discussion (which were included in the agenda package). She noted that the Board requested a review of all the Committee Charters to ensure consistency and holistic risk oversight. Ms. Senk led a discussion on the proposal to change the name of the Compliance Committee to the Risk and Compliance Committee, and to change the name of the Compensation Committee to the Talent and Compensation Committee.

The Committee discussed the proposed change to transfer oversight of the stakeholder technical committees from the Nominating and Governance Committee to the Risk and Compliance Committee. The Committee agreed that this proposal made sense given that the stakeholder technical committees will support the development of the Regional Risk Assessment going forward.

The Committee also discussed the proposed change for the Nominating and Governance Committee to review all director reported conflicts of interest (in conjunction with RF legal staff) to ensure the independence of directors. Additionally, Ms. Senk led a discussion on the proposal to have the Nominating and Governance Committee appoint two members to the hearing body when a hearing takes place (currently this responsibility is with the Compliance Committee). Ms. Senk noted that these proposals are currently for information and discussion purposes, and do not need to be approved until the December Board meeting. The Committee agreed that the proposed changes were sensible and there were no questions.

Next Meeting – Chair Geduldig noted that the next Committee meeting will occur on August 23, 2023.

The Committee then went into closed session at 3:42 pm (ET).

Closed Session

Replace Vice Chair – Chair Geduldig noted Ben Felton’s recent resignation from the Board and his prior role as Vice Chair of the Committee. Chair Geduldig stated that she discussed with Rachel Snead whether she would be willing to serve as the new Vice Chair of the Committee, and Ms. Snead said she would be happy to serve this role. Upon a motion duly made and seconded, the Committee endorsed Rachel Snead as Vice Chair of the Committee. Chair Geduldig will request Board approval of this endorsement tomorrow.

2023 Board Training – Ms. Senk recapped recent Board training topics and presented the Board training plan for the rest of the year. She discussed upcoming Board trainings on fiduciary duty, cyber security issues facing the grid, Winter Storm Elliott, and the electricity

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markets. She then led a discussion on proposed training topics for the future, which resulted in the following topics: a tour of ITC, PJM, or MISO; OpsX training (a grid operation simulation activity); RF departmental overview training; and inverter-based resources training.

Stakeholder Advisory and Technical Committee Updates – Ms. Senk led a discussion on 2023 oversight of the stakeholder technical committees. She noted that the Committee performed a great deal of oversight work for the stakeholder technical committees last year, and that this oversight responsibility will soon be transferring to the Compliance Committee following the upcoming changes to the Committee Charters. Considering these two factors, the Committee discussed and agreed that it is not necessary to issue the stakeholder technical committee effectiveness surveys this year.

Adjourn – Upon a motion duly made and seconded, Chair Geduldig adjourned the Committee meeting at 3:50 pm (ET).

As approved on this 23rd of August 2023 by the
Nominating and Governance Committee,

Niki Schaefer
*Vice President General Counsel & Corporate
Secretary*

Attachment A

Others Present at Nominating and Governance Committee Meeting

Chelsey Eppich • ReliabilityFirst
Megan Gambrel • ReliabilityFirst
Kristen Senk • ReliabilityFirst
Jody Tortora • ReliabilityFirst

