



their accounts at some point in the Class Period, but liquidated their account prior to the end of the Class Period, the balance in their account at the time of their last quarterly statement prior to distribution (or the last available statement that shows a balance) will be the balance used for purposes of calculating an award under this Plan of Allocation.

C. Each Settlement Class Member's allocable portion of the Net Settlement Amount will be calculated as follows:

1. Calculate the sum of each Settlement Class Member's account balances for each year of the Class Period based on the data referenced in Section II(B) of this Plan of Allocation. This amount shall be that Settlement Class Member's "Balance."
2. Sum the Balance for all Settlement Class Members.
3. Allocate each Settlement Class Member a share of the Net Settlement Amount in proportion to the sum of that Settlement Class Member's Balance as compared to the sum of the Balance for all Settlement Class Members, *i.e.*, where the numerator is the Settlement Class Member's Balance and the denominator is the sum of all Settlement Class Members' Balances.

D. The amounts resulting from this initial calculation shall be known as the Preliminary Entitlement Amount. Settlement Class Members with a Preliminary Entitlement Amount of \$5.00 or less (the "De Minimis Amount") shall not receive a distribution from the Distributable Settlement Amount. The Settlement Administrator shall recalculate the entitlement amount excluding those participants described in the preceding sentence. The resulting calculation shall be the "Final Entitlement Amount" for each Settlement Class Member entitled to a distribution. The sum of the Final Entitlement Amount for each remaining Settlement Class Member must equal the dollar amount of the Net Settlement Amount.

E. **Settlement Class Members With Accounts In The CenterPoint Energy Savings Plan.** For a Settlement Class Member whose account in the CenterPoint Energy Savings Plan (the

“Plan”) has a positive balance as of the calculation of the Final Entitlement Amount, the Final Entitlement Amount will be allocated into his or her account in the Plan according to the investment elections then on file with the Recordkeeper (unless that account has been closed in the intervening period between the calculation of the Final Entitlement Amount and the payment of the Final Entitlement Amount, in which case that Settlement Class Member will receive his or her allocation in accordance with Section II.F, below).

As promptly as reasonably possible after deposit of the Net Settlement Amount into the Escrow Account, the Settlement Administrator shall forward to the current recordkeeper for the Plan the information and/or data and funds needed for allocating into the account of each Settlement Class Member with an active account in the Plan, the Settlement Class Member’s Final Entitlement Amount. The deposited amount shall be invested by the Recordkeeper for the Plan pursuant to the Settlement Class Member’s investment elections then on file for new contributions. If the Class Member has no elections on file, the deposited amount shall be invested in the default investment option(s) designated by the Plan, and if the Plan has not designated any default investment option(s), in a target date fund commensurate with the Settlement Class Member’s retirement age or similar fund under the Plan.

F. **Settlement Class Members Without Accounts In The Plan.** Settlement Class Members without accounts in the Plan, and with a Final Entitlement Amount over \$5.00, shall be paid by check from the Settlement Administrator to the address then on file with the Recordkeeper. All such payments are intended by the Settlement Class to be “restorative payments” in accordance with Internal Revenue Service Revenue Ruling 2002-45. Checks issued to Settlement Class Members pursuant to this paragraph shall be valid for 90 days from the date of issue.

G. The Settlement Administrator shall utilize the calculations required to be performed herein for making the required distributions of the Final Entitlement Amount, less any required tax withholdings or penalties, to each Settlement Class Member. In the event that the Settlement Administrator determines that the Plan of Allocation would otherwise require payments exceeding the Net Settlement Amount, the Settlement Administrator is authorized to make such changes as are necessary to the Plan of Allocation to allow for distribution to all qualified Settlement Class Members, including increasing or decreasing the De Minimis Amount. The Settlement Administrator shall be solely responsible for performing any calculations required by this Plan of Allocation.

H. If the Settlement Administrator concludes that it is impracticable to implement any provision of the Plan of Allocation, it shall be authorized to make such changes to the methodology as are necessary to implement as closely as possible the terms of the Settlement Agreement, so long as the total amount of distributions does not exceed the Net Settlement Amount.

I. No sooner than fourteen (14) calendar days following the expiration of all undeposited checks issued pursuant to this Plan of Allocation, any amount remaining in the Escrow Account shall be paid to the Plan for the purpose of defraying administrative fees and expenses of the Plan that would otherwise be charged to the participants of the Plan.

J. Neither the Released Parties, Defense Counsel, nor Class Counsel shall have any responsibility for or liability whatsoever with respect to any tax advice given to Settlement Class Members.

### **III. QUALIFICATIONS AND CONTINUING JURISDICTION**

The Court will retain jurisdiction over the Plan of Allocation to the extent necessary to ensure it is fully and fairly implemented.