

	ERCOT HR & Governance Committee Self-Evaluation January 20, 2009	Yes	No	Not Sure	Comments
1	Does the committee have the appropriate number of members? The committee should not be so large that: <ul style="list-style-type: none"> ▪ its ability to operate efficiently and effectively is reduced ▪ members' ability to raise issues is hampered ▪ it is difficult to get a quorum when a time-sensitive issue arises 	6			
2	Do committee members have varied backgrounds and bring diverse expertise?	6			
3	Committee members demonstrate their objectivity during meetings through behaviors such as driving agendas, rigorous probing of issues, consulting with other parties, and encouraging direct questions.	6			
4	Differences of opinion on issues are resolved to the satisfaction of the committee.	6			While not all differences of opinion are necessarily resolved, there is a fair vetting of the issues raised and a robust discussion of all sides of an issue.
5	Committee members challenge the Chair as appropriate.	6			
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	The committee is fully independent, accountable and vigorous in taking primary responsibility for all aspects of executive compensation.	6			

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8	The committee reviews and approves pay levels for corporate officers.	5	1		
9	The committee annually reviews and approves performance goals & objectives with respect to the compensation of the CEO.	6			Although I think we may want to revisit the KPIs we currently use and focus more on big pictures issues rather than the nine point KPI breakdown
10	The committee evaluates and measures 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.	5	1		See comment above
11	The committee consults with the CEO and advises the Board with respect to senior management succession planning	5	1		Not sure it was provided to BOD. This role has improved over the last year or two
12	The committee advises the full Board as to risk issues it sees in the H.R. and Governance area.	6			
13	The committee investigates and is knowledgeable of competitive practices and trends to determine the adequacy of the organization's executive compensation programs.	4		2	We need to do this more.
14	The committee approves contractual employment arrangements.	4		2	Only COB Only applicable to the CEO, so this question should reflect that.
15	The committee considers Board directors and Board committee compensation matters as needed.	6			
16	The committee considers necessary training to enhance the Board's performance, keeping apprised of the latest corporate governance trends and issues.	6			
17	The committee considers and recommends Board succession planning.	5		1	This is really only an issue for the independent members, and that is done on an as

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					needed basis
18	The committee conducts an annual self-evaluation of its performance and reports the results to the Board, including recommended charter, membership and other changes.	6			
19	The Committee makes appropriate use of workgroups or task forces to investigate issues defined by the Committee.	6			not used during 2008
20	The committee engages outside experts as appropriate.	4		1	not used during 2008
21	The committee is cognizant of the line between oversight and management, and endeavors to respect that line.	6			
22	The committee interacts and communicates with management effectively and appropriately.	6			
23	The committee is focused and understands its functions and responsibilities.	6			
24	The committee conducts executive sessions in a manner that is respectful to the individual, while at the same time asking tough and necessary questions, evaluating answers, and pursuing issues that might arise .	6			
25	The committee communicates at an appropriate level of detail when informing the Board of its actions.	6			
26	Committee members receive clear and succinct agendas and supporting written material.	6			
27	Meeting materials are provided in a timely manner to allow for review by the committee members prior to scheduled meetings.	5	1		Some materials provided too late to discuss
28	Committee members have adequate opportunities to discuss issues and ask questions.	6			Some materials provided too late to discuss

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29	The frequency of committee meetings is appropriate for the responsibilities assigned to the committee.	6			
30	Meeting facilities and presentation materials are effective for the conduct of committee activities.	6			
31	Please add additional comments, questions and suggestions				