RELIABILITY FIRST

RISK AND COMPLIANCE COMMITTEE CHARTER

The Board of Directors of ReliabilityFirst Corporation ("ReliabilityFirst") has established a Risk and Compliance Committee (the "Committee") with the general responsibilities and specific duties as described below.

COMPOSITION

The Committee shall be comprised of a least five (5) directors and all of the independent directors 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 both be independent directors designated by the full Board upon the recommendation of the Nominating and Governance Committee.

RESPONSIBILITY

The primary purpose of the Committee will be to: (i) oversee the processes, procedures and program used by ReliabilityFirst to monitor compliance with and enforce Reliability Standards (including Regional Standards) in the Region in an effective, efficient, and risk based manner, (ii) monitor the results achieved through the compliance and enforcement activities of ReliabilityFirst, and (iii) oversee ReliabilityFirst’s approach to addressing significant risks to the grid.

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

ATTENDANCE AND VOTING

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, provided a majority of the members at a meeting are independent directors. 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 the Secretary of ReliabilityFirst.

SPECIFIC DUTIES

The Committee will:

1. Review and evaluate the effectiveness, efficiency, and risk-based approach of ReliabilityFirst's compliance monitoring and enforcement programs and ReliabilityFirst's approach to addressing broader grid risks.

2. Recommend for adoption by the Board amendments to or modifications of the compliance monitoring and enforcement program, as necessary or appropriate.

3. Review the current state and composition of the ReliabilityFirst compliance registry for Registered Entities in the Region.

4. Review ReliabilityFirst's regional risk assessment and oversee facilitation and ensure effectiveness of the ReliabilityFirst stakeholder advisory and technical committees.

5. Review ReliabilityFirst's approach to significant enforcement actions relating to violations of Reliability Standards.

6. Consider any input provided by Registered Entities on risk and compliance issues and ReliabilityFirst's activities.

7. Perform other activities as requested by the Board.

8. 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

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

ADOPTION AND APPROVAL

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