

EFH PRINCIPLES, POLICIES AND PROCEDURES

<i>Title:</i>	Short-Term Disability Payment Policy
<i>Business Unit:</i>	4Change, Luminant Energy, Luminant Power, Corporate, TXUE
<i>Responsible Officer:</i>	EVP Human Resources
<i>Contact:</i>	HR Help 1-844-469-9539, HRHelp@energyfutureholdings.com
<i>Effective Date:</i>	January 1, 2011
<i>Last Reviewed:</i>	July 15, 2015

The most current version of this document is typically maintained online in GRC. This document printed on paper or sent as a file may not be the latest version.

Scope

This policy applies to employees of Energy Future Holdings Corp. and its subsidiaries except Oncor Electric Delivery and its subsidiaries ("EFH" or the "Company").

Policy Purpose

The Short-Term Disability ("STD") plan pays you a portion of your earnings if you cannot work because of a non-job-related disabling Medical Condition.

Policy Statement

The EFH STD Payment Policy is administered by MetLife and EFH. The EFH STD Payment Policy is a payroll practice only, and it is not an employee benefit plan covered by the Employee Retirement Income Security Act ("ERISA").

ELIGIBILITY

To be eligible for STD payments you must:

- be an active, full-time "regular"¹ employee working at least 30 hours per week;
- have a qualifying Disability;
- file your STD claim according to the procedures set forth in this policy;
- notify your manager/supervisor of your anticipated STD leave and communicate with him/her as required (no less than monthly) regarding your anticipated return to work date; and
- have completed six (6) months of active, continuous service with the Company.

The following individuals are not eligible for STD payments:

- Part-time employees (for purposes of this policy, those regularly scheduled to work less than 30 hours per week);
- Temporary or seasonal employees (including summer interns);
- Leased employees; and

- Independent contractors.

If you are eligible for and take leave under the FMLA, any STD leave that you take will run concurrently with your FMLA leave. Please see the EFH FMLA policy for more details. Approval of FMLA leave does not affect eligibility for STD payments under this policy, and vice versa.

¹As characterized on the company's payroll records.

QUALIFYING DISABILITIES

Your Physician must confirm that you have a qualifying Disability, as defined in this Policy. Your Physician must also provide an estimated length of leave, and the claim of Disability must be approved by MetLife.

For purposes of this policy, non-job-related Medical Conditions that can result in a qualifying Disability do not include:

- Substance abuse
- Intentional, self-inflicted injuries and attempted suicide;
- Injuries resulting from active participation in a riot;
- Any condition resulting from the commission of, or the attempt to commit, a crime;
- Elective and/or cosmetic surgery, unless such surgery is in connection with a Medical Condition sustained while the individual is a covered employee;
- A gender change, including, but not limited to, any operation, drug therapy or any other procedure related to a gender change;
- Injuries sustained during war, declared or undeclared, or any act of war; and/or
- Any time off or leave resulting from injury on the job (i.e. Workers Compensation).

PAYMENTS

If your Disability is approved, STD benefits become payable on the 8th calendar day after the onset of your non- job-related Medical condition. If you are eligible for Paid Time-Off ("PTO") under the EFH Paid Time-Off Policy, you may use any accrued PTO for any normally scheduled workdays during the Elimination Period. If you do not have enough accrued PTO to cover all normally scheduled workdays during the Elimination Period (not to exceed 40 hours), the remainder of this period will be unpaid. If you are employed by a business unit that does not participate in the PTO program, Human Resources and management will determine whether any portion of the Elimination Period will be paid; in unpaid situations, employees will also have the option to use vacation time during the Elimination Period.

STD payments are based on your Base Pay Rate and your length of employment with the Company. STD Payments are paid at full or half of the employee's Base Pay Rate as shown in the following Schedule of Benefits.

Schedule of Benefits

Length of Service	Up to-Weeks at Full Base Pay Rate	Up to – Weeks at ½ Base Pay Rate
6 Months- 1 Year	3	10
1-5 Years	13	13
More than 5 Years	26	N/A

*If your hire date was before 1/1/2011, you will receive up to 26 weeks at your full Base Pay Rate.

As the Schedule of Benefits shows, the number of weeks of full pay increases with length of service. These increases become effective on the day you complete the required length of service if you are Actively at Work or satisfying the Elimination Period.

Your elected employee benefit premiums will continue to be automatically deducted from any STD payments that you receive, just as they would from your regular payroll. In the event that your STD payments end and you continue on unpaid leave, or your STD payments are not sufficient to cover your portion of the premiums, you will be directly responsible for your portion of the premiums and are responsible for paying the premiums on time and in full. Failure to pay your portion of the premiums in a timely manner will result in loss of coverage.

PTO benefit accruals are suspended during your leave and will resume upon return to Active Work. If you return to work on a part-time basis during a period of Disability, you will receive regular pay based on hours worked, unless otherwise provided by applicable law. STD payments will be reduced by the amount of wages you receive.

