

**XCEL ENERGY INC.**  
**GUIDELINES ON CORPORATE GOVERNANCE**  
(Amended and restated effective January 2, 2018)

Xcel Energy Inc. was created to be a premier provider of energy services in an increasingly competitive marketplace. To achieve this goal, all parts of Xcel Energy and its subsidiaries and affiliates including the Xcel Energy Board of Directors should endeavor to make decisions and create business processes that promote the best interests of Xcel Energy's shareholders, customers, employees and communities. To this end, the Board of Directors of Xcel Energy has established the following guidelines to assist it in governing Xcel Energy and its subsidiaries and affiliates.

**EXPECTATIONS FOR THE BOARD AND ITS DIRECTORS**

- A. Board Membership Criteria.** The Governance, Compensation and Nominating Committee ("Committee") is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment of the perceived needs of the Board and the qualification of Directors should consider factors such as demonstrated leadership; judgment; skill; diversity; integrity; experience with business, operations relevant to the energy industry and working for or with organizations of comparable size. The Committee should also consider the interplay of each Director nominee's experience with the experience of other Board members and the extent to which a Director nominee would be a desirable addition to the Board and any committees of the Board.

Factors the Board may consider regarding diversity include, but are not limited to, ethnicity, gender, age, disability, veteran status, sexual orientation, race, national origin, color, religion, creed, geographic representation, education and personality. The Committee will recommend candidates for election to the Board in accordance with the policies and principles in its charter and the criteria described herein. The Board itself will be responsible for recommending members and potential members for election by the shareholders. The Board delegates the required screening process to the Committee with the direct input from the Chief Executive Officer.

The majority membership of the Board shall be Independent Directors as defined by The Nasdaq Stock Market ("Nasdaq").

- B. Director Orientation and Continuing Education.** Each new Director is expected to participate in a detailed orientation process. Each sitting Director is expected to participate in a periodic continuing education process. Such orientation or continuing education shall be established and reviewed periodically by the Committee and shall, at a minimum, cover the Xcel Energy business, organizational, technical, financial, legal, regulatory and competitive challenges and opportunities as well as the Xcel Energy's material financial commitments, risks and credit arrangements. The orientation or continuing education will include background materials, meetings with Xcel Energy company management and visits to Xcel Energy facilities.
- C. Director Expectations.** Each member of the Xcel Energy Board of Directors is expected to:

1. Own Xcel Energy common stock or stock equivalents in the amount of seven (7) times his or her then-current retainer. New members shall have up to five years from the date of their election to the Board to satisfy this requirement;
2. Prepare for, attend and participate in all Board meetings and meetings of Board committees on which he or she serves and devote the time necessary to appropriately discharge his or her responsibilities. Each Board member is expected to ensure that other commitments do not materially interfere with the member's service as a Director;
3. A member serving on a total of three or more public company boards, including Xcel Energy, will seek approval from the Committee prior to joining another board. In addition, in order to avoid a conflict of interest, members will seek approval from the Chairman of the Board and the Committee before accepting a Directorship with another company that he or she did not hold when most recently elected to the Board;
4. Submit a letter of resignation for the Board's consideration upon retirement, a change in employer or a change in professional responsibilities. The Board may accept or reject such resignation in its discretion after consultation with the Committee and consideration as to whether the noted change in an individual's professional responsibility directly or indirectly impacts that person's ability to fulfill his or her obligations as a Director of Xcel Energy;
5. Retire from the Board the day of the annual meeting of shareholders after attaining the age of seventy-two (72);
6. Except for inside Directors, retire from the Board the day of the annual meeting of shareholders after serving fifteen (15) years on the Board (applies only to persons first elected to the Board after August 18, 2000 - the effective date of the merger creating Xcel Energy Inc.); and
7. In an uncontested election, if a nominee for Director who is an incumbent Director is not elected as described in Xcel Energy's Articles of Incorporation, the incumbent Director shall, promptly after certification of the election results, offer to tender his or her resignation to the Board. The Committee shall make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board shall act on whether to accept the Director's offer, taking into account the recommendation of the Committee, and publicly disclose (by press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision and the rationale behind it within 90 days after the date of the certification of the election results. The Committee, in making its recommendation, and the Board, in making its decision, may each consider any factors or other recommendations that it considers relevant and appropriate. The incumbent Director who offers to tender his or her resignation shall not participate in the Board's decision. If such incumbent Director's offer to tender his or her resignation is not accepted by the Board, such Director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier death, resignation, retirement, disqualification or removal. Following the acceptance of an incumbent Director's resignation, or when a position on the Board is not filled because a

non-incumbent nominee for that position is not elected, the Board, in its sole discretion, may fill any resulting vacancy or may decrease the size of the Board in each case pursuant to the provisions of Xcel Energy's Articles of Incorporation and Bylaws.

