

POLITICAL ENGAGEMENT

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 which help to advance the Company's business interests. The focus of these efforts is on issues that affect the Company, its operations and employees, and local communities.

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. CenterPoint Energy's annual political contributions may be viewed here:

[2016 Political Activities Report](#)

Employee Involvement. CenterPoint Energy sponsors two PACs, the CenterPoint Energy Inc. PAC (Federal) and the CenterPoint Energy, Inc. Texas PAC, as well as sponsors the CenterPoint Energy Minnesota Conduit Fund. Both PACs and the Minnesota Conduit Fund are non-partisan and funded by voluntary contributions from eligible employees of the Company. The federal PAC and Texas PAC are managed by a 15-member Political Council, composed entirely of Company employees, which 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. One of the ways in which CenterPoint Energy communicates its positions on key issues to officials and members of their staff is through lobbying. Company employees actively engage with public officials on issues that impact the Company's business and the Company also retains lobbyists to advocate on its behalf as needed. CenterPoint Energy complies with all local, state and federal requirements concerning lobbying activities and related disclosures. CenterPoint Energy's federal lobbying disclosures may be viewed here:

http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm or
<http://lobbyingdisclosure.house.gov/index.html>

Note: CenterPoint Energy has not been required to file federal lobbying reports since the first quarter of 2014.

Trade Associations. CenterPoint Energy is a member of a number of trade associations that provide business, technical and industry benefits to the Company. These trade associations may engage in political activities or 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 of which CenterPoint Energy supports. The trade associations to which CenterPoint Energy spends \$50,000 or more in dues or payments on an annual basis may be viewed here:

[2016 Political Activities Report](#)

Oversight. CenterPoint Energy 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. 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 and supportive of, and consistent with, CenterPoint Energy's business strategy, goals and priorities. All Company political contributions require the approval of the Company's General Counsel. Key issues, lobbying activities, lobbying expenses and trade association dues are overseen and evaluated by senior management. These 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.