

ERCOT

Finance and Audit Committee

2015 Annual Meeting Planner and Future Agenda Items

| Task Description   | Charter Page # | Strategic Pillar * |   |   |   | Committee Meeting Date                |      |      |      |       |       |
|--|----------------|--------------------|---|---|---|---------------------------------------|------|------|------|-------|-------|
|  |                | 1                  | 2 | 3 | 4 | 2-09                                  | 4-13 | 6-08 | 8-10 | 10-12 | 12-07 |
| 1 Elect Committee Chair and Vice Chair                             | 2              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 2 Designate a Committee secretary                                  | 7              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 3 Review and assess adequacy of Committee charter                  | 6              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 4 Review and approve internal audit charter                        | 6              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 5 Approve Credit Work Group charter                                | 3              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 6 Appoint Credit Work Group Chair and Vice Chair                   | na             |                    |   |   |   | FA                                    |      |      |      |       |       |
| 7 Review and recommend investment corporate standard               | 4              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 8 Review and recommend financial corporate standard                | 4              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 9 Handling of complaints regarding financial matters               | 1 & 6          |                    |   |   |   | FA                                    |      |      |      |       |       |
| 10 Policy on hiring former employees of the independent auditor    | 5              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 11 Policy on independent auditor selection                         | 4              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 12 Review and recommend market credit risk corporate standard      | 4              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 13 Review and recommend ERCOT creditworthiness standards           | 4              |                    |   |   |   | Performed when revisions are proposed |      |      |      |       |       |
| 14 Approve annual education plan                                   | na             |                    |   |   |   | FA                                    |      |      |      |       |       |
| 15 Preapprove non-audit services from independent auditor          | 5              |                    |   |   |   | FA                                    |      |      |      |       |       |
| 16 Undertake annual self-evaluation                                | 8              |                    |   |   |   |                                       |      |      |      |       |       |
| 17 Review financial performance                                    | 5              | X                  | X | X | X | FA                                    | FA   | FA   |      |       |       |
| 18 Review risk management policies and practices                   | 3              | X                  | X | X | X | FA                                    | FA   | FA   |      |       |       |
| 19 Review Credit Work Group activity                               | 2 & 4          | X                  | X | X | X | FA                                    | FA   | FA   |      |       |       |
| 20 Receive CEO report on adequacy of internal controls             | 3              | X                  | X | X | X | FA                                    |      |      |      |       |       |
| 21 Review financial institutions that are also market participants | 6              | X                  | X | X | X | FA                                    |      |      |      |       |       |
| 22 Receive periodic report on strategic IT issues                  | 3              | X                  | X | X | X | BOD                                   |      |      |      |       |       |
| 23 Review IRS Form 990   | na             | X                  | X | X | X |                                       |      |      |      |       |       |
| 24 Review and recommend proposed budget                            | 3 & 4          | X                  | X | X | X |                                       | FA   | FA   |      |       |       |
| 25 Committee educational topics                                    | na             | X                  | X | X | X | FA                                    |      |      |      |       |       |
| 26 Review Internal Audit activity                                  | 6 & 7          | X                  | X | X | X | FA                                    | FA   | FA   |      |       |       |
| 27 Review Ethics Point activity                                    | 1 & 6          | X                  | X | X | X | FA                                    | FA   | FA   |      |       |       |
| 28 Review effectiveness of internal audit functions                | 7              | X                  | X | X | X | FA                                    | FA   | FA   |      |       |       |
| 29 Review performance of the Chief Audit Executive                 | 6              | X                  | X | X | X | FA                                    |      |      |      |       |       |
| 30 Review and approve annual internal audit plan                   | 6              | X                  | X | X | X |                                       |      |      |      |       |       |
| 31 Receive independence report from financial auditors             | 5              | X                  | X | X | X |                                       | FA   |      |      |       |       |
| 32 Select financial auditor  | 4              | X                  | X | X | X |                                       | FA   | FA   |      |       |       |
| 33 Review and accept financial statement audit report              | 5 & 6          | X                  | X | X | X |                                       | FA   |      |      |       |       |
| 34 Receive independence report from 401(k) Savings Plan auditors   | 5              | X                  | X | X | X |                                       |      |      |      |       |       |
| 35 Select 401(k) Savings Plan auditor                              | 4              | X                  | X | X | X |                                       |      |      |      |       |       |
| 36 Review and accept 401(k) audit report                           | 6              | X                  | X | X | X |                                       |      |      |      |       |       |
| 37 Receive independence report from SSAE 16 auditors               | 5              | X                  | X | X | X |                                       |      |      |      |       |       |
| 38 Select SSAE 16 auditor  | 4              | X                  | X | X | X |                                       | FA   |      |      |       |       |
| 39 Review and accept SSAE 16 audit report                          | 6              | X                  | X | X | X |                                       |      |      |      |       |       |

"FA" designates items addressed in meetings of the Finance and Audit Committee

"BOD" designates items addressed in meetings of the Board of Directors.

**2014 Strategic Pillars**

- Operational Reliability** - Anticipate and communicate potential reliability issues through improved enterprise wide planning processes, probability scenario analyses and grid impact evaluations.
- Flexible Market Design** – Work to anticipate changes in market dynamics and systems and respond effectively to changes in market rules and processes that are directed toward maintaining a highly reliable grid and open access to ERCOT markets.
- Data Transparency & Access** - Continue to evolve ERCOT's role as a data and information gateway for electricity markets in Texas recognizing its unique role and the value created for consumers and stakeholders of relevant, quality and timely market and technical intelligence.
- Committee Strategic Alignment** - Further evolve the stakeholder committee process to improve strategic alignment of processes and outcomes including the use of strategic alignment and efficiency goals and measures.

Item 7

ERCOT Public