



MEMORANDUM

To: Human Resources and Governance (HR&G) Committee
From: Peggy Heeg, HR&G Committee Chair
Date: November 21, 2024
Re: Review of ERCOT Governing Documents

Sections IV(B)(1)(a)(i) and (ii) of the HR&G Committee Charter require that the Committee regularly review the Company's governing documents, including annual review of the Certificate of Formation and Bylaws. Section 12.1 of the Board Policies and Procedures requires annual review and reaffirmation of the Board Policies and Procedures. The Committee most recently reviewed the Certificate of Formation and Bylaws last year, on December 18, 2023, and most recently reviewed and recommended reaffirmation the Board Policies and Procedures this year, on June 17, 2024.

Due to legal proceedings pending in the newly created Fifteenth Court of Appeals and the Public Utility Commission of Texas (PUCT) regarding the Bylaws amendment approved by the Board of Directors (Board) and the PUCT in December 2022, it is recommended that further changes to the Bylaws or Certificate of Formation be deferred until those proceedings conclude. Legal Staff is monitoring the appellate proceeding and will continue to update the Committee and Board on next steps.

The Board on June 18, 2024, updated the Board Policies and Procedures to further reflect current practices, regulations, and ERCOT business needs. The Committee anticipates the next annual review and reaffirmation of the Board Policies and Procedures during the Committee and Board meetings currently scheduled for April 7-8, 2025.

For the Committee's reference, the current Certificate of Formation, Bylaws, and Board Policies and Procedures are available on the ERCOT website at <https://www.ercot.com/about/governance>.