

CORPORATE GOVERNANCE

Serving shareholders well is a key priority for your Board. We believe that the most effective oversight comes from:

- Strong and effective practices in corporate governance and ethical business conduct, as these practices create the business culture that drives successful performance.
- Directors who bring a diverse range of experiences and perspectives to provide the collective skills, qualifications and attributes needed to provide sound governance.
- An engaged Board that works well as a whole and plans for its own refreshment, with members bringing their experience to the table and dialoguing freely with each other and management to create an environment of well-functioning oversight.

Xcel Energy has the practices, the Board, and the management team to deliver consistent and strong results for shareholders.

We regularly monitor issues and trends in corporate governance and employ practices that best serve our shareholders. Current practices include:

- **Leadership and organization most appropriate to our business.** Ours is a rapidly changing business that benefits from industry experience and expertise coupled with strong independent oversight. Through the roles of the Chairman and CEO, Lead Independent Director and committees of independent directors, we are best positioned to continue delivering strong results. We annually review this structure to ensure it remains the best suited for our business.
- **Sound practices to ensure effective Board operations and independent oversight.** To ensure the Board remains focused on the right issues over time, Xcel Energy employs sound practices to regularly assess enterprise risks and industry trends and then refreshes charters and practices as appropriate.
- **Effective Board planning and succession.** Succession planning is important for both management and the Board. We employ good practices to ensure regular and planned Board refreshment while maintaining valuable and reasonable continuity to ensure effective oversight over the long term.
- **Strong governance practices.** Serving shareholders well is a top priority for Xcel Energy. We keep abreast of developments in corporate governance practices and adopt those that best serve our shareholders.
- **Regular oversight of key corporate policies.** Our governance practices set the foundation for excellent management and operations for the Company. Corporate policies communicate expectations to employees so they understand and adhere to good business conduct.

Highlights of our practices are summarized in the following table, followed by additional explanation of key features.

Summary of Governance Practices

Structure

Lead Independent Director	Specified duties ensure robust independent oversight and effective flow of information between management and independent directors. Governance structure is reviewed annually.
Committees	Membership and chairs are reviewed annually and are set to both leverage directors' expertise and provide development opportunities to promote effective oversight over the long term.
Independence and Expertise	The GCN Committee regularly reviews and validates director independence and assesses desired expertise for potential new directors to ensure the Board is well positioned to effectively manage risks and execute strategies. The Board also regularly determines which directors qualify as Audit Committee financial experts and meet independence standards under the requirements of Nasdaq and the SEC.