

**ETHICS & COMPLIANCE PROGRAM
REVIEW:
A LOOK AT FOUR CORPORATE
COMPLIANCE PROGRAMS**



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Panelists

- Amy T. Lilly
Director Ethics & Compliance, CenterPoint Energy, Inc.
- Jackie L. Phillips
VP, Corporate Ethics & Compliance Officer, Spectra Energy Corp
- Stella Raymaker
Director, Ethics & EEO Compliance, Waste Management
- Vanessa R. Wisnoski
Sr. Governance & Compliance Analyst, Marathon Oil Corporation

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Discussion Topics

- Company Overviews
- General Program Structure
 - Reporting structure, Size of Compliance Department
- Areas of Responsibilities
 - Compliance Areas, Investigations
- Metrics
 - Data/Information provided to Board

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COMPANY OVERVIEWS



Who is CenterPoint Energy?



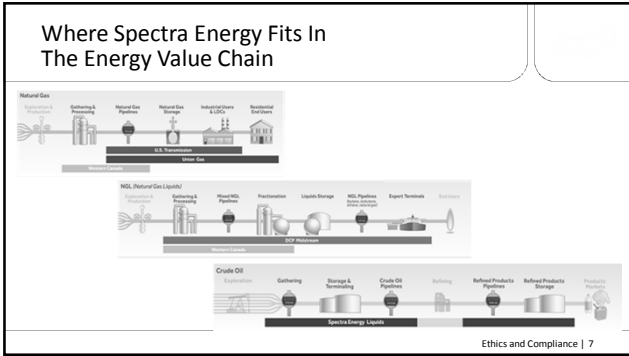
- CenterPoint Energy, Inc., is headquartered in Houston, Texas.
- Our electric transmission and delivery business delivers electricity in a 5,000 square-mile area that includes Houston, the nation's fourth largest city.
- Our natural gas distribution business operates in six states: Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma and Texas.
- CenterPoint Energy Services (CES), our competitive natural gas sales and service business, serves approximately 25 ,000 customers across 26 states.

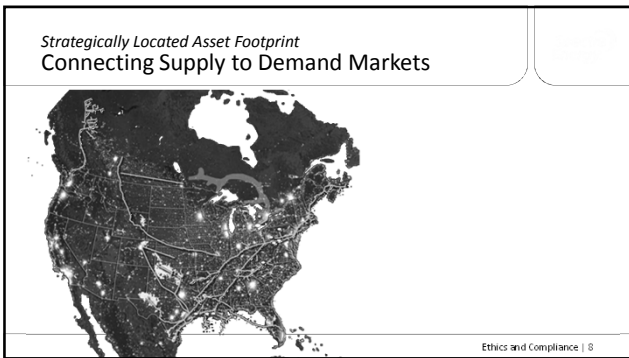


Who is Spectra Energy?

Spectra Energy is a premier North American pipeline and midstream company

- Headquartered in Houston, TX
- More than 8,500 employees and contingent workers
- Operations in the US and Canada
 - 21,000 miles of natural gas, natural gas liquids and crude oil pipelines
 - ~300 Bcf of natural gas storage, natural gas gathering and processing
 - Local distribution company serving 1.5+ million customers in Ontario, Canada
- Currently executing an aggressive growth strategy:
 - Secure \$35 billion in new growth projects by the end of the decade





Who is Waste Management

Leading provider of integrated environmental solutions

- Serves more than 21 million customers in the U.S. and Canada
- Strategic solutions toward green goals and zero waste
- Largest network of recycling facilities, transfer stations and landfills in the industry
- North America's largest residential recycler
 - Managed more than 15 million tons of recyclable material in 2015
 - 2020 goal of managing 20 million tons of recyclable material
- Renewable energy provider
 - Recovery of landfill gas to generate electricity
 - By the end of 2014, we operated over 134 beneficial-use landfill gas projects with enough energy production to power nearly 500,000 homes

Waste Management
THINK GREEN.

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Who is Marathon Oil?

Marathon Oil's goal is to be recognized as the premier North America independent exploration and production company.

- Headquartered in Houston, Texas
- Approximately 2,600 employees
- Global Operations



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Roadmap to be Recognized as Premier Independent E&P

Marathon Oil's Seven Strategic Imperatives (SI⁷)



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GENERAL PROGRAM STRUCTURE

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CenterPoint Energy
Always There!®

LIVES OF VALUES

Ethics & Compliance Vision & Strategy

- **Vision: Engage as strategic partners with the business to promote compliance, minimize legal risk and foster a values driven culture.**



- > **OPERATE** - Maintain a Compliant Culture
- > **SERVE** - Increase Compliance Accountability and Oversight
- > **GROW** - Integrate objectives and processes for better corporate alignment without increasing costs

CenterPoint Energy
Always There!®

LIVES OF VALUES

Ethics and Compliance Program Staffing and Structure

Staffing:

- Department established in 2005
- CECO Reports to Legal Counsel
- Staff of 3

Structure:

- Combines decentralized compliance responsibilities with centralized oversight
 - Records & Information Management
 - Data Privacy
 - Operational Compliance
 - PUC, FERC, TRE*

* TRE - Texas Reliability Entity

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LIVES OF VALUES

Reporting Structure

- Full Board of Directors - Annual Presentation
- BOD Audit Committee - Quarterly Reporting
 - CECO Compensation and performance rating
- CECO meets quarterly with Top Business Leaders
- Ethics & Compliance Council - Quarterly Reporting
- ERM & Audit - Monthly Collaboration
- HR & Security - Bi-monthly Collaboration

Waste Management Compliance Strategy

- Business competitive advantage
- Operations focused
- Internal culture driven



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Waste Management Compliance Structure

Virtual infrastructure of Compliance Functions

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Ethics | <input type="checkbox"/> Procurement |
| <input type="checkbox"/> Safety | <input type="checkbox"/> IT Security |
| <input type="checkbox"/> Environment | <input type="checkbox"/> Corporate Security |
| <input type="checkbox"/> HR | <input type="checkbox"/> Internal Audit |

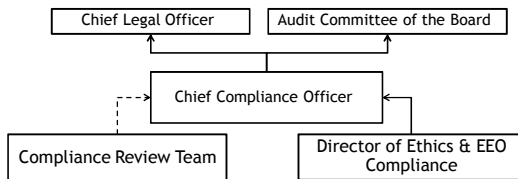
Each independently function departments virtually report into Chief Compliance Officer



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Reporting Structure



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BUSINESS INTEGRITY OFFICE MISSION STATEMENT

ALIGN MARATHON OIL'S ETHICAL VALUES AND GOVERNMENT REQUIREMENTS WITH OPERATIONAL GOALS BY IMPLEMENTING AND SUSTAINING AN EFFICIENT ETHICS & COMPLIANCE PROGRAM TAILORED TO MARATHON OIL'S NEEDS, RISKS AND CHALLENGES

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Program Staffing and Structure

STAFFING

- 1.5 FULL-TIME EQUIVALENT

