



**To:** Human Resources and Governance (HR&G) Committee  
**From:** Bill Magness, Vice-President, General Counsel & Corporate Secretary  
**Date:** July 8, 2013  
**Subject:** Item 5 - Update regarding Ethics Agreements for ERCOT Employees, Directors and Segment Alternates

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The HR&G Charter provides that the Committee will “review ethics agreements for ERCOT employees, Directors and Segment Alternates” annually, and as needed.<sup>1</sup> ERCOT staff plans to present materials supporting the annual ethics agreement review at the Committee’s September 2013 meeting.

At the Committee’s May 2013 meeting, ERCOT staff indicated we would provide draft revisions to the ERCOT ethics agreements for employees and contractors at the Committee’s July 2013 meeting. Since that time, ERCOT staff has determined, as part of a broader review of corporate workforce standards, that the format of the employee ethics agreement may be changed more extensively than originally anticipated (while the substantive standards are not expected to change substantially).

In order to complete work on the employee and contractor ethics agreement revisions, ERCOT staff plans to file those revisions with the Committee’s September 2013 meeting materials. The revised documents will then be subject to review as part of the Committee’s overall annual review of ERCOT ethics agreements.

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<sup>1</sup> HR&G Charter, Attachment A, Section 2(e)(1).