

|    | <b>ERCOT Human Resources &amp; Governance Committee<br/>Self-Evaluation, January 2008</b>   | <b>Yes</b>               | <b>No</b>                | <b>Not Sure</b>          | <b>Comments</b> |
|----|---|--------------------------|--------------------------|--------------------------|-----------------|
| 1. | Does the committee have the appropriate number of members? The committee should not be so large that: <ul style="list-style-type: none"> <li>▪ its ability to operate efficiently and effectively is reduced</li> <li>▪ members' ability to raise issues is hampered</li> <li>▪ it is difficult to get a quorum when a time-sensitive issue arises</li> </ul> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 2. | Committee members demonstrate their objectivity during meetings through behaviors such as driving agendas, rigorous probing of issues, consulting with other parties, and hiring experts, as necessary.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 3. | Differences of opinion on issues are resolved to the satisfaction of the committee.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 4. | Committee members challenge the Chair as appropriate.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 5. | The committee charter is used as a document to guide the committee in its efforts, and to help guide the committee's agenda.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 6. | 6.1 The committee is fully independent, accountable and vigorous in taking primary responsibility for all aspects of executive compensation.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
|    | 6.2. The committee reviews and approves pay levels for corporate officers.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
|    | 6.3 The committee annually reviews and approves performance goals & objectives with respect to the compensation of the CEO.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
|    | 6.4 The committee evaluates the CEO's performance against the goals and objectives set for the year and provides oversight of the performance evaluation of all other officers against approved goals and objectives.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |

| <b>ERCOT Human Resources &amp; Governance Committee<br/>Self-Evaluation, January 2008</b> |  | <b>Yes</b>               | <b>No</b>                | <b>Not Sure</b>          | <b>Comments</b> |
|---|--|--------------------------|--------------------------|--------------------------|-----------------|
|   | 6.5 The committee consults with the CEO and advises the Board with respect to senior management succession planning  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
|   | 6.6 The committee advises the full Board as to risk issues it sees in the H.R. and Governance area.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
|   | 6.7 The committee investigates competitive practices and trends to determine the adequacy of the organization's executive compensation programs.                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
|   | 6.8 The committee approves contractual employment arrangements.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
|   | 6.9 The committee considers outside directors compensation matters as needed.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
|   | 6.10 The committee considers necessary training to enhance the Board's performance, keeping apprised of the latest corporate governance trends and issues.             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
|   | 6.11 The committee considers Board succession planning.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 7.  | The committee conducts an annual self-evaluation of its performance and reports the results to the Board, including recommended charter, membership and other changes. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 8.  | The Committee makes appropriate use of workgroups or task forces to investigate issues defined by the Committee.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 9.  | The committee engages outside experts as appropriate.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 10.   | The committee is cognizant of the line between oversight and management, and endeavors to respect that line.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |

|     | <b>ERCOT Human Resources &amp; Governance Committee<br/>Self-Evaluation, January 2008</b>   | <b>Yes</b>               | <b>No</b>                | <b>Not Sure</b>          | <b>Comments</b> |
|-----|---|--------------------------|--------------------------|--------------------------|-----------------|
| 11. | The committee conducts executive sessions in a manner that offers a “safe haven” to the individual, while at the same time asking tough and necessary questions, evaluating answers, and pursuing issues that might arise to satisfactory resolution. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 12. | The committee communicates at an appropriate level of detail when informing the Board of its actions.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 13. | Committee members receive clear and succinct agendas and supporting written material sufficiently prior to scheduled meetings.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 14. | Committee members have adequate opportunities to discuss issues and ask questions.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 15. | The frequency of committee meetings is appropriate for the responsibilities assigned to the committee.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 16. | Meeting facilities and presentation materials are effective for the conduct of committee activities.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |
| 17. | Please add additional comments, questions and suggestions   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                 |