- D. **Compensation Policy and Annual Compensation Review.** It is the policy of the Board to provide Independent Directors with a mix of compensation for their service on the Board, including but not limited to an annual cash retainer, committee chair or membership fees, Lead Independent Director fees and stock equivalent units. Proposed changes in Board compensation shall initially be reviewed by the Committee, but any changes in the compensation of Directors shall require the approval of the Board. The Committee shall periodically review the status of Board compensation in relation to other comparable companies and other factors the Committee deems appropriate.
- E. **Board Performance Evaluation.** The Lead Independent Director will manage the evaluation of Board performance. The Directors will annually assess the performance of and processes used by the Board. The members of each respective Committee will conduct an assessment, annually, of the performance of the Committees.
- F. **Chief Executive Officer Performance Evaluation.** The Independent Directors serving on the Committee are responsible for evaluating the performance of the Chief Executive Officer. This evaluation should be conducted annually, and at the discretion of the Committee may include input from the non-Committee member Independent Directors serving on the Board. The Chairman of the Committee should communicate it to the Chief Executive Officer. The evaluation is to be used by the Committee in determining the compensation of the Chief Executive Officer. The evaluation should be based on objective criteria to include the performance of the business, accomplishment of reported goals and long-term strategic objectives and the development of management.
- G. **Board Size.** The Board determines the number of Directors as permitted in Xcel Energy's Articles of Incorporation and Bylaws and will periodically review the size of the Board based on recommendations of the Committee.
- H. **Meetings.** The Board intends to meet a minimum of six times per year. In addition, the Board will meet in an annual strategic board retreat at which major strategic issues facing Xcel Energy will be discussed by the Directors and senior management. Each Director is free to suggest agenda items. All Board and Committee meetings may be conducted with one or more Directors participating by telephone.
- I. **Access to Management and Independent Advisors.** Directors shall have full access to officers and employees of Xcel Energy and, as necessary and appropriate, the Xcel Energy's independent advisors, including legal counsel and independent accountants. Any meetings or contacts that a Director wishes to initiate may be arranged through the Chief Executive Officer or the Corporate Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of Xcel Energy and will, to the extent appropriate, provide the Chief Executive Officer with a copy of any written communication between a Director and an officer or employee of, or adviser to, Xcel Energy.
- J. **Board Independence.** The Xcel Energy Board believes that maintaining its independence from management by adhering to the following policies is important:

- Independent Directors. A majority of the Directors on the Xcel Energy Board will be non-employees who qualify as “independent” under the listing standards of Nasdaq, reading such listing standards of Nasdaq as if they contained a four-year “cooling-off period” instead of the three-year period currently contained therein (“Independent Directors”), and no more than two insider Directors will be on the Xcel Energy Board at any time. For a Director to qualify as an Independent Director, the Board of Directors must affirmatively determine, taking into account all of the relevant facts and circumstances, that such Director has no material relationship with Xcel Energy, either directly or indirectly. The Board will review annually the relationship that each Director has with Xcel Energy. The basis for the Board’s determination that a relationship is not material shall be disclosed in accordance with applicable rules and regulations. Independent Directors shall not be employees of any Xcel Energy business unit or legal entity. No Director may be an employee or representative of a significant supplier of any Xcel Energy business unit or legal entity unless Xcel Energy entered into its relationship with the supplier as a result of competitive purchasing practices.
- Committee Membership. The Audit; Governance, Compensation and Nominating; Finance; and Operations, Nuclear, Environmental and Safety Committees shall be composed entirely of Independent Directors. The Governance, Compensation and Nominating Committee shall recommend to the Board for appointment the Directors to chair the Board committees. Chairs will be appointed on an annual basis and rotated periodically.

