



ERCOT Employee Ethics Agreement

Employees of Electric Reliability Council of Texas, Inc. ("ERCOT") must conduct ERCOT's business ~~legally,~~ with integrity and total objectivity toward ERCOT and all members and Market Participants (as listed on ERCOT's public website), and in compliance with all applicable laws, rules, and regulations, and in accordance with ERCOT Protocols and ERCOT corporate standards, policies and operating procedures and this Employee Ethics Agreement. ERCOT will not tolerate fraud, misconduct or ~~abuse-violations~~ of the ERCOT Code of Conduct or this Employee Ethics Agreement. ~~or Code of Conduct.~~

Confidential Information

ERCOT employees who receive Confidential Information in the course of their employment must maintain the confidentiality of all such Confidential Information and must take reasonable ~~actions—and-precautions~~ steps to prevent unauthorized disclosure of Confidential Information ~~same~~. "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 suppliers of goods and services ("Supplier-senders") or other entities doing business with ERCOT, 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~~ free from the influence of any conflicting interest of the employee or any of the following ("Related Parties"): the employee's immediate family (parents and stepparents, children and stepchildren, siblings and stepsiblings); the employee's spouse or domestic partner; and household members (including roommates). ~~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):~~ Any circumstance which might influence or appear to influence the ERCOT employee to promote the interest of himself or a Related Party or to provide undue benefit to a Supplier or Market Participant must be disclosed so ERCOT management can evaluate the potential Conflict of Interest. "Conflicts of Interest" are defined in CS 5.18, *Conflict of Interest Corporate Standard* and include:

- 1. Interest in Supplier** - The employee or a Related Party has a financial interest, including employment or ownership, in a Supplier currently doing business with ERCOT or in a Supplier that seeks to do business with ERCOT, if that employee has any influence over the selection of the Supplier. However, the following interests in a Supplier are **not** considered conflicts of interest:

(a) ownership of less than one percent (1%) of the publicly-traded equity securities of a Supplier, the securities are held as an investment, and the employee or Related Party does not have representation on the Supplier's board of directors (or equivalent governing body), and does not exercise influence over the entity's day-to-day management decisions;



(b) ownership of mutual funds holding securities of the Supplier.

2. Interest in Market Participant – The employee or a Related Party has a financial interest, including ownership, employment, in a Market Participant, except for ownership of mutual funds holding securities of the Market Participant.

3. Conflicting Services – The employee or a Related Party performs concurrent services for ERCOT and for Market Participants or other entities doing business with ERCOT.

- ~~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 who becomes aware of a potential or actual Conflict of Interest 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.~~

Securities Laws

ERCOT employees may not trade in securities of third-party (such as ~~vendors~~Suppliers) if, because of their position with ERCOT, they have access to material, ~~s~~ non-public information about that third-party.

Anti-trust Laws



ERCOT Employees must abide by the ERCOT Antitrust Compliance Corporate Standard (CS 1.10) and all applicable anti-trust laws.

Acceptable Use of ERCOT Assets

ERCOT Employees must abide by the ERCOT Acceptable Use Corporate Standard (CS 7.1) and must refrain from using ERCOT equipment, networks, tools and premises for purposes other than the conduct of ERCOT business.

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 Reporting Questions or Concerns

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-checking the box 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 (CS 5.1 - 5.42)~~ and agree to comply with same;
- (ii) I agree to be bound by and comply with all requirements ~~of all other ERCOT standards, policies and procedures 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 this Code of Conduct, or this Ethics Agreement, ~~or the intent behind either~~, whether my violation is intentional or careless;
- (iv) 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).
- (v) I have made complete disclosure herein of any potential Conflict of Interest involving me or my Related Parties.
- (vi) If I become aware of a Conflict of Interest involving me or my Related Parties, or if my situation or any information I disclosed herein 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.~~

☐ I agree to the foregoing terms.