RELIABILITY FIRST

Agenda
Board of Directors • Talent and Compensation Committee

December 2, 2026 • 9:00 am – 12:00 pm (ET)

North American Electric Reliability (NERC) Offices
1401 H St NW Suite 410
Washington, DC 20005

Room: Potomac Room
Attire: Business

Closed Agenda

1. Call to Order 9:00 AM
Presenter: Lesley Evancho, Chair

2. Appoint Secretary to Record Minutes

3. Antitrust Statement
Presenter: Niki Schaefer, VP and General Counsel

4. Approve Talent and Compensation Committee Meeting Minutes 9:05 AM
Presenter: Lesley Evancho, Chair
Reference:
a) Draft Minutes for the August 26, 2026 Talent and Compensation Committee Meeting
b) Draft Minutes for the November 3, 2026 Talent and Compensation Committee Meeting
Action: Approve Minutes

5. Compensation Philosophy (Updated) 9:10 AM
Presenter: Janine Valvoda, Human Resources Manager
Description: Ms. Valvoda will lead a discussion regarding key aspects of an updated RF Compensation Philosophy.
Reference:
a) RF Compensation Philosophy
b) RF Compensation Philosophy Final Draft (Redlined)
c) RF Compensation Philosophy Final Draft (Clean)
Action: Approve RF Compensation Philosophy

6. 2026 Corporate Goals Performance and Determination of Incentive Award 9:20 AM
Presenter: Jeff Craigo, SVP, Operations & Risk and Janine Valvoda, Human Resources Manager
Description: Mr. Craigo will discuss corporate performance as it relates to the 2026 corporate goals. Ms. Valvoda will make a recommendation regarding the Incentive Award percentage and discretionary contributions.

Reference: a) 2026 Corporate Goals Results
b) 2026 Incentive Award Recommendation
Action: Discussion (and Approval during Executive Session)

7. Overview of Merit Increases for 2026 9:40 AM

Presenter: Janine Valvoda, Human Resources Manager
Description: Ms. Valvoda will discuss the aggregate of employee ratings and review the recommendations for merit increases.
Reference: Merit Increase Presentation
Action: Discussion (and Approval during Executive Session)

8. Independent Director Compensation 10:00 AM

Presenter: Janine Valvoda
Description: Ms. Valvoda will present market data and will lead a discussion around setting Independent Director compensation rates for 2027.
Reference: 2027 Director Compensation Presentation
Action: Approve and Recommend to the Board the 2027 Independent Director Compensation Rate

9. Talent and Compensation Committee Policy and Procedures 10:10 AM

Presenter: Chair Evancho and Janine Valvoda
Description: Chair Evancho and Ms. Valvoda, having reviewed the procedures, will provide recommendations for proposed changes to the documents.
Reference:
a) Summary of Changes to Talent and Compensation Committee Procedure
b) Talent and Compensation Committee Procedure December 2025 (clean)
c) Talent and Compensation Committee Procedure Proposed (redlined)
d) Talent and Compensation Committee Procedure Proposed (Clean)
e) Procedure on Corporate Incentive Awards (no changes)
Action: Accept Talent and Compensation Committee Procedure and Procedure on Corporate Incentive Awards and Payouts

10. Annual Review of Charter and Performance of Activities for 2026 10:20 AM

Presenter: Janine Valvoda
Description: Ms. Valvoda will present a draft summary of the Talent and Compensation Committee's performance of specific duties for review.
Reference:
a) Talent and Compensation Charter December 2025 (no changes)
b) Talent Development Summary Presentation
c) Summary of Performance of Specific Duties for 2026
Action: Approve and Recommend Board Approval of Charter
Accept Summary of Performance of Specific Duties for 2026

11. Appendix Items

Description: Pre-read items for Committee awareness – topics will not be covered during the committee meeting unless there are questions related to the material.
Reference: CLOSED EXECUTIVE SESSION – CEO and COMMITTEE MEMBERS ONLY

CLOSED EXECUTIVE SESSION – TIM GALLAHER AND COMMITTEE MEMBERS ONLY
Location: Cherry Blossom