**K. Lead Independent Director.** The Board of Directors considers it to be useful and appropriate to designate an Independent Director to serve in a lead capacity to coordinate the activities of the other Independent Directors and to perform such other duties and responsibilities as the Board of Directors may determine. Although annually elected, the Lead Independent Director is generally expected to serve for more than one year, but no more than four years. The Lead Independent Director coordinates the activities of the other Non-Management Directors, and performs such other duties and responsibilities as the Board of Directors may determine. To that end, the Committee will be responsible for recommending a Lead Independent Director to the Board for election based on its assessment of the specific needs of the role of Lead Independent Director and the relevant circumstances at the time of recommendation. The Independent Directors will elect the Lead Independent Director for a one-year term, unless the role is vacated at another date prior to the expiration of the one-year term.

1. Board Meetings. The Lead Independent Director will preside at all meetings of the Board at which the Chairman is not present or in the event the Board has not elected a Chairman, including executive sessions of the Independent Directors.
2. Communication. The Lead Independent Director will serve as liaison between the Chairman and the Independent Directors. The Lead Independent Director will maintain regular communications with other Independent Directors and focus Director communication on critical issues. The Lead Independent Director will provide information on Director concerns and issues to the Chairman.
3. Agenda and Materials. The Lead Independent Director will approve the agenda for the Board and, with the Chairman, approve all materials provided to the members.

4. Meeting Schedules. The Lead Independent Director will approve meeting schedules to ensure sufficient time is provided for discussion of agenda items.
5. Meetings. The Lead Independent Director is authorized to call meetings of the Independent Directors.
6. Consultation with Shareholders. Management has primary responsibility for communicating with shareholders. The Lead Independent Director will be available for consultation and direct communication with major shareholders, if requested.
7. Executive Board Sessions. The Independent Directors will meet in Executive Session on a regularly scheduled basis, typically before or after scheduled meetings of the Board and at least twice a year. The Lead Independent Director will chair executive sessions. The name of the Lead Independent Director will be published in Xcel Energy's annual proxy statement.
8. Chief Executive Officer Succession Planning. The Lead Independent Director in consultation with the Committee will develop and maintain a process for Chief Executive Officer succession planning.

**L. Board Committees.**

1. Standing Committees. Consistent with Nasdaq listing requirements, the Board will have at all times an Audit Committee and a Governance, Compensation and Nominating Committee. All of the members of those committees will be "independent" under the criteria established by Nasdaq and under applicable law.

All Committees shall receive authority exclusively through delegation from the Board through the Bylaws, Board resolutions, committee charters or as provided by these guidelines. In addition to the authority granted hereunder or under each committee's charter, the Board and each committee have the power to hire independent legal, financial or other advisors, as they may deem necessary without consulting or obtaining the approval of senior management.

2. Appointment and Term of Service of Committee Members. The Committee members will be appointed by the Board with consideration of the desires of individual Directors. Consideration will be given to rotating committee members periodically, but the Board does not believe that rotation should be mandated as a policy. Committee chairs shall be appointed by the Board.
3. Committee Charters. Consistent with Nasdaq listing requirements, each standing committee will have a written charter approved by the Board. The charters will set forth the purposes and responsibilities of the committees as well as qualifications for committee membership, procedures for appointment and removal, structure and operations and reporting to the Board. The charters will also provide that each committee will annually evaluate its performance. Consistent with Nasdaq listing requirements, the charters will be included on Xcel Energy's website, and copies of the charters will be made available upon request to Xcel Energy's Corporate Secretary.

4. Committee Meetings and Committee Agenda. Each committee chair, in consultation with the committee members and appropriate officers of Xcel Energy, will determine the frequency of committee meetings consistent with the committee's charter, provided that a majority of committee members may call a meeting of the committee on which they are members at any time. Each committee chair, in consultation with the other members of the committee and senior management, will develop the committee's agenda.

**M. Management Succession.**

1. Chief Executive Officer Selection. The Board shall select a Chief Executive Officer in a manner that is in the best interests of Xcel Energy.
2. Succession Planning and Management Development. The Committee will, at least annually, make a report to the Board on succession planning. Xcel Energy's succession plan will include appropriate contingencies in case the Chief Executive Officer retires or is incapacitated. The Board, in consultation with the Committee, will evaluate potential successors to the Chief Executive Officer. The Lead Independent Director in consultation with the Committee will manage the process for Chief Executive Officer succession. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

Signed:

/s/ Richard K. Davis  
Chair of the Governance,  
Compensation and Nominating Committee

Date: 12/12/2017

/s/ Ben Fowke  
Chairman of the Board

Date: 12/12/2017