



RELIABILITY FIRST

## Agenda

### Board of Directors • Talent and Compensation Committee

April 29, 2026 • 9:30 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**  
Presenter: Lesley Evancho, Chair
3. **Antitrust Statement**  
Presenter: Niki Schaefer, VP and General Counsel
4. **Minutes for the December Talent and Compensation Committee Meeting**  
Presenter: Lesley Evancho, Chair  
Description: Draft Minutes - December 2025 Talent and Compensation Committee meeting  
Reference: [Draft Minutes](#)  
Action: **Approve Minutes**
5. **Benefits Renewal Update**  
Presenter: Tara Zick, Vice President, Benefits Practice Leader at Taylor Oswald  
Description: Tara Zick will provide an update on the ReliabilityFirst healthcare renewal process, including current status with carriers and potential outcomes for the mid-year renewal.  
Reference: Benefits  
Action: Information and Discussion
6. **Q1 Staffing Demographics & Diversity Strategy Update**  
Presenter: Jeff Craigo, SVP Operations & Risk  
Description: Jeff Craigo will review staffing key performance indicator data and discuss trends in talent acquisition and diversity strategy.  
Reference: Presentation  
Action: Information and Discussion
7. **2026 Corporate Goals Update**  
Presenter: Jeff Craigo, SVP Operations & Risk  
Description: Jeff Craigo will present the progress toward achieving the 2026 Corporate Goals and discuss any obstacles to achieving the goals by end of year.  
Reference: Presentation  
Action: Information and Discussion

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**CLOSED EXECUTIVE SESSION – COMMITTEE MEMBERS ONLY**

8.    Presenter:     Lesley Evancho, Chair  
      Description:   Time is set aside for Talent and Compensation Committee to discuss any topics  
                      in closed session.  
      Action:        Information and Discussion
9.    **2026 Future Meetings:**
- August 26-27, 2026 – ReliabilityFirst
  - December 2-3, 2026 – Washington DC
10.   **Adjourn**

## Roster • Talent and Compensation Committee

Lesley Evancho, **Chair** • Independent (2025)  
Steve Ambrose, Vice Chair • Medium LSE (2025)  
Joanna Burkey • Lead Independent (2025)  
Craig Creamean • Large LSE (2027)  
Melika Carroll • Independent (2027)  
Ken Seiler • Independent (2026)  
Robert Taylor • At Large (2027)

# Draft Minutes



## **DRAFT - Minutes**

# **Board of Directors • Talent and Compensation Committee**

December 3, 2025  
Washington, DC

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### **Closed Session**

**Call to Order** – Chair Lesley Evancho called to order a duly noticed closed meeting of the Talent and Compensation Committee (Committee) on December 3, 2025, at 9:00 a.m. (ET). A quorum was present, consisting of the following Committee members: Lesley Evancho, Chair; Steve Ambrose, Vice Chair; Joanna Burkey; Melika Carroll; Craig Creamean; Ken Seiler; and Robert Taylor. 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 August 27, 2025 and the October 23, 2025 Committee meetings, which were included in the agenda package. Upon a motion duly made and seconded, the Committee approved the minutes as presented.

**2025 Corporate Goals Performance and Determination of Incentive Award** – Beth Dowdell, Sr. Director, Corporate Services, led a review of RF's progress against 2025 corporate goals, noting achievements in enforcement processing, stakeholder engagement, and winterization visits. The rollout and training for Co-pilot technology were discussed, along with related initiatives within RF and the broader ERO. The Committee recognized areas where goals were exceeded by larger amounts, including state outreach, AI initiatives, and cold weather preparedness, as well as the success of the intern initiative and creating the Baltimore load shed report. Based on overall performance, Ms. Dowdell recommended a 100% incentive award to the Committee for consideration, with recognition that individual contributions to goal achievement may vary.

**Overview of Merit Increases for 2025** – Ms. Dowdell led a discussion on merit increases. To begin, she discussed the annual review process, how individual performance drives merit increases, and average raises over time. The Committee then reviewed the merit increase budget for 2025, which was set a year in advance and includes a 3% merit raise plus a 1% market adjustment for pay band changes. Ms. Dowdell presented salary data and pay band

analysis, with attention to employees below the target range based on the current pay philosophy. The Committee confirmed that RF remained within budget with the proposed increase, and management recommended the proposed increases to be accepted by the Committee. Ms. Dowdell noted that the pay philosophy will be revisited in early 2026 to ensure alignment with current practices and goals.

**Independent Director Compensation** – Ms. Dowdell and Mr. Ambrose led a review of independent director compensation, first discussing the agreed upon annual review process and the use of industry data from the National Association of Corporate Directors (NACD) report. Mr. Ambrose shared that the recommendation is a 3% increase for independent directors. Upon a motion duly made and seconded, the stakeholder directors unanimously approved this recommendation, followed by independent directors.

**Talent and Compensation Committee Policy and Procedures** – Chair Evancho and Ms. Dowdell began by discussing proposed edits to the Compensation Committee Procedure (included in the agenda package) to streamline it and so the document more accurately reflects the Committee’s current practices. They then discussed proposed edits to update the Corporate Incentive Awards Policy (also included in the agenda package). Upon a motion duly made and seconded, the Committee unanimously approved the changes.

**Annual Review of Charter and Performance of Activities for 2025** – Ms. Dowdell then led a review of the Committee Charter and proposed changes to the Charter (included in the agenda package) to clarify the Committee’s activities and ensure they reflect current practices. Upon a motion duly made and seconded, the Committee unanimously approved all the Charter changes.

**Discussion of Goals for 2026** – Ms. Dowdell led a discussion on goals for the upcoming year. The Committee reviewed the proposed goals and related initiatives, and a discussion ensued on the integration of risk-related objectives, updates to goal language, and organizational changes that will help support goal achievement. There was then a discussion about the Board’s role in escalating important topics like the importance of leveraging AI and potential avenues of influence.

**Next Meeting** – Vice Chair Ambrose noted that the next Committee meeting will occur on April 29, 2026, at the RF offices. Vice Chair Ambrose then moved the Committee into closed session.

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## **Closed Session – Committee Members and Tim Gallagher Only**

**2026 Personal Goals for Tim Gallagher** – Tim Gallagher, RF’s President and CEO, reviewed his personal goals with the Committee.

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## Closed Executive Session – Committee Members Only

**Review Executive Performance and Compensation** – Vice Chair Ambrose held a confidential executive session with the Committee, which included the annual performance review of Mr. Gallagher, and a discussion around CEO compensation history and levels for 2026. Upon a motion duly made and seconded, the Committee endorsed for Board approval the CEO compensation and incentive award.

**2025 Merit and Bonus Allocation for Staff** – Vice Chair Ambrose led the discussion for approval of merit increases and incentive awards for staff, as a follow up to the discussion of these items that occurred in open session. Upon a motion duly made and seconded, the Committee endorsed for Board approval management’s recommendations for the merit and incentive awards.

**Adjourn** – Upon a motion duly made and seconded, Vice Chair Ambrose adjourned the Committee meeting at 11:10 am (ET).

As approved on this 29<sup>th</sup> day of April, 2026 by the  
Talent and Compensation Committee,

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

**Attachment A**

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**Others Present During the Compensation Committee Meeting**

Jeff Craig  
Beth Dowdell  
Tim Gallagher  
Diane Holder  
Niki Schaefer  
Marcus Noel