



To: Human Resources and Governance (HR&G) Committee
From: Vickie Leady, ERCOT Assistant General Counsel and Assistant Corporate Secretary
Date: November 11, 2013
Re: Item 10 – Annual Committee Self-Evaluation Survey Results

At the September 16, 2013 HR&G Committee meeting, Committee members were encouraged to complete and submit the Annual Committee Self-Evaluation Survey.

Attached are the Annual Self-Evaluation Survey results for the Committee's consideration.



ERCOT HR & Governance Committee 2013 Self-Evaluation Survey Results		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 	5			
2	Do committee members have varied backgrounds and bring diverse expertise?	5			
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.	5			
4	Differences of opinion on issues are resolved to the satisfaction of the committee.	5			Can't actually remember when we had a difference of opinion--well, maybe there was that I bylaws thing, but that's about it.
5	Committee members challenge the Chair as appropriate.	5			
6	The committee charter is used as a document to guide the committee in its efforts, and to help guide the committee's agenda.	5			We have improved at using the Charter as a guideline for our activities and updates to the Board.
7	The committee is fully independent, accountable and vigorous in taking primary responsibility for all aspects of executive compensation.	5			Except for CEO, this is an accurate statement.



ERCOT HR & Governance Committee 2013 Self-Evaluation Survey Results		Yes	No	Not Sure	Comments
8	The committee reviews and approves pay levels for corporate officers.	5			
9	The committee annually reviews and approves performance goals & objectives with respect to the compensation of the CEO.	4	1		CEO has a defined employment contract, although the committee does review the CEO's performance goals.
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			This is now more aligned with tracking responsibilities for KPIs departmentally, which works with the current compensation and performance strategies.
11	The committee consults with the CEO and advises the Board with respect to senior management succession planning	5			
12	The committee advises the full Board as to risk issues it sees in the H.R. and Governance area.	4		1	The committee does a good job of advising the board on a number of issues, but perhaps the committee should be more proactive in identifying risks in the long term, i.e., HR needs, bylaw issues, etc.
13	The committee investigates and is knowledgeable of competitive practices and trends to determine the adequacy of the organization's executive compensation programs.	5			
14	The committee approves contractual employment arrangements.	3		2	Is approval the correct term or is it that we recommend approval to the full Board? Not sure what this means other



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					than the CEO's employment arrangement.
15	The committee considers Board directors and Board committee compensation matters as needed.	5			
16	The committee considers necessary training to enhance the Board's performance, keeping apprised of the latest corporate governance trends and issues.	4		1	We are improving in this area, but our approach to Board training efforts could be more robust. Not sure the committee has focused on the latest trends and issues in board governance and not sure how the committee would accomplish this.
17	The committee considers and recommends Board succession planning.	4		1	This has mostly been handled in the ad hoc committee on appointments.
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.	5			
19	The Committee makes appropriate use of workgroups or task forces to investigate issues defined by the Committee.	5			
20	The committee engages outside experts as appropriate.	5			
21	The committee is cognizant of the line between oversight and management, and endeavors to respect that line.	5			The committee does an excellent job in this regard. The committee has been very cognizant of and successful in drawing the line between oversight and management. That as well is a tribute to Trip's



ERCOT HR & Governance Committee 2013 Self-Evaluation Survey Results		Yes	No	Not Sure	Comments
					willingness to bring his key HR planning issues to the Committee.
22	The committee interacts and communicates with management effectively and appropriately.	5			
23	The committee is focused and understands its functions and responsibilities.	5			
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.	5			
25	The committee communicates at an appropriate level of detail when informing the Board of its actions.	4		1	Sometimes we may be in a race to end the regular meeting of the Board of Directors, and the committee report can become a bit brief.
26	Committee members receive clear and succinct agendas and supporting written material.	5			ERCOT staff does a great job in preparing and posting materials.
27	Meeting materials are provided in a timely manner to allow for review by the committee members prior to scheduled meetings.	5			
28	Committee members have adequate opportunities to discuss issues and ask questions.	5			



ERCOT HR & Governance Committee 2013 Self-Evaluation Survey Results		Yes	No	Not Sure	Comments
29	The frequency of committee meetings is appropriate for the responsibilities assigned to the committee.	5			
30	Meeting facilities and presentation materials are effective for the conduct of committee activities.	5			
31	Please add additional comments, questions and suggestions	2	3		<p>Overall, I think Committee is performing well.</p> <p>No additional comments to make.</p> <p>A key part of the success of the HR&G is Trip's willingness to bring issues before the committee and his receptivity to input from the committee. That helps strike the right balance between oversight and management.</p>