12. 2027 Personal Goals for Chief Executive Officer 10:40 AM

Presenter: Tim Gallagher, President, and CEO
Description: Mr. Gallagher will discuss with the Committee his personal goals for 2027.
Action: Approve CEO's personal goals for 2027

CLOSED EXECUTIVE SESSION – COMMITTEE MEMBERS ONLY
Location: Cherry Blossom

13. Review Chief Executive Officer Performance and Compensation 11:00 AM

Presenter: Lesley Evancho, Chair
Description: Chair Evancho will lead a discussion on the annual performance of Tim Gallagher.
Reference: (reviewed at committee meeting)
a) CEO Evaluation of his performance on 2026 Goals
b) CEO Evaluation by Board Members – BV Survey
c) CEO Compensation History
Action: Complete 2026 performance review.
Approve and Recommend to the Board the CEO compensation and incentive award

14. 2026 Merit Increase, Incentive Award and Discretionary Contributions for Staff 11:45 AM

Presenter: Lesley Evancho, Chair and Committee
Description: Chair Evancho will lead a discussion with the committee on the information presented earlier on performance of 2026 Corporate Goals. The committee will determine the recommended merit increases and incentive awards and approve discretionary retirement contributions for staff.
Action: Approve and Recommend to the Board staff merit increase, incentive awards and discretionary contributions.

15. Next meeting 11:55 AM

- April 28, 2027, RF Offices

16. Adjourn 12:00 PM

Roster • Talent and Compensation Committee

Lesley Evancho, Chair • Independent (2028)
Steve Ambrose, Vice Chair • Medium LSE (2028)
Joanna Burkey • Lead Independent (2028)
Melika Carroll • Independent (2027)
Craig Creamean • Large LSE (2027)
Ken Seiler • Independent (2027)
Robert Taylor • Invenergy (At-Large 2027)

RELIABILITY FIRST

DRAFT Minutes
Board of Directors • Talent and Compensation Committee

August 26, 2026
Inn Walden • Aurora, OH

Closed Session

Call to Order – Chair Lesley Evancho called to order a duly noticed closed meeting of the Talent and Compensation Committee (Committee) on August 26, 2026, at 8:33 a.m. (ET). A quorum was present, consisting of the following Committee members: Lesley Evancho, Chair; Steve Ambrose, Vice Chair; Joanna Burkey; Melika Carroll; 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 April 29, 2026 Committee meeting, which were included in the agenda package. Upon a motion duly made and seconded, the Committee approved the minutes as presented.

Chair Evancho noted that material regarding staffing demographics is in the agenda package and that those demographics have largely remained static since the last meeting. She asked for any questions about the material, and there were none.

Employee Engagement Survey Results – Jeff Craigo, RF's SVP Operations & Risk, began by discussing the company that administers and manages the engagement survey, Energage. The response rate for the survey was 83%, which was about 10% less than the response rate for 2025 but still a good result. Mr. Craigo said the release of the survey was delayed because of the changes that were taking place within the HR team at the time. He discussed how RF was benchmarked against Utilities & Telecommunications, which is comprised of 22 companies between 40-180 employees. The overall workplace experience score for RF was 87%.

Mr. Craigo then discussed the culture word cloud and the prominence of the words collaborative and family. Ms. Evancho suggested that RF look at whether the words themselves were red, gray and green, as the colors indicate the context in which the words were used, and Mr. Craigo noted that family was green and that he and Mr. Gallagher had

taken a look at the colors and there was not much red in the word cloud. Mr. Craigo then discussed the net promoter score, which is 56 and considered highly favorable. Any net promoter score over 20 is in the top 5% of companies.

Mr. Craigo explained that the biggest areas with score increases were commitment (not looking for another job), benefits package, and feedback. The biggest decreases were the direction of the company, and leadership and how clued-in leadership is to what is going on at the company. Mr. Gallagher then discussed the nature of the comments in the survey and offered explanations for some of the negative feedback received. He then shared what RF is going to do about the items that can be addressed, including staffing issues in HR, managing distribution of work, and limited growth opportunities.

