

NEVADA RESEARCH & INNOVATION CORPORATION

Policy on the Process for Determining Compensation

I. Introduction

The mission of Nevada Research & Innovation Corporation (the “Corporation”) cannot be fulfilled without attracting, retaining and motivating a very high-quality workforce. Accordingly, to the extent that any individuals employed by the Corporation are to be compensated, the Corporation must set compensation at appropriate levels. This Policy on the Process for Determining Compensation (this “Policy”) provides for the determination of compensation for the Corporation’s Officers and Directors and other persons covered by the excess benefit rules set forth in Section 4958 of the Internal Revenue Code of 1986, as amended, and the associated Treasury Regulations.

II. Process for Determining Compensation

The process for determining the compensation arrangements, if any, for those individuals specified above will conform with the optional procedure creating a “rebuttable presumption” set forth in Treasury Regulation Section 53.4958-6. Accordingly, for all individuals whose compensation is covered by this Policy, the following three conditions will be met:

1. Approval by Disinterested Group. The compensation shall be approved in advance by the governing body of the Corporation or a duly authorized group; provided, however, that the decision-making body shall not include any individuals with a conflict of interest with respect to the decision.
2. Reliance on Comparable Data. The decision-making group shall obtain and utilize market compensation data regarding comparable positions.
3. Contemporaneous Documentation. The decision-making body shall adequately document the basis for its determination and its compliance with the first two conditions presented immediately above and Treasury Regulation Section 53.4958-6; such documentation shall occur by the later of (a) the date that is sixty (60) days after the decision or (b) the date of the next meeting of the decision-making body.

III. Compliance with the Spirit and Purpose of this Policy

To the extent that the precise terms of this Policy cannot be implemented, all decisions shall be made in a manner that comports, to the extent reasonably possible, with the spirit and purpose of this Policy.