If you work in a state that administers a state disability insurance program, and you are eligible to participate in the program, you must apply for the state administered program. EFH will supplement any payments you receive from a state disability insurance program, up to the amount required to meet the total benefit amount you qualify for as stated in the Schedule of Benefits.

RECURRENT DISABILITY

If the Disability for which STD payments are available ends but then recurs due to the same or a related Medical Condition less than 60 days after the end of the prior leave period, it will be considered a recurrence of the same Disability and a resumption of the prior leave period. The sum total of the periods of leave for the same Disability may not exceed the maximum benefit for which you qualify as set forth in the Schedule of Benefits above and will never exceed 26 weeks. Such recurrent Disability will be subject to the provisions of the policy that were in effect at the time the prior Disability began.

NEW AND DISTINCT DISABILITY

A Disability that recurs 60 or more days after the end of a prior leave period (whether or not it is for the same Medical Condition) will be considered a new and distinct Disability and shall be subject to:1) a new

Elimination Period, 2) a new Maximum Period Payable, and 3) the other provisions of this policy that are in effect on the date the Disability recurs.

To be covered, the Disability must recur while your coverage is in force under this policy.

If a new and distinct Medical Condition occurs while you are already receiving STD benefits, the Medical Condition will be treated as part of the same Disability for purposes of benefit coverage. However, once you have returned to work for 1 full day, any new and distinct Medical Condition that occurs after returning to work will be treated as a new Disability subject to a new Elimination Period and Maximum Period Payable.

OFFSET OF BENEFITS

STD benefits may be reduced by any recovery of disability income from a third-party payor or by your receipt of Social Security benefits or income from a state disability plan.

COMPLETION OF LEAVE

Upon completion of approved STD leave, if you are released by your attending Physician to return to work, you may be placed in the same position that you held prior to your leave, or one similar to it, if such a position is available. EFH may require you to work under a "light duty" program or another modified rehabilitative program that accommodates a restricted or modified job assignment, as deemed appropriate by EFH and your attending Physician. There is no guarantee of job restoration, unless required by state or Federal law.

However, if at any time your attending Physician releases you to return to work and you do not return to work, or you do not comply with the STD payment policy, your employment may be terminated, unless otherwise required by applicable law.

Should your Disability extend beyond 26 weeks, your employment with EFH will be terminated, unless otherwise required by applicable law. However, you may still qualify for Long-Term Disability benefits. MetLife will contact you to coordinate the Long-Term Disability application and approval process. Please see the EFH Long-Term Disability plan for more details.

PROCEDURE

You must ordinarily provide thirty (30) days advance notice to your supervisor when your leave is foreseeable. If the need for your leave is not foreseeable and must begin in less than thirty (30) days, notice must be given as soon as practicable after the need for the leave is determined. This ordinarily would mean at least verbal notification within one to two business days after the need for leave becomes known.

If your Disability is likely to continue beyond the Elimination Period, complete the following steps:

1. File your request for STD leave via MyWorkDay and also contact MetLife to initiate the STD payment process. Phone MetLife Total Absence Management at 1-800-330-4941, option 2 to report a new claim, leave, or absence. MetLife's hours of operation for telephone intake are Monday through Friday, 8 AM through 11 PM EST. You may also submit your request on the Web via MetLife's MyBenefits portal at www.metlife.com/mybenefits. Employee Web intake is available Monday through Friday, 6:30 AM through 10 PM EST, Saturdays from 6:30 AM through 8 PM EST and Sundays from 9 AM through 8 PM EST. To receive benefits under this policy, you will be required to consent to MetLife sharing medical information with the Company to assist in the administration of your claim.
2. If your absence is scheduled, such as a hospital stay, you may submit your request up to two weeks prior to your last day of work.
3. You may need to sign a Medical Release form, normally supplied by your Physician, to release your medical files to MetLife. If those files are not sent to MetLife, your request for STD payments may be denied.

When you submit your request, MetLife may ask you to confirm or provide any/all of the following:

- Name and Social Security number
- Your complete address and phone number
- Your EFH Department and last day of active full-time work
- Your Manager's name and phone number
- Nature of your Disability and whether it is job-related
- Your attending Physician's name, address and phone number

MetLife may request specific information from you, your manager or your attending Physician by correspondence or personal contact. You must submit your information as soon as possible but no later than fifteen (15) days from the date of the request or else your request may be denied. MetLife will review your request and then approve or deny STD payments. Notification of the approval or denial of any claim will be sent to you and the EFH Human Resources Department.

If your request is denied, you will be notified in writing and given the opportunity to appeal MetLife's decision. (See appeal information below.) STD payments will not be paid until EFH has received notice of MetLife's approval of your STD claim. EFH, not MetLife, is liable for the STD benefits to be paid to you for your approved STD claim.