There was discussion about whether some of the comments required addressing issues with particular individuals and how leadership was approaching those interactions. Mr. Taylor asked about the frequency of surveys, which Mr. Craigo noted was every year.

2026 Start/Stop/Continue Report – Matt Thomas, RF's Director of Compliance Monitoring, provided an update on the progress of RF's annual start/stop/continue exercise. Mr. Thomas talked about changes to the process this year in that it is director led and has broader pre-work (with more staff involved in providing feedback). He stated that the prework involved the executive team, directors, managers and SPARC employee committee responses to survey questions. The responses were divided into buckets, which included operational efficiency, people and culture, risk and grid reliability, tools and technology, and stakeholder and entity input. There was a 94% response rate and in total, there were 72 continue ideas, 62 start ideas, and 53 stop ideas. Operational efficiency was the largest bucket.

Mr. Thomas then talked about some themes that arose in the responses. He also discussed an all-day meeting that took place with RF Directors where they discussed how to make the responses actionable. He noted that people are looking for more focus in terms of priorities in work. The "what's working" themes revolved around the CMEP function, studies, and state outreach and work-life balance. The strongest "what to begin" was in operational efficiency, reforming performance evaluations, and resuming AI initiatives. The "what to reduce" was largely in operational efficiency (redundant and unnecessary processes), and tolerating poor performance.

Mr. Thomas shared that the next steps are more director sessions, more theme building, and then discussion of plans with the RF executive team.

Corporate Goals Restructuring – Tom Scanlon, RF's Associate General Counsel and Director of Enforcement, discussed and proposed a new corporate goal structure for 2027. He began by discussing the current state and noted that the goal of the presentation was to have the Committee endorse a new framework.

Mr. Scanlon explained that right now everything starts with the RF strategic plan (which is tied to NERC's strategic plan), with tier two goals and tier three activities that then flow up through the strategic plan. That results in issues such as lack of organization/cohesion, lack

of focus/prioritization, lack of pre-defined success measures, and excessive use of lists and activities. He explained that it is not that good work is not happening; it is just that it needs to be structured and presented differently.

Mr. Scanlon then discussed the team assembled to work on the new framework (Tim Gallagher, Marcus Noel, Tom Scanlon, Brian Thiry, Daniel Trowbridge), and the research and benchmarking that was performed during the effort (OKRs, KPIs, MBOs, Scorecards, SMART Goals, etc.).

He explained that the new proposed framework still rests on the RF strategic plan, but it will now have two prongs under it: (1) a priority framework with the most important priorities RF needs to tackle as an organization (the recommendation is 2 grid-facing priorities and 1 internal-facing (enterprise risk) priorities) and (2) organizational health reports to provide insight that business is being run properly in individual departments. The intent of these health reports is to both assist the Board in its governance/management function and assist RF in its department management.

Mr. Scanlon then pointed out a summary of concepts and definitions in the Committee materials to help clarify the framework. He walked through each of the definitions of terms used to help explain the framework to the Committee, which Ms. Evancho commented was incredibly helpful.

Mr. Scanlon then talked through some examples from the priority framework. He used grid risk, specifically data center load growth and the reliability risks associated with that. He discussed how that priority would map to the NERC and RF strategic plans. From the priority, he moved to the sample functional areas under the priority - in this example there were five supporting functional areas. One of those five was Compliance Monitoring and Enforcement. From there, the functional area would create a 2027 “key question” from which RF staff would build a 2027 “objective.” Then, under the 2027 objective would be three key planned activities. The organizational health report would then pick up things that are not caught by the particular priority focus. In the example, the Compliance Monitoring and Enforcement departments would each have a health report that captured work that did not fall under the priority focus.

In terms of responsible staff for the framework, the priorities and the functional areas they implicate would be executive team driven, and directors and managers would be involved in the creation of objectives, and staff would be involved in planned activities.

Mr. Taylor suggested having executive sponsors/owners of individual components. Mr. Ambrose commented that the organizational health reports will address the day-to-day work and the priorities will add a focused layer. Ms. Burkey noted that implementing this new framework will help RF staff build strategic thinking muscles.