Timetable of Key Events

**NOMINATING AND GOVERNANCE COMMITTEE
2023 Timetable of Key Events**

Meeting/Activity Date	Action	Location/ Comment	Owner
January 12, 2023	Distribute Annual Conflict of Interest update request		Staff
January 31, 2023	Annual Conflict of Interest Disclosures Due		Board
February 24, 2023	Onboarding of New Directors	Cleveland, OH	Board/Executive Staff
March 21, 2023	Board of Directors Budget Assumptions Meeting on the 2024 Budget	WebEx	Board/Executive Staff
TBD	Distribute Effectiveness of Organizational Group Surveys (odd years) Distribute Board/Committee Governance surveys to staff and Board (even years)		
April 26, 2023	Committee Meeting - Discuss Effectiveness of Organizational Groups - Review Procedures for Electing Directors and recommend resolution for Industry Sector Elections - Discuss Board Training Plan		NGC
April 27, 2023	Board Meeting - Declare August 3, 2023 Meeting Date to vote and set Record Date of July 2, 2023 to vote for Industry Sector Directors		Board
June 15, 2023	Distribute Individual Director Evaluation of Independent and At-Large Directors to Board and President (as required)		Staff/Board
June 15, 2023	Solicit Nominees for Industry Sector Directors (if necessary)	15 days given to Members to provide Nominees	Staff/Member Entities
June 23, 2023	Cut-Off Date for Sector Director Nominees (Secretary to Report Nominees to Committee Chair)		Staff
July 7, 2023	Record Date for Members to Vote for Industry Sector Directors	Record Date cannot be more than 40 days before date vote is taken	Staff
July 2, 2023	Distribute Telephonic Meeting Notice, Nominee Information, Voting Instructions and Proxies to Members for Industry Sector Director Elections (Small LSE, Medium LSE, and Supplier Sectors)	Notice must be provided not less than 5 nor more than 60	Staff

Key:

Staff – RF Staff, NGC – Nominating and Governance Committee,
Board – full RF Board of Directors,
SCM – Stakeholder Committee Members
ME – Member Entities

Meeting/Activity Date	Action	Location/ Comment	Owner
		days before date vote is taken	
July 11, 2023	Individual Director Evaluation Survey Responses Due		Board/Staff
August 4, 2023	Telephonic Meeting to Vote for Industry Sector Directors (Small LSE, Medium LSE and Supplier Sectors) Directors-elect are declared and Committee is notified		Staff/Member Entities
August 23, 2023	Committee Meets - Review/Recommend Approval of Resolution for Annual Meeting of Members - Discuss At-Large and Independent Directors Nominee Selection Process and Procedure for Electing Directors - Evaluate incumbent At-Large and Independent Directors - Determine whether to re-nominate Independent and/or At-Large incumbents - Nominate At-Large and Independent Director Candidates	Cleveland, OH	NGC
August 24, 2023	Board Meeting - Declare 2023 Annual Meeting of Members to be held December 7, 2023, and Set Record Date to vote at the Annual Meeting	Cleveland, OH	Board
September 30, 2023	Solicit Nominees for At-Large and Independent Directors (if necessary)	15 days given Members to provide Nominees	Staff/ME
October 3, 2023	Distribute Committee Assignments Survey		Staff
October 10, 2023	Cut-Off Date for Sector Director Nominees (Secretary to Report Nominees to Committee Chair)		Staff
October 27, 2023	Record Date for Annual Meeting of Members	Record Date cannot be more than 60 days before date vote is taken	Staff
October 27, 2023	Distribute Notice and Solicit Proxies for Annual Meeting of Members Distribute Voting Procedures, Nominee Information and Voting Instructions to Members	Notice must be provided not less than 5 nor more than 60 days before date vote is taken	Staff
November 2023	Due Date for Committee Assignment Survey		Staff/Board

Key:

Staff – RF Staff, NGC – Nominating and Governance Committee,
Board – full RF Board of Directors,
SCM – Stakeholder Committee Members
ME – Member Entities



Meeting/Activity Date	Action	Location/ Comment	Owner
December 6, 2023	Committee Meets - Review Committee Charter - Evaluate Committee Performance - Review 2023 Board Training topic suggestions - Recommend Board Chair & Vice Chair and Lead Independent for 2023 - Recommend to Board Committee Assignments and Chairs/Vice Chairs and Lead Independent for 2023	Washington, DC	NGC
December 7, 2023	Annual Meeting of Members - Election of At-Large and Independent Directors - Overview of 2024 Budget – 2023 Financial Position	Washington, DC	ME
December 7, 2023	Committee Meets Immediately Before Board Meeting (if needed) to Finalize Recommendations of Board Committee Assignments and Chairs for 2024	Washington, DC	NGC
December 7, 2023	Board Meeting - Elect Board Chair & Vice Chair and Independent Lead for 2024 - Approve Board Committee Assignments and Chairs/Vice Chair for 2024 - Appoint Corporate Officers for 2024	Washington, DC	Board

Key:

Staff – RF Staff, NGC – Nominating and Governance Committee,

Board – full RF Board of Directors,

SCM – Stakeholder Committee Members

ME – Member Entities

Resolution No. 2023-03



RESOLUTION NO. 2023-03

**Resolution for
Annual Meeting of Members**

WHEREAS, the Corporation's Bylaws provide that the Corporation shall hold an Annual Meeting of Members in December of each year, or at such other time as specified by the Board of Directors, to elect directors and for other purposes;

NOW, THEREFORE, BE IT RESOLVED, that the 2023 Annual Meeting of Members (Annual Meeting) shall be held at 9:00 am on December 7, 2023 in Washington, DC.

FURTHER RESOLVED, that the close of business on October 27, 2023 is designated as the record date for the determination of the Members entitled to notice of and the right to vote at the Annual Meeting;

FURTHER RESOLVED, that the nominees selected by the Nominating and Governance Committee for the at-large and independent directors to be elected at the Annual Meeting shall be submitted to the Members in the notice of the Annual Meeting;

FURTHER RESOLVED, that the authorized officers, each acting alone or together with the other, are hereby authorized and directed to transmit a notice of the Annual Meeting and a proxy form to each Member entitled to notice of and the right to vote at the Annual Meeting;

FURTHER RESOLVED, that Niki Schaefer and Kristen Senk of the Corporation, or either one of them, with full power of substitution, are designated as proxies to vote for Members at the Annual Meeting;

FURTHER RESOLVED, that Niki Schaefer and Kristen Senk of the Corporation, or either one of them, with full power of substitution, are hereby appointed and authorized to tabulate proxies on behalf of the Corporation and to act as the inspectors of election in connection with the Annual Meeting;

FURTHER RESOLVED, that all actions heretofore taken by the authorized officers of the Corporation in connection with the subject matter of any of the foregoing resolutions be, and they hereby are, approved, confirmed and ratified in all respects; and

FINALLY RESOLVED, that the appropriate officers of the Corporation be and they hereby are authorized and directed to take all actions and execute all such documents as they deem necessary or appropriate to effectuate the foregoing resolutions.

As adopted on this 24th day of August, 2023 by
the Board of Directors,

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

Summary - Charter



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



RELIABILITY FIRST

NOMINATING AND GOVERNANCE COMMITTEE CHARTER

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

COMPOSITION

The Committee shall be comprised of four (4) or five (5) directors, of whom one (1) shall be an independent director according to independence standards established under the governance guidelines adopted by the Board (the “Governance Standards”). 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 and vice-chair shall be designated by the full Board upon the recommendation of the Committee.

RESPONSIBILITY

The primary purpose of the Committee ~~shall be~~ is to (i) recommend to the Board corporate governance principles applicable to ReliabilityFirst and any organization groups established by the Board under the Bylaws; ~~(ii) review periodically ReliabilityFirst’s and each organizational group’s corporate governance principles and make any recommended changes, additions or modifications; and (iii) and (ii)~~ identify individuals qualified to become at-large and independent Board members and make recommendations for directors’ assignments to the committees of the Board; and (iii) appoint members to serve on the Hearing Body for disputes relating to noncompliance with Reliability Standards in accordance with ReliabilityFirst’s hearing procedures.

Commented [A1]: This item is captured in a specific duty below.

Commented [A2]: Addition from Compliance Charter.

The Committee is empowered, without seeking Board approval, to retain persons having special competence, including outside firms and other advisors, as necessary and to approve the fees to assist the Committee in fulfilling its responsibilities. The Committee shall have the sole authority to retain, and approve the fees and other retention terms of, director search, legal and other advisors, as it deems necessary for the fulfillment of its responsibilities.

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 by electronic communication virtual), at all~~ meetings. Three (3) of the voting members of the Committee shall constitute a quorum. Each member of the Committee, including the chair and vice-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 each meeting shall be prepared and sent to Committee members and presented to Directors who are not members of the Committee at the next regularly scheduled Board meeting. 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. Facilitate the assessment of (a) an individual sector director's performance in that director's fifth year of service, and every third year thereafter; and (b) an individual at-large or independent director's performance in that director's second year of service, and every third year thereafter.
2. Evaluate the qualifications and performance of incumbent at-large and independent directors and determine whether to nominate them for re-election to the Board.
3. Search for, recruit, screen, interview and select candidates for new at-large and independent directors as necessary to fill vacancies or the additional needs of the Board, and consider management's recommendations for at-large and independent director candidates.

