



## CENTERPOINT ENERGY, INC.

### Compensation Committee

#### Charter

**Purpose:** The primary purpose of the Compensation Committee of the Board of Directors is to discharge the Board's responsibilities relating to compensation of the Company's executives, or assist the Board in discharging those responsibilities. The Committee shall oversee and administer the Company's incentive compensation programs; evaluate Chief Executive Officer performance; and review management succession planning and development. The Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the "SEC") to be included or incorporated by reference in the Company's annual report on Form 10-K. The Committee shall also review and discuss with management the Compensation Discussion and Analysis ("CD&A") and recommend to the Board inclusion of the CD&A in the Company's proxy statement and, through incorporation, Form 10-K in accordance with applicable SEC rules.

The Committee shall have and may exercise all the powers of the Board, except as may be precluded by legal requirements, with respect to all matters encompassed by this Charter.

**Membership:** The Committee shall consist of at least three members. Members of the Committee shall be appointed by the Board and may be replaced by the Board. The Board shall appoint as members only directors it has determined meet the independence requirements mandated by the listing standards of the New York Stock Exchange ("NYSE") and the applicable independence requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). It is also expected that members of the Committee will be "outside" directors for purposes of Section 162(m) of the Internal Revenue Code and "non-employee" directors for purposes of Rule 16b-3 under the Exchange Act.

**Meetings and Structure:** The Committee shall meet at such times as deemed appropriate by the Chairperson of the Committee, any two members of the Committee, the Chairman of the Board or the Chief Executive Officer. The Committee shall meet at least annually with the Chief Executive Officer and any other officers the Committee deems appropriate to discuss and review

compensation levels of key executives. The Committee shall provide on a regular basis opportunities for separate private sessions without any Company officers or employees present.

The Board shall appoint one member of the Committee as Chairperson. He or she shall be responsible for preparing the agenda, presiding over the meetings and coordination of reporting to the Board. In the absence of the Chairperson, a majority of the members present at a meeting shall designate a member to preside.

**Authority and Responsibilities:** In addition to the responsibilities set forth above, the Committee shall from time to time as required and otherwise when the Committee considers it appropriate:

- Review with management and approve the compensation philosophy and guidelines for senior executive officers of the Company. For the purposes of this Charter, “senior executive officers” are defined as officers of the Company (i) subject to the requirements of Section 16 of the Exchange Act or (ii) who directly report to the Chief Executive Officer.
- Review and approve corporate goals and objectives relevant to compensation of the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives. During an executive session of the Board, the Chairperson of the Committee will report to the non-employee directors on the evaluation of the Chief Executive Officer's performance. Review periodically the status of actual CEO performance compared to established goals.
- Determine and approve the compensation of the Chief Executive Officer based on the Committee's performance evaluation of the Chief Executive Officer. In determining compensation, the Committee may consider a number of factors, including, but not limited to, the Company's performance and relative shareholder return and the compensation of chief executive officers at comparable companies.
- Administer the Company's incentive compensation and executive benefits plans for which it is named as plan administrator, including review and approval of

participants, goals, measurements and determination of awards as provided in the plans.

- Following review of the performance of senior executive officers (other than the Chief Executive Officer) with the Chief Executive Officer, review, evaluate and approve the compensation of such officers.
- Make recommendations to the Board concerning the establishment of and changes to short-term and long-term incentive compensation plans, other equity-based plans and any special benefits for senior executive officers.
- Consider the results of the most recent shareholder advisory vote on the compensation of the Company's named executive officers ("say-on-pay") in connection with the Committee's determinations and recommendations regarding the Company's executive compensation policies and practices; and make recommendations to the Board concerning the frequency of future say-on-pay votes.
- At least annually, review tally sheets including all components of total compensation and benefits, including perquisites and other fringe benefits, of senior executive officers.
- At least annually, review management's recommendations concerning the performance and qualifications of continuing members of the Company's Benefits Committee and the appointment of new members, and report thereon to the Board.
- Periodically review the investment performance of the Company's benefit plans' trusts and management's recommendations regarding contributions to the trusts, and make recommendations to the Board regarding contributions to the trusts.
- Obtain an annual report from the Benefits Committee or its delegate regarding the Company's investment policy statements and benefit plan asset allocations in compliance therewith.

- The Committee shall not be deemed the fiduciary of any Company benefit plan nor shall it be responsible for managing the administrative functions of a benefit plan or directing the investment of benefit plan assets.
- Make recommendations to the Board concerning employment agreements or other special agreements with senior executive officers.
- Periodically review and discuss the Company's management succession planning and development program.
- Review management's recommendations concerning appointments, reassignments and promotion of senior executive officers and make recommendations to the Board for their approval.
- Periodically review and monitor the Company's diversity and inclusion practices.
- Undertake other assignments related to compensation and management development as assigned to the Committee by the Board.
- Monitor enterprise risks assigned to the Committee by the Board under the Company's Enterprise Risk Management program and report thereon to the Board.
- At least annually, review and assess the Committee's own performance and the adequacy of this Charter. Report the results of the reviews to the Board and, if considered appropriate, make recommendations to the Board to amend the Charter.
- Make regular reports to the Board.
- The Committee shall have the sole authority to retain, obtain the advice of and terminate any compensation consultant, independent legal counsel or other advisor (collectively, "Compensation Advisors"), including sole authority to approve the fees and other retention terms and to oversee the work of such Compensation Advisors, to assist the Committee in the discharge of its duties and

responsibilities under this Charter. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for the payment of compensation to the Compensation Advisors. Prior to selecting any Compensation Advisors, the Committee shall take into consideration any factors regarding independence required by the NYSE Listed Company Manual, as amended from time to time, and the applicable rules of the SEC. The Committee may retain or obtain advice from any Compensation Advisor preferred by the Committee, including any that are not independent, after considering such specified factors. The Committee shall delineate the services to be performed for the Committee or the Company by such Compensation Advisor. On an annual basis, the Committee shall review and assess the independence and performance of any Compensation Advisor retained for the prior year and make a determination of whether such Compensation Advisor, or another Compensation Advisor, will be retained to provide services to the Committee. In addition, the Committee shall evaluate whether any Compensation Advisor retained or to be retained by it has any conflict of interest in accordance with applicable SEC rules. The Committee shall have the assistance of the Company's human resources, legal and accounting staff and, to the extent it deems necessary or appropriate, may obtain assistance and advice from other persons (who need not be employees of the Company) or organizations, with the expenses of their engagement to be paid by the Company. The Committee may receive and consider the recommendations of management on any matter before it.

- The Committee may form and delegate authority to subcommittees consisting of one or more members of the Committee when appropriate.

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