Mr. Scanlon then moved on to success indicators for each priority to measure outcomes in a meaningful way, using an example of assessments. So, to answer the question, “how do we know this engineering study was good?” Mr. Scanlon explained how success indicators would be created and tracked. There was discussion about how difficult the creation of

success indicators will be. There was also discussion about how work may need to adjust in light of significant events on the bulk power system.

Mr. Scanlon then used the enforcement team as an example of what a department health report would look like, and the kind of metrics the Board would see. He also discussed using a copilot agent which they had designed a playbook for.

The Committee indicated that they would like to discuss the three strategic goals and their formation. Mr. Gallagher shared some open questions that leadership intends to address. At the end of the discussion, the Committee endorsed the proposed framework.

2026 Corporate Goals Update – Mr. Craigo opened by acknowledging that corporate goals will be much improved under the new framework. For the 2026 goals, there are 11 Tier 2 corporate goals with 63 total activities that fall under them. He presented a dashboard that showed the progress on each of the Tier 2 goals. He noted that a lot of the goals around usage of AI are behind because of the restrictions placed on AI usage currently in place for the ERO Enterprise.

Ms. Burkey asked some questions about inverter-based resources (IBRs) and their registration and any issues encountered in that area, which Mr. Craigo said were minimal compared to the WECC and TRE regions. There was also some discussion of progress on upskilling of staff.

Next Meeting – Chair Evancho noted that the next Committee meeting will occur on December 2, 2026 at the NERC offices in Washington, DC.

Chair Evancho then moved the Committee into closed session at 10:13 am (ET).

Closed Executive Session – Committee Members Only

Executive Session – Chair Evancho held a confidential executive session with the Committee.

Updated Compensation Philosophy - Janine Valvoda, RF's Human Resources Manager, introduced the draft updates to the Compensation Philosophy (included in the agenda package) and noted that RF is seeking Committee feedback on the updates, which will be incorporated into a final version of the document later this year. She presented the purpose of the Compensation Philosophy, including its core principles, structure, and governance framework, and described how the document aligns with RF's current compensation practices.

Ms. Valvoda explained that the Compensation Philosophy is intended to serve as a guiding framework to support consistent and equitable compensation decision-making, establish a shared understanding among leaders, and provide a codified approach for managing pay decisions throughout the employee lifecycle, including recruitment, promotion, development, and retention.

Ms. Valvoda presented three compensation market positioning approaches to the Committee for consideration:

1. **Differentiated Market Position** (hybrid model): General roles benchmarked at the 50th percentile of market data and industry/utility subject matter expert (SME) roles benchmarked at the 75th percentile.
2. **Consistent Market Position**: All positions benchmarked at the 50th percentile of market data.
3. **Competitive Market Position** (current approach): All positions benchmarked at the 75th percentile of market data.

Chair Evancho clarified that RF does not pay all employees at the target percentiles but rather uses those percentiles as market reference points when establishing salary structures. Mr. Craigo confirmed that the percentiles represent compensation targets and noted that RF generally maintains employee compensation near those benchmarks. He referenced data presented in the meeting materials showing limited compensation above the market range maximum.

There was then discussion of the risks and advantages associated with each of the three approaches. Ms. Burkey commented that the proposed Differentiated Market Position approach would add unnecessary complexity for an organization of RF's size and could create confusion and employee disengagement. Several Committee members expressed agreement. Mr. Craigo noted that the hybrid model had been developed as a potential compromise to maintain the 75th percentile market position for specialized SME roles while moderating compensation costs for other positions. Committee members, including Vice Chair Steve Ambrose, cited concerns consistent with the risks of the approach, including potential negative impacts on employee engagement and retention. Mr. Ambrose asked the Committee whether there was consensus to discontinue consideration of the Differentiated Market Position approach, and the Committee expressed unanimous agreement.

Mr. Craigo then provided updated benchmark market data from Payformance Partners, indicating that, at the 50th percentile, large utility companies pay on average 10% more than smaller companies at the same percentile. However, if RF continues to position itself at the 75th percentile, it will retain an 8% market advantage over large companies that remain at the 50th percentile.