After STD payments begin, MetLife may require additional information to periodically verify continued Disability and Appropriate Care and Treatment. Your Medical Condition and Physician's prognosis will generally determine how frequently MetLife needs this information. To continue to receive STD payments, you must follow the treatment plan provided by your Physician and provide any additional information requested from you. Subject to applicable law, EFH may, acting either independently or

through MetLife, have a Physician examine you, at EFH's expense, as often as reasonably necessary to verify the existence of your Disability.

Please notify the EFH Human Resources Department and your direct supervisor if you plan to recuperate away from your home at any time during your absence.

Governance \ Implementation

Please note you may appeal a decision under this policy by sending a written request for appeal to MetLife Disability, PO Box 14592, Lexington, KY, 40511-4592 within 60 days after you receive the denial letter. Please include in your appeal letter the reason(s) you believe the claim was improperly denied, and submit the previously requested information as well as any additional comments, documents, records or other information relating to your claim that you deem appropriate to give your appeal proper consideration. Upon request, MetLife will provide you with a copy of the documents, records, or other information that are relevant to your claim.

MetLife will evaluate all the information and advise you of the determination of your appeal within 45 days after receiving your written request for appeal. If there are special circumstances requiring additional time to complete the review, MetLife may take up to an additional 45 days but only after notifying you of the special circumstances in writing.

Violations of the Short Term Disability policy may result in non-payment of STD benefits and/or disciplinary action up to and including termination.

RELATED INFORMATION

Family and Medical Leave policy; Long-Term Disability plan

Definitions \ Key Terms

The following definitions apply to the EFH STD Payment Policy:

Appropriate Care & Treatment	Medical care that is: <ul style="list-style-type: none">○ given by a Physician whose medical training and clinical specialty are appropriate for treating your Disability;○ consistent in type, frequency and duration of treatment with relevant guidelines of national medical research, health care coverage, organizations and governmental agencies;○ consistent with a Physician's diagnosis of your Disability; and○ Intended to maximize your medical and functional improvement.
Actively at Work; Active Work	To be considered Actively at Work, you must be:

	<ul style="list-style-type: none"> ○ working at EFH’s usual place of business or on assignment for the purpose of furthering EFH’s business; and ○ performing the substantial and material duties of your own job on a full-time basis; or ○ On an approved absence, such as scheduled paid vacation/paid time off and holidays.
Base Pay Rate	The monthly wage or salary you were receiving from the Company as of your last day of Active Work before your Disability began, excluding any commissions, draws, overtime earnings, incentive pay, awards, bonuses, employer contributions to any deferred compensation arrangement or pension plans, the sale, grant, award, conversion and/or exercise of stock shares or options, or any other compensation.
Disability	<p>Because of a non-job related Medical Condition, you:</p> <ul style="list-style-type: none"> ○ are receiving Appropriate Care and Treatment and are complying with the requirements of such treatment; ○ are unable to earn more than 80% of your pre-Disability earnings at your own job from any employer in your local economy; and ○ are unable to perform the essential duties of your own job. <p>Your own job means the essential functions you regularly perform for the Company.</p> <p>For purposes of determining whether a Disability is the direct result of an injury, the Disability must have occurred within 90 days of the injury and resulted from such injury independent of other causes.</p> <p>If your occupation requires a license, the fact that you lose your license for any reason will not, in itself, constitute a Disability.</p>
Elimination Period	The 7-calendar day (40 hour equivalent) delay at the beginning of a period of Disability for which no STD benefits are payable.
Employee Retirement Income Security Act (“ERISA”)	A Federal law that sets minimum standards for retirement and health benefit plans in private industry.
Family and Medical Leave Act (“FMLA”)	<p>A Federal law that provides certain employees with up to 12 weeks of unpaid, job-protected leave in a 12-month period:</p> <p>(1) for the birth of a child or the placement of a child with the employee for adoption or foster care;</p>

	<p>(2) due to the employee’s serious health condition;</p> <p>(3) to care for a covered family member with a serious health condition; and/or,</p> <p>(4) to tend to matters relating to qualifying exigency arising out of a covered service-member’s military deployment.</p> <p>The FMLA also provides up to 26 weeks of unpaid, job-protected leave in a 12-month period to care for a qualified service-member suffering injury or illness incurred in the line of duty. Please see the EFH FMLA policy for more details.</p>
Long-Term Disability	Pays you a portion of your earnings if you cannot work because of a non-job-related disabling Medical Condition that continues beyond 26 weeks. Please see the EFH Long-Term Disability plan for more details.
Maximum Period Payable	The length of time for which you are eligible to receive continuous STD payments for the same Disability as defined in the Schedule of Benefits.
Medical Condition	An injury, illness, disease or other type of loss that causes a Disability and begins while your STD coverage is effective.
Physician	A person legally licensed to practice medicine who is neither you nor related to you. At a minimum, and within EFH’s sole discretion, to qualify as a Physician as defined herein, the provider must provide treatment within the scope of his or her license.