~~The Committee may retain the services of an independent outside consultant to identify director candidates and otherwise provide such advice as the Committee shall deem necessary to the discharge of its duties and responsibilities.~~

4. Nominate for election at-large and independent director candidates.

- 3-5. Appoint members to serve on the Hearing Body for disputes relating to noncompliance with Reliability Standards in accordance with ReliabilityFirst's hearing

Commented [A3]: Language added to responsibilities could replace that unless we want to specifically call it out for this duty.

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procedures.

- 4-6. Establish and periodically reevaluate criteria for Board membership and selection of new at-large and independent directors including independence standards; and determine as necessary the portfolio of skills, experience, ~~perspective~~perspective, and background required for the effective functioning of the Board considering ReliabilityFirst's strategy, and its regulatory, geographic and market environments.
5. ~~At least annually, report to the Board describing the number of candidates considered and other matters of interest relating to nominations to the Board as the Committee shall determine to be appropriate for the Board.~~
8. At least annually, in connection with the annual meeting of the Board of Directors, recommend at least one candidate to serve as the Chair of the Board of Directors, at least one candidate to serve as the vice-chair of the Board of Directors, and at least one candidate to serve as the Independent Lead Director.
9. At least annually, in connection with the annual meeting of the Board of Directors, make recommendations for the election of the directors to the Committees of the Board of Directors, and the designation of a chair and vice-chair, if applicable, for each Committee.
10. Recommend to the Board removal of an at-large or independent director where appropriate (the power to remove a director elected by a specific industry sector is reserved in the Bylaws to that industry sector electing such director).
11. ~~Work with staff to ensure~~Ensure that satisfactory background checks have been conducted for all directors prior to their service on the Board in accordance with the Governance Guidelines ~~and to review any potential director conflicts~~. :-
12. ~~Initiate and oversee a periodic evaluation of (a) the quality, sufficiency and currency of information furnished by management to the directors in connection with Board and Committee meetings and other activities of the directors, (b) the Board's effectiveness, (c) the composition, organization (including its Committee structure, membership and leadership) and practices of the Board, (d) tenure and other policies related to the directors' service on the board, and (e) corporate governance matters generally; and recommend action to the Board where appropriate.~~

~~Periodically evaluate (1) the effectiveness of ReliabilityFirst's~~

Commented [A4]: Note this new addition if any conflicts arise during annual review or throughout the year as disclosed or with nominations.

~~guidelines of the Bylaws and the Board of Directors. Commented by the Board~~

45-13. Develop, periodically review, and recommend to the Board corporate governance principles for ReliabilityFirst and any organizational groups established by the Board under the Bylaws.

Commented [A5]: Moving to Compliance and Risk

Commented [A6]: This leaves corporate governance of organization groups with N&G - but the effectiveness and stakeholder engagement through those groups moves to compliance.

46-14. Monitor the orientation and training needs of directors and recommend action to the Board, individual directors, and management where appropriate.

47-15. Review and approve, prior to acceptance, the service of the President of ReliabilityFirst on any other company's board of directors.

48-16. Recommend to the Board Membership Application changes, as needed.

49-17. Perform other functions within the scope of the foregoing, which the Committee deems appropriate to undertake from time to time.

20-18. 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.

24-19. Report regularly to the Board regarding the Committee's activities.

APPOINTMENT OF ADVISORS

Commented [A7]: Added this under Committee responsibilities for consistency with other charters.

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

As adopted on March 18, 2020 by the Nominating & Governance Committee and approved by the Board of Directors on March 19, 2020.