The Committee then discussed the Competitive Market Position (75th percentile) approach. Mr. Seiler expressed concern regarding the potential for paying a premium in situations where market conditions may not require it. Ms. Burkey recommended that RF maintain flexibility by allowing exceptions to the approach when appropriate rather than applying it rigidly. Chair Evancho agreed, and other Committee members concurred. Following discussion, Chair Evancho requested a vote on continuing the Competitive Market Position approach. Upon a motion duly made and seconded, the Committee unanimously endorsed maintaining the Competitive Market Position model, with no objections or abstentions. The Committee asked Mr. Craigo and Ms. Valvoda to update the Compensation Philosophy Guide to reflect the Competitive Market Position and distribute it to the Committee for approval.

Mr. Ambrose suggested expanding the salary range structure for general positions by lowering the minimum range threshold to 30 percent below the market midpoint. He noted that this could provide greater flexibility in pay administration and help reduce premium pressure for positions that may not require compensation near the upper end of the market.

The Committee also discussed compensation transparency, including whether salary ranges and grades should be shared more broadly with employees. Committee members agreed that greater transparency may be an appropriate long-term objective, but that doing so would require full alignment on compensation philosophy, career paths, improved performance management processes, and related practices. The Committee concluded that RF should continue to mature these foundational elements before pursuing broader compensation transparency.

CEO Compensation Study – Marc Mullis of Payformance Partners presented market research on current CEO compensation for comparable sized utility industry and Not for Profit organizations. He also included Form 990 benchmark data from other Regional CEOs and NERC. No further action is required at this time.

Adjourn – Upon a motion duly made and seconded, Chair Evancho adjourned the Committee meeting at 5:09 p.m. (ET).

As approved on this second day of December, 2026
by the Talent and Compensation Committee,

Niki Schaefer
Vice President, General Counsel and Corporate Secretary

Attachment A

Others Present During the Compensation Committee Meeting

Jeff Craigo • ReliabilityFirst
Tim Gallagher • ReliabilityFirst
Diane Holder • ReliabilityFirst
Christi Klein • ReliabilityFirst
Marcus Noel • ReliabilityFirst
Tom Scanlon • ReliabilityFirst
Niki Schaefer • ReliabilityFirst
Matt Thomas • ReliabilityFirst
Janine Valvoda • ReliabilityFirst

RELIABILITY FIRST

DRAFT Minutes
Board of Directors • Talent and Compensation Committee

November 3, 2026

ReliabilityFirst Corporation
Virtual Call

Closed Session

Call to Order – Chair Lesley Evancho called to order a duly noticed closed meeting of the Talent and Compensation Committee (Committee) on November 3, 2026, at 2:00 PM (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.

2027 Goals Proposal Overview – Tim Gallagher, President and CEO, opened the meeting and explained that Tom Scanlon, Director of Enforcement and Associate General Counsel, and Brian Thiry, Director of Strategic Engagement, would be discussing five potential 2027 strategic goals (called strategic priorities) but have a top three in mind for the Committee's consideration. Mr. Gallagher explained that if the Committee is comfortable with what they hear today, they can vote to approve the strategic priorities, but if they still have questions, the strategic priorities can be decided at a later date.

He then handed the floor over to Mr. Scanlon, who walked through the agenda for the meeting and the strategic priorities RF is proposing, as well as plans for organizational health reports. He stated that the team will share other proposed strategic priorities that were considered. Mr. Scanlon walked the Committee through the new goal framework that was proposed and approved at the August Board meeting, to refresh the Committee on the structure in which the proposed strategic priorities will sit. He mentioned that the health reports are to demonstrate to the Committee that individual departments are performing their core work as they are supposed to.

Mr. Scanlon then moved onto the first proposed strategic priority, an enterprise priority called organizational capability. It entails defining RF's future state and the organizational

capabilities needed to achieve it, assessing the current state of the organization and developing a plan to address gaps and risks. RF will also commit to developing organizational health reports in 2027. Mr. Scanlon then explained how RF will measure progress towards achieving this strategic priority, which will include a measurement towards this future state, health report progress, and the operationalizing of the Regional Risk Assessment. Mr. Gallagher explained that this was designed to address some concerns that have been raised by the Board over the years.

