



MEMORANDUM

To: Human Resources and Governance (HR&G) Committee
From: Keith Emery, HR&G Committee Vice Chairman
Date: December 2, 2019
Re: Item 4 - Annual Committee Self-Evaluation Survey Results

At the October 7, 2019 HR&G Committee meeting, Committee members were encouraged to complete and submit the Annual Committee Self-Evaluation Survey. We received six completed surveys from the Committee members.

Attached are the Annual Self-Evaluation Survey results for the Committee's consideration. A couple of comments included sensitive Human Resources information and have been reserved for Executive Session discussion.



Human Resources & Governance Committee Annual Self-Evaluation Survey Results (2019)		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. 	6			
2	Do committee members have varied backgrounds and bring diverse expertise?	6			
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.	6			
4	Differences of opinion on issues are resolved to the satisfaction of the committee.	6			
5	Committee members challenge the Chair as appropriate.	6			Comment #1: Karl is always open to, and attempts to draw out, differing points of view, to make sure that a complete and thoughtful resolution reached.
6	The committee charter is used as a document to guide the committee in its efforts, and to help guide the committee's agenda.	6			



Human Resources & Governance Committee Annual Self-Evaluation Survey Results (2019)		Yes	No	Not Sure	Comments
7	The committee is fully independent, accountable and vigorous in taking primary responsibility for all aspects of executive compensation.	5		1	<u>Comment #1:</u> I believe HR&G takes the appropriate role in reviewing and providing feedback to executive (CEO) compensation; however, the PUCT is responsible for approving the CEO compensation package, so HR&G's role is limited.
8	The committee reviews and approves a recommendation to the Board for compensation package and employment terms for the CEO as necessary and reviews CEO-recommended compensation for the CEO's direct reports annually.	6			<u>Comment #1:</u> The CEO's contract and compensation is one of the most important responsibilities of the Committee.
9	The committee annually reviews performance goals for the CEO.	6			
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 CEO direct reports, or other employees the CEO identified for the committee, against the Board-approved key performance indicators and any other approved goals and objectives.	6			



Human Resources & Governance Committee Annual Self-Evaluation Survey Results (2019)		Yes	No	Not Sure	Comments
11	The committee consults with the CEO and advises the Board with respect to senior management succession planning	6			Comment #1: This is a well thought out process, and should be encouraged to continue.
12	The committee advises the full Board as to risk issues it sees in the H.R. and Governance area.	6			
13	The committee investigates and is knowledgeable of competitive practices and trends to determine the adequacy of the organization's executive compensation programs.	6			
14	The committee reviews key terms and design of all employment agreements with ERCOT, including retention agreements.	5		1	Comment #1: <i>(Comment relates to sensitive Human Resources information. Discussion reserved for Executive Session.)</i> Comment #2: <i>(Comment relates to sensitive Human Resources information. Discussion reserved for Executive Session.)</i>
15	The committee considers Board directors and Board committee compensation matters as needed.	6			



Human Resources & Governance Committee Annual Self-Evaluation Survey Results (2019)		Yes	No	Not Sure	Comments
16	The committee considers necessary training to enhance the Board's performance, keeping apprised of the latest corporate governance trends and issues.	6			
17	The committee considers and recommends Board succession planning.	6			Comment #1: HR&G has discussed, however, this falls primarily to the Nominating Committee.
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.	6			
19	The Committee makes appropriate use of workgroups or task forces to investigate issues defined by the Committee.	6			
20	The committee engages outside experts as appropriate.	6			Comment #1: My experience is that this has been limited to ERCOT Legal and salary/compensation surveys ERCOT itself engages.
21	The committee is cognizant of the line between oversight and management, and endeavors to respect that line.	6			
22	The committee interacts and communicates with management effectively and appropriately.	6			
23	The committee is focused and understands its functions and responsibilities.	6			



Human Resources & Governance Committee Annual Self-Evaluation Survey Results (2019)		Yes	No	Not Sure	Comments
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.	6			
25	The committee communicates at an appropriate level of detail when informing the Board of its actions.	6			
26	Committee members receive clear and succinct agendas and supporting written material.	6			
27	Meeting materials are provided in a timely manner to allow for review by the committee members prior to scheduled meetings.	6			
28	Committee members have adequate opportunities to discuss issues and ask questions.	6			
29	The frequency of committee meetings is appropriate for the responsibilities assigned to the committee.	6			
30	Meeting facilities and presentation materials are effective for the conduct of committee activities.	6			
31	Please add additional comments, questions and suggestions.				Comment #1: The committee is efficiently and effectively run. Management



Human Resources & Governance Committee Annual Self-Evaluation Survey Results (2019)		Yes	No	Not Sure	Comments
					provides the necessary support and information for the committee to do its work.