EMPLOYEE ETHICS AGREEMENT

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

Confidential Information

Employees who receive Confidential Information in the course of their employment must maintain the confidentiality of such Confidential Information and must take reasonable actions and precautions to prevent unauthorized disclosure of same.

"Confidential Information" means all information that is: (a) marked "Confidential"; (b) ~~or~~ defined as "Confidential Information" in Section 1500 of the NERC Rules of Procedure~~ and all information~~ ; (c) defined as "Protected Information" in Section 1.3 of the ERCOT Protocols; and/or (d) labeled "ERCOT Confidential" or "ERCOT Restricted." Confidential Information ~~, and~~ specifically includes all documents, knowledge, electronic, tangible or intangible information provided, which is or includes, any of the following:

- Information, technical data or know-how which relates to the business, services or products of, ERCOT, owners, operators and users of the bulk power system, including Registered Entities on NERC's Compliance Registry and ERCOT's Members and Market Participants, or any of their consultants or vendors, which was developed or acquired by that business and which is proprietary or competitively or commercially sensitive;
- Critical Energy Infrastructure information;
- Personnel information that identifies or could be used to identify a specific individual or reveals personnel, financial, medical, or other personal information;
- Work papers, including any records produced for or created in the course of an evaluation or audit;
- Investigative files, including any records produced for or created during the course of an investigation; or
- Cyber Security Incident information. ~~or~~

Conflicts of Interest

Employees must conduct ERCOT~~'s~~ business free from the influence of any Conflict of Interest of: (a) the employee; ~~or any of the following:~~ (b) the employee's spouse or domestic partner and dependent child or stepchild ("Dependent Parties"); and (c) the employee's parents, ~~and~~ step-parents, siblings, ~~and~~ step-siblings, and any other individual living in the employee's household ("Related Parties").

Any circumstance which ~~might~~ could (a) influence or appear to influence the employee to promote ~~the~~ self interest ~~of himself~~, or the interest of a Dependeant Party or ~~a~~ Related Party, or (b) ~~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 CS5.18, *Conflict of Interest Corporate Standard.* ~~Examples include, but are not limited to:~~

~~**1. Interest in Supplier** - The employee, a Dependent Party 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 or is involving in managing or otherwise directing the ERCOT-Supplier relationship in any way. 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, a Dependent Party or a Related Party has a financial interest, including ownership or employment, in a Market Participant, **except for** ownership of mutual funds holding securities of the Market Participant.~~

~~**3. Conflicting Services** – The employee, a Dependent Party or a Related Party performs concurrent services for ERCOT and for Market Participants, Suppliers or other entities that have a business relationship with ERCOT.~~

~~**4. Personal Benefit** – An ERCOT business decision will result in personal gain or loss to the employee, a Dependent Party or a Related Party, other than gains or losses common to all employees and their Dependent Parties and Related Parties.~~

An employee who becomes aware of a potential or actual Conflict of Interest must immediately inform the ERCOT Legal Department to allow ERCOT officers to evaluate the situation. After full disclosure by the employee, ERCOT officers may agree to conditions that appropriately limit any potential influence from a Conflict of Interest.

Securities Laws

Employees may not trade in securities of third-parties (such as Suppliers) if, because of ~~their~~ his or her position with ERCOT, ~~they have~~he or she has access to material non-public information about that third-party.

Anti-trust Laws

Employees must abide by the ERCOT *Anti-trust Compliance Corporate Standard* (CS1.10) and all applicable anti-trust laws.

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.

Reporting Questions or Concerns

Any employee with concerns or questions about these requirements and prohibitions should contact the ERCOT Legal Department or file an anonymous report through EthicsPoint

(www.ethicspoint.com or 1-866-384-4277) or other available ERCOT anonymous reporting tools, 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:

Disclosure of Arrest

I have been arrested by law enforcement authorities within the last 12 months for the following alleged offenses:

☐ **Check this box if you have no arrests to report.**

State: County: City: Date of Arrest:

Nature of Alleged Offense:

Disposition: ☐Dismissed ☐Pending ☐Convicted ☐Probation/Deferred Adjudication

State: County: Date of Arrest:

Nature of Alleged Offense:

Disposition: ☐Dismissed ☐Pending ☐Convicted ☐Probation/Deferred Adjudication

Other Disclosure(s) [Please include any disclosures relating to CS5.14.7, *Driving on Company Business Corporate Standard]:*

Employee Agreement

By checking the box, I confirm and acknowledge that:

(i) ~~(i)~~ I have read and understand the requirements of the ERCOT Code of Conduct, this Employee Ethics Agreement, the *Antitrust Compliance Corporate Standard* (CS1.10), the *Conflict of Interest Corporate Standard* (CS5.18), the *Confidentiality Corporate Standard* (CS5.~~9~~19), t~~T~~he *Fraud Prevention and Whistleblower Corporate Standard* (CS5.38)*;* the *Acceptable Use Corporate Standard* (CS7.1), ~~and~~ the ERCOT Employee

Corporate Standards Manual (CS5.1-5.42)~~)~~, and the *Information Classification Corporate Standard* (CS7.6);

(ii) ~~(ii)~~ I agree to be bound by and comply with all applicable laws, rules and regulations, all ERCOT corporate policies and standards, operating procedures and Protocols and the NERC Rules of Procedure; ~~and~~

(iii) ~~(iii)~~ I agree to maintain the confidentiality of all Confidential Information; ~~and~~

(iv) ~~(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); ~~and~~

(v) ~~(v)~~ I have made complete disclosure herein of any potential Conflict of Interest involving me or my Dependent Parties or Related Parties; ~~and~~

(vi) ~~(vi)~~ If I become aware of a Conflict of Interest involving me or my Dependent Parties or Related Parties, or if any information I disclosed herein changes, I will promptly notify the Legal Department in writing; and

(vii) ~~(vii)~~ I will be subject to disciplinary action, termination, injunction and/or all other available legal or equitable remedies for any violations of applicable laws, rules, and regulations, NERC Rules of Procedure, ERCOT Protocols, ERCOT corporate standards, policies and operation procedures and this Employee Ethics Agreement, whether my violation is intentional or careless.

☐ **I agree to the foregoing terms.**