

## **POLITICAL ENGAGEMENT POLICY**

Because local, state, and federal elected officials and regulators have a significant impact on our business and industry, CenterPoint Energy believes participation in the public policy process is essential to achieving our vision to lead the nation in delivering energy, service, and value. CenterPoint Energy and its employees participate in the public policy process in many ways, including outreach to government officials to educate them on key public policy issues related to the Company's business, employee participation in a CenterPoint Energy Political Action Committee (PAC), and membership in trade associations that help to advance the Company's business interests. These efforts all focus on issues that affect the Company, its operations and employees, local communities, and, importantly, our customers.

**Political Contributions.** CenterPoint Energy is fully committed to complying with all applicable campaign finance laws. Where permitted by law, CenterPoint Energy may contribute directly to political party committees, political committees and other political organizations exempt from federal income taxes under the Internal Revenue Code. Although permissible by law, CenterPoint Energy generally does not use its treasury funds to make contributions or independent expenditures in support or opposition to candidates for elected office. Additionally, from time to time, CenterPoint Energy may make a direct contribution in support or opposition to a ballot measure.

**Employee Involvement.** CenterPoint Energy sponsors two PACs – CenterPoint Energy, Inc. PAC (federal) and CenterPoint Energy, Inc. Texas PAC – and the CenterPoint Energy Minnesota Conduit Fund. Both PACs and the Minnesota Conduit Fund are nonpartisan and funded by voluntary contributions from eligible employees of the Company. The federal PAC and Texas PAC are managed by a 13-member political council, composed entirely of Company employees. The council is responsible for the oversight of the activities of the two PACs, including their respective contributions. In accordance with Minnesota law, employees who contribute to the Minnesota Conduit Fund direct their contributions to candidates of their choice. All contributions by the Company and its PACs are disclosed to federal, state and/or local campaign finance agencies as required.

**Lobbying Activity.** In today's political climate, public officials routinely make decisions that affect CenterPoint Energy's financial well-being and the conduct of our day-to-day business operations. Oneway CenterPoint Energy communicates its positions on key issues to officials and members of their staff is through lobbying. Internal Company employed lobbyists actively engage with public officials on issues that impact the Company's business and the Company also retains external contract lobbyists to advocate on its behalf as needed. CenterPoint Energy complies with all local, state, and federal requirements concerning lobbying activities and related disclosures.

**Trade Associations.** CenterPoint Energy is a member of numerous trade associations that provide business, technical and industry benefits to the Company. These trade associations may engage in political activities, make political contributions, or otherwise lobby with respect to issues that are important to the Company. However, trade associations take a wide variety of positions on many political matters, not all which CenterPoint Energy supports.

**Governance.** CenterPoint Energy's code of conduct requires all employees to adhere to its policies and procedures concerning political and lobbying activities and contributions, as well as to all applicable federal, state, and local laws. The Company also maintains Political Activity Policy and Procedures containing an explanation of lobbying activities by jurisdiction and guidance for employees for federal, state, and local efforts. CenterPoint Energy has put in place decision-making and oversight processes for political and lobbying activities and contributions to ensure that such activities and contributions are legally permissible, supportive of, and consistent with CenterPoint Energy's business strategy, goals, and priorities. Political efforts on key issues, lobbying activities, lobbying expenditures, and trade association dues are overseen and evaluated by senior management. All such expenses and dues are also included in the Company's annual budget, which is reviewed and approved by the Board of Directors of the Company.