Robert V. Eckenrod
Corporate Secretary

Charter - clean



RELIABILITY FIRST

NOMINATING AND GOVERNANCE COMMITTEE CHARTER

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

COMPOSITION

The Committee shall be comprised of four (4) or five (5) directors, of whom one (1) shall be an independent director according to independence standards established under the governance guidelines adopted by the Board (the “Governance Standards”). 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 and vice-chair shall be designated by the full Board upon the recommendation of the Committee.

RESPONSIBILITY

The primary purpose of the Committee is to (i) recommend to the Board corporate governance principles applicable to ReliabilityFirst and any organization groups established by the Board under the Bylaws; (ii) identify individuals qualified to become at-large and independent Board members and make recommendations for directors’ assignments to the committees of the Board; and (iii) appoint members to serve on the Hearing Body for disputes relating to noncompliance with Reliability Standards in accordance with ReliabilityFirst’s hearing procedures.

The Committee is empowered, without seeking Board approval, to retain persons having special competence, including outside firms and other advisors, as necessary and to approve the fees to assist the Committee in fulfilling its responsibilities

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, (ie in-person or virtual), at all meetings. Three (3) of the voting members of the Committee shall constitute a quorum. Each member of the Committee, including the chair and vice-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 and presented to Directors who are not members of the Committee at the next regularly scheduled Board meeting. 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. Facilitate the assessment of (a) an individual sector director's performance in that director's fifth year of service, and every third year thereafter; and (b) an individual at-large or independent director's performance in that director's second year of service, and every third year thereafter.
2. Evaluate the qualifications and performance of incumbent at-large and independent directors and determine whether to nominate them for re-election to the Board.
3. Search for, recruit, screen, interview and select candidates for new at-large and independent directors as necessary to fill vacancies or the additional needs of the Board, and consider management's recommendations for at-large and independent director candidates.
4. Nominate for election at-large and independent director candidates.
5. Appoint members to serve on the Hearing Body for disputes relating to noncompliance with Reliability Standards in accordance with ReliabilityFirst's hearing procedures.
6. Establish and periodically reevaluate criteria for Board membership and selection of new at-large and independent directors including independence standards; and determine as necessary the portfolio of skills, experience, perspective, and background required for the effective functioning of the Board considering ReliabilityFirst's strategy, and its regulatory, geographic and market environments.
7. At least annually, report to the Board describing the number of candidates considered and other matters of interest relating to nominations to the Board as the Committee shall determine to be appropriate for the Board.
8. At least annually, in connection with the annual meeting of the Board of

Directors, recommend at least one candidate to serve as the Chair of the Board of Directors, at least one candidate to serve as the vice-chair of the Board of Directors, and at least one candidate to serve as the Independent Lead Director.

9. At least annually, in connection with the annual meeting of the Board of Directors, make recommendations for the election of the directors to the Committees of the Board of Directors, and the designation of a chair and vice-chair, if applicable, for each Committee.
10. Recommend to the Board removal of an at-large or independent director where appropriate (the power to remove a director elected by a specific industry sector is reserved in the Bylaws to that industry sector electing such director).
11. Work with staff to ensure that satisfactory background checks have been conducted for all directors prior to their service on the Board in accordance with the Governance Guidelines and to review any potential director conflicts.
12. Initiate and oversee a periodic evaluation of (a) the quality, sufficiency and currency of information furnished by management to the directors in connection with Board and Committee meetings and other activities of the directors, (b) the Board's effectiveness, (c) the composition, organization (including its Committee structure, membership and leadership) and practices of the Board, (d) tenure and other policies related to the directors' service on the board, and (e) corporate governance matters generally; and recommend action to the Board where appropriate.
13. Develop, periodically review, and recommend to the Board corporate governance principles for ReliabilityFirst and any organizational groups established by the Board under the Bylaws.
14. Monitor the orientation and training needs of directors and recommend action to the Board, individual directors, and management where appropriate.
15. Review and approve, prior to acceptance, the service of the President of ReliabilityFirst on any other company's board of directors.
16. Recommend to the Board Membership Application changes, as needed.
17. Perform other functions within the scope of the foregoing, which the Committee deems appropriate to undertake from time to time.
18. 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.

19. Report regularly to the Board regarding the Committee's activities.

APPOINTMENT OF ADVISORS

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