

ERCOT HR & Governance Committee Self-Evaluation January 20, 2009		Yes	No	Not Sure	Comments
1. 4	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>				
2	<del>Do committee members have varied backgrounds and bring diverse expertise?</del>				
2. 3	Committee members demonstrate their objectivity during meetings through behaviors such as driving agendas, rigorous probing of issues, consulting with other parties, and <del>encouraging direct questions</del> hiring experts, as necessary.				
3. 4	Differences of opinion on issues are resolved to the satisfaction of the committee.				
4. 5	Committee members challenge the Chair as appropriate.				
5. 6	The committee charter is used as a document to guide the committee in its efforts, and to help guide the committee's agenda.				
6. 7	6.1 The committee is fully independent, accountable and vigorous in taking primary responsibility for all aspects of executive compensation.				
8	6.2. The committee reviews and approves pay levels for corporate officers.				

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9	<u>6.3</u> The committee annually reviews and approves performance goals & objectives with respect to the compensation of the CEO.				
10	<u>6.4</u> The committee evaluates <del>and measures</del> 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.				
11	<u>6.5</u> The committee consults with the CEO and advises the Board with respect to senior management succession planning				
12	<u>6.6</u> The committee advises the full Board as to risk issues it sees in the H.R. and Governance area.				
13	<u>6.7</u> The committee investigates <del>and is knowledgeable of</del> competitive practices and trends to determine the adequacy of the organization's executive compensation programs.				
14	<u>6.8</u> The committee approves contractual employment arrangements.				
15	<u>6.9</u> The committee considers <del>Board outside</del> directors <del>and Board committee</del> compensation matters as needed.				
16	<u>6.10</u> The committee considers necessary training to enhance the Board's performance, keeping apprised of the latest corporate governance trends and issues.				
17	<u>6.11</u> The committee considers <del>and recommends</del> Board succession planning.				
<u>7.</u> 18	The committee conducts an annual self-evaluation of its performance and reports the results to the Board,				

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	including recommended charter, membership and other changes.				
<u>8.</u> <u>19</u>	The Committee makes appropriate use of workgroups or task forces to investigate issues defined by the Committee.				
<u>9.</u> <u>20</u>	The committee engages outside experts as appropriate.				
<u>10.</u> <u>24</u>	The committee is cognizant of the line between oversight and management, and endeavors to respect that line.				
<u>22</u>	<del>The committee interacts and communicates with management effectively and appropriately.</del>				
<u>23</u>	<del>The committee is focused and understands its functions and responsibilities.</del>				
<u>24</u> <u>11.</u>	The committee conducts executive sessions in a manner that <del>is respectful</del> <u>offers a "safe haven"</u> to the individual, while at the same time asking tough and necessary questions, evaluating answers, and pursuing issues that might arise <del>to satisfactory resolution.</del>				
<u>25</u> <u>12.</u>	The committee communicates at an appropriate level of detail when informing the Board of its actions.				
<u>26</u> <u>13.</u>	Committee members receive clear and succinct agendas and supporting written material <del>sufficiently prior to scheduled meetings.</del>				
<u>27</u>	<del>Meeting materials are provided in a timely manner to allow for review by the committee members prior to scheduled meetings.</del>				

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<del>28</del> <u>14.</u>	Committee members have adequate opportunities to discuss issues and ask questions.				
<del>29</del> <u>15.</u>	The frequency of committee meetings is appropriate for the responsibilities assigned to the committee.				
<del>30</del> <u>16.</u>	Meeting facilities and presentation materials are effective for the conduct of committee activities.				
<del>34</del> <u>17.</u>	Please add additional comments, questions and suggestions				