## 2016 Annual Meeting Planner and Future Agenda Items

		Charter	Strategic Pillar *			Committee Meeting Date						
i	Task Description	Page #	1	2	3	4	2-08	4-18	6-13	8-08	10-10	12-12
1	Elect Committee Chair and Vice Chair	2					FA					
2 5	Designate a Committee secretary	7					FA					
2 3 4 Sdministration	Review and assess adequacy of Committee charter	6					FA					
4 siu	Review and approve internal audit charter	6					FA					
5 MgW	Approve Credit Work Group charter	3					FA					
6 and	Appoint Credit Work Group Chair and Vice Chair	na					FA					
7 6	Review and recommend investment corporate standard	4					FA					
0 organization	Review and recommend financial corporate standard	4						FA				
gani 6	Handling of complaints regarding financial matters	1 & 6					FA					
	Policy on hiring former employees of the independent auditor	5					FA					
11	Policy on independent auditor selection	4					FA					
11 12 Committee	Review and recommend market credit risk corporate standard	4					FA					
	Review and recommend ERCOT creditworthiness standards	4					Perf	ormed v	when rev	/isions a	re propo	osed
14 la	Approve annual education plan	na					FA					
15 An	Preapprove non-audit services from independent auditor	5					FA					
16	Undertake annual self-evaluation	8										
17	Review financial performance	5	Χ	Χ	Х	Х	FA	FA	FA	FA		
18	Review risk management policies and practices	3	Χ	Χ	Χ	Χ	FA	FA	FA	FA		
19	Review Credit Work Group activity	2 & 4	Χ	Χ	Х	Х	FA	FA	FA	FA		
20 🕌	Forecast adequacy of the budgeted System Administration Fee	na	Χ	Χ	Χ	Χ	FA					
	Receive CEO report on adequacy of internal controls	3	Χ	Х	Х	Х	FA					
21 <b>8</b> 22 23 <b>II</b>	Review financial institutions that are also market participants	6	Χ	Χ	Χ	Χ	FA			FA		
23	Receive periodic report on strategic IT issues	3	Χ	Х	Х	Х	BOD					
24	Review IRS Form 990	na	Χ	Χ	Х	Х			BOD			
25	Review and recommend proposed budget	3 & 4	Χ	Χ	Χ	Χ	Biennial budget considered in 2					17
26	Committee educational topics	na	Χ	Х	Х	Х	FA	FA	FA			
27	Receive report on cyber security	na	Χ	Χ	Χ	Χ		BOD		FA		
28	Receive DC4 technology refresh update	na	Χ	Χ	Χ	Χ	FA		FA			
29	Review Ethics Point activity	1 & 6	Χ	Χ	Χ	Χ	FA	FA	FA	FA		
30 Vipro	Review Internal Audit activity	6 & 7	Χ	Χ	Χ	Χ	FA	FA	FA	FA		
31	Review effectiveness of internal audit functions	7	Χ	Χ	Χ	Χ	FA	FA	FA	FA		
32 33	Review performance of the Chief Audit Executive	6	Х	Χ	Χ	Χ						
33 1	Review and approve annual internal audit plan	6	Χ	Χ	Χ	Χ						
34	Receive independence report from financial auditors	5	Х	Χ	Χ	Χ		FA				
35	Select financial auditor	4	Х	Х	Χ	Χ		FA				
36 👱	Review and accept financial statement audit report	5 & 6	Х	Χ	Χ	Х		FA				
37 <b>Andit</b>	Receive independence report from 401(k) Savings Plan auditors	5	Х	Х	Χ	Χ				FA		
	Select 401(k) Savings Plan auditor	4	Х	Χ	Χ	Х				FA		
38 External	Review and accept 401(k) audit report	6	Х	Х	Χ	Χ				FA		
40	Receive independence report from SSAE 16 auditors	5	Х	Х	Χ	Χ						
41	Select SSAE 16 auditor	4	Х	Χ	Χ	Χ						

<sup>&</sup>quot;FA" designates items addressed in meetings of the Finance and Audit Committee

## 2016 Strategic Pillars

- 1. **Operational Reliability** Anticipate and communicate potential reliability issues through improved enterprise wide planning processes, probability scenario analyses and grid impact evaluations.
- 2. 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.
- 3. 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.
- 4. Committee Strategic Alignment Further evolve the stakeholder committee process to improve strategic alignment of processes and outcomes including the

<sup>&</sup>quot;BOD" designates items addressed in meetings of the Board of Directors.