



ERCOT Employee Ethics Agreement

Employees of Electric Reliability Council of Texas, Inc. (“ERCOT”) must conduct ERCOT’s business legally, with integrity and total objectivity and in compliance with *all* laws, rules, regulations, Protocols and ERCOT standards, policies and procedures and this Employee Ethics Agreement. ERCOT will not tolerate fraud, misconduct or abuse of the Employee Ethics Agreement or Code of Conduct.

Confidential Information

ERCOT employees must maintain the confidentiality of all Confidential Information and must take reasonable actions and precautions to prevent unauthorized disclosure of Confidential Information. “Confidential Information” means all information, technical data or know-how which relates to the business, services or products of ERCOT, its members or Market Participants (as listed on ERCOT’s public web site), or its consultants or vendors which is disclosed to an employee because of his or her employment with ERCOT.

Conflicts of Interest

ERCOT employees must conduct ERCOT’s business with total objectivity and without any influence from any Conflict of Interest and must avoid situations in which their personal or financial interest conflict or appear to conflict with the interests of ERCOT or an ERCOT Market Participant. “Conflicts of Interest” include, but are not limited to , situations where an employee or his/her spouse, dependent or a member of his/her household or immediate family (i.e. father, mother, children and siblings):

1. Stands to gain or lose personally from an ERCOT business decision; or
2. Is employed by any Market Participant, ERCOT supplier or vendor, or any other entity dealing with ERCOT directly or indirectly, in a position which may affect the ERCOT Employee’s objectivity in making decisions, recommendations or taking other actions on behalf of ERCOT.

Other potential conflicts of interest include situations where an ERCOT employee is aware of the fact that his/her spouse, dependent, a member of his/her household or immediate family:

1. has ownership or a controlling interest in any ERCOT Market Participant, ERCOT supplier or vendor, or any other entity doing business, directly or indirectly, with ERCOT; or
2. Serves in an advisory, consulting, technical or management capacity for any business organization that, directly or indirectly, does business with ERCOT or is an ERCOT Market Participant (unless such activity is for no compensation and is approved by the employee’s supervisor).

An employee must immediately inform the Legal Department if a Conflict of Interest or even the appearance of a Conflict of Interest might exist, to allow management to evaluate the situation. After full disclosure by the employee, ERCOT management may agree to conditions that appropriately limit any potential influence from a Conflict of Interest.

Employees must disclose all Conflicts of Interest but need not disclose ownership of publicly-traded equity securities of a vendor or supplier if the securities are held as an investment and the



employee or related party: (a) owns less than one percent (1%) of the outstanding securities of the entity, (b) does not have representation on the entity’s board of directors (or equivalent managing entity), and (c) does not exercise influence over the entity’s day-to-day management decisions. Additionally, an employee need not disclose ownership of mutual funds having holdings of such entities or Market Participants.

ERCOT employees may not trade in securities of third-parties (such as vendors) if, because of their position with ERCOT, they have materials non-public information about that third-party.

Non-Solicitation

In consideration for receiving ERCOT’s Confidential Information, employees shall not, while employed by ERCOT and for a period of one year from the date of separation of employment with ERCOT, either directly or indirectly solicit, induce or encourage any ERCOT employee or consultant to either terminate employment or contract with ERCOT or accept employment with any other entity. The term “solicit, induce or encourage” includes, but is not limited to, initiating communications with an ERCOT employee relating to possible employment, offering bonuses or additional compensation or referring ERCOT employees to personnel, recruiters or other agents.

Notice

Any ERCOT employee with concerns or questions about these requirements and prohibitions should contact the Legal Department or file an anonymous report through EthicsPoint (www.ethicspoint.com or 1-866-834-4277) or other available ERCOT anonymous reporting tool, if any.

Disclosure of Conflicts

After reviewing the ERCOT Code of Conduct and Employee Ethics Agreement, I wish to disclose the following potential conflict(s) of interest:

Check this box if you have no conflicts of interest to report.

Potential Conflicts of Interest:

Name: Relationship to Employee:
Description of Potential Conflict:

Potential Conflicts of Interest:

Name: Relationship to Employee:
Description of Potential Conflict:

Other Disclosure(s) [Please include any disclosures relating to CS 5.14.7, *Driving on Company Business Corporate Standard*]:



Employee Agreement

By signing below, I confirm and acknowledge that: (i) I have read and understand the requirements of the ERCOT Code of Conduct, this Employee Ethics Agreement, all ERCOT Corporate Standards, including, but not limited to, the *Antitrust Compliance Corporate Standard* (CS 1.10), the *Acceptable Use Corporate Standard* (CS 7.1), and the ERCOT Employee Corporate Standard Manual; (ii) I agree to be bound by and comply with all requirements and the intent of these requirements; and (iii) I will be subject to disciplinary action, termination, injunction, and/or all other available legal or equitable remedies if I violate the Code of Conduct, this Ethics Agreement, or the intent behind either, whether my violation is intentional or careless. If I have signed any previous ERCOT Ethics Agreement, I further confirm that I have complied with those requirements since the date of such previous Ethics Agreement(s).

If my situation or any information I disclosed changes between the dates on which I sign affirmations of the Ethics Agreement, I must notify the Legal Department in writing and obtain proper approvals.

Employee Signature: _____ Date: _____

Printed Name: _____

NOTE: Please continue to the next page and complete and sign the “Disclosure of Information” section of this document. *You must complete the Disclosure section even if you have no conflicts of interest to disclose.*