Mr. Taylor asked about the measurements of progress and how to make them less subjective. Mr. Scanlon explained how efforts that are not easily measurable because they are not mathematical (as opposed to, for example, the number of violations processed) will be measured in terms of value.

Ms. Carroll asked for more explanation about how the framework would work and Mr. Scanlon explained how there would be three chosen strategic priorities, one focused on the enterprise (internal RF facing) and two focused on grid risk (external). She went on to ask how the Committee would have visibility into the core work that would have to continue. Ms. Burkey helped clarify that organization health reports are separate from the strategic priorities and will exist for all departments. The strategic priorities are separate and define the strategic focus for a given year.

Ms. Burkey asked how RF plans to weight strategic initiatives v. organizational health. That was not decided at this meeting, but RF staff took the action item to propose a weighting mechanism.

Mr. Scanlon then handed the floor over to Mr. Thiry to discuss the proposed external facing strategic priorities. The first one is data center load growth, which involves improving visibility into data center development, preparing monitoring plans to address the risks they present, and using tools like outreach and assessments to assist data centers coming under the regulatory tent. Progress will be measured by the assessments RF will perform and how they are reflected in monitoring, registration, outreach, planning and other actions where appropriate. RF also intends to assess registrant readiness which will involve demonstrating core competencies of data center registrants.

There was some discussion amongst the Committee on how the behaviors of data center registrants will differ vastly from traditional utility registrants.

Mr. Thiry then moved on to the third proposed strategic priority: Gas-Electric Interdependency. He explained that this is important because of the growing reliance on natural gas-fired generation, which exposes the system to disruption in gas supply, processing, transportation, compression, storage, and delivery.

What RF intends to accomplish via this strategic priority is: (1) determining the capabilities RF needs to effectively study regional gas-electric risk, (2) increasing assurance that gas infrastructure loads are appropriately accounted for and that large gas-fired plants are prepared for extreme weather conditions, and (3) improving visibility into natural gas infrastructure dependencies supporting generation in the RF footprint. Mr. Thiry explained

that RF will judge progress on this priority through measuring analytical readiness, increased assurance through targeted monitoring, and generator preparedness.

Mr. Thiry mentioned a study NPCC had performed relating to gas-electric interdependency, and Mr. Gallagher shared what RF commissioning such a study might entail. Ms. Evancho asked for more information about the NPCC study which Mr. Gallagher provided.

Ms. Evancho inquired as to the relationship between this proposed work and the work that NERC is already doing in this space. Mr. Gallagher answered that this would not be work that overlapped with what NERC is doing, but would be complementary to it. She also asked if other Regions are doing this work, and Mr. Gallagher answered that so far NPCC is the only one.

Mr. Scanlon briefly referenced the other ideas for strategic priorities that were considered: a data protection enterprise priority and a resource adequacy grid risk priority. Mr. Thiry explained to the committee why RF staff believes the top three strategic priorities are a better focus for 2027.

Following the presentation, Mr. Craigo explained that there is more work to do but that RF would like a vote to approve the three strategic priorities, which the Committee motioned for and unanimously approved. Ms. Burkey noted that the weighting of priorities vs. organizational health will be determined and proposed at a later date.

Next Meeting – Chair Evancho noted that the next Committee meeting will occur on December 2, 2026 at the NERC offices in Washington, DC.

Chair Evancho adjourned the Committee at 3:05 PM.

As approved on this second day of December, 2026
by the Talent and Compensation Committee,

Niki Schaefer
Vice President, General Counsel and Corporate Secretary

Attachment A

Others Present During the Compensation Committee Meeting

Jeff Craigo • ReliabilityFirst
Tim Gallagher • ReliabilityFirst
Diane Holder • ReliabilityFirst
Marcus Noel • ReliabilityFirst
Tom Scanlon • ReliabilityFirst
Niki Schaefer • ReliabilityFirst
Brian Thiry • ReliabilityFirst
Janine Valvoda • ReliabilityFirst