

Texas Electric Utility System Restoration Corporation Ethics Agreement for Directors

The Texas Electric Utility System Restoration Corporation (“the Corporation”) is a Texas non-profit organization that has the powers, rights, and privileges provided for a corporation organized under Chapter 22 of the Texas Business Organizations Code, subject to the express authorizations, exceptions, and limitations provided by Chapter 36, Subchapter J, Texas Utilities Code (codified at Tex. Util. Code §§ 36.451 et seq.) (“Subchapter J”).

The management of the Corporation is vested in a Board of Directors (“the Board”). Subject to oversight by the Public Utility Commission of Texas (“the Commission”), it is the duty of the Board to initiate any specific action required, in its judgment, to fulfill the purposes of the Corporation within the limitations of the Certificate of Formation, applicable laws, and the *Bylaws of Texas Electric Utility System Restoration Corporation* (“Bylaws”), as they may be amended from time to time.

Conflicts of Interest

This Ethics Agreement is established pursuant to Bylaws § 2.14 to describe Director obligations regarding conflicts of interest and other matters. In the discharge of their duties, the Directors will comply with prohibitions applicable to state officers set forth in Texas Government Code § 572.051(a), as well as the Corporation’s conflicts of interest requirements established in the Bylaws and this Ethics Agreement.

Each Director of the Corporation shall have an affirmative duty to disclose to the Board and the Commission any actual or potential conflicts of interest as required by the Bylaws and this Ethics Agreement. A conflict of interest arises when a Director’s direct or indirect personal interests, including the financial interests of the Director’s employer, are likely to hinder the impartial execution of the Director’s responsibilities and obligations to the Corporation.

Vendor Conflicts

In this Ethics Agreement, a “vendor” is any entity that the Corporation engages to carry out services or any entity that provides a product to the Corporation for compensation. Consistent with the Bylaws, each Director must disclose in writing to the Corporation and the Commission any actual or potential conflict of interest based on the following relationships with vendors or potential vendors:

- **Personal Relationship** – the Director or any spouse, parent, child, or sibling (including step and adoptive relatives) of the Director is employed by a vendor or potential vendor or any such person serves as a director or officer of a vendor or potential vendor;

- Ownership Relationship – the Director or any relative of the Director described in the Personal Relationship clause above owns an equity interest in a vendor or potential vendor; provided, however, that no conflict or disclosure requirement attaches by virtue of ownership of an equity interest included in a diversified mutual fund or diversified unit investment trust in which the investor does not select individual securities in the fund or trust;
- Employer Relationship – the employer of the Director has a corporate affiliate relationship to or financial interest in a vendor or potential vendor.

Upon a Director's disclosure of an actual or potential conflict of interest relating to a relationship, that Director must not participate in deliberations or decisions to enter into an agreement with a potential vendor of the Corporation. If the Director's disclosure includes an Employer Relationship, the Corporation must not enter into an agreement with a potential vendor unless all remaining Directors approve the action and document the rationale for contracting with that vendor in spite of the actual or potential conflict. If a Director identifies an actual or potential conflict with an existing vendor, that Director may not alter the scope of work or direct the work of the vendor.

Director Conduct and Vendor Engagement

Directors must act in the best interests of the Corporation, recognizing that as an instrumentality of the state, the ultimate purpose of the Corporation is to advance the public interest. Directors must act fairly and transparently in the disposition of their duties. Directors must ensure that the Corporation engages in arm's length transactions with its vendors and potential vendors. When reasonably feasible, the Corporation should utilize a competitive solicitation process to obtain products and services from vendors to obtain the best value for those who are ultimately responsible for vendor compensation.

Prohibited Acts

As long as the Corporation exists, Directors must not engage in any prohibited acts identified in the Bylaws or in this Ethics Agreement. A Director who violates these prohibitions may be subject to removal in addition to any other penalties that may apply under law.

The following constitute prohibited acts:

- Receipt of a personal benefit—for the Director or a family member of the Director—from the operation of the Corporation.
- Acceptance (or permission for a family member to accept) of any gift from a vendor of the Corporation.

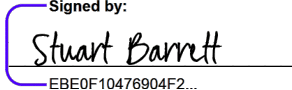
- Seeking the retention of any professional on behalf of the Corporation if the Director or the Director's employer stands to benefit from that retention (for example, a Director may not advocate for the Corporation to engage an affiliate of the Director's employer to provide professional services to the Corporation).
- Activity in violation of the Public Utility Regulatory Act (codified at Tex. Util. Code §§ 11.001-66.016) or any rule of the Commission.
- Conviction for a crime that involves an element of deceit or misrepresentation.

This section does not constitute a limitation on the Commission's authority to remove a Director.

Ethics Agreement

This Ethics Agreement is not intended to alter in any way the duties, obligations, and rights of the Directors as set forth in the Certificate of Formation, the Bylaws, Subchapter J, and other applicable law, as they may be amended from time to time. To the extent, if any, that this Ethics Agreement is inconsistent with the Certificate of Formation, the Bylaws, Subchapter J, or other applicable law, the Certificate of Formation, the Bylaws, Subchapter J, and applicable law shall control.

By my signature, I, Stuart Barrett, acknowledge that I have read and understand this Ethics Agreement and agree to be bound by its terms.

Director Signature:  Signed by:
Stuart Barrett
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Date: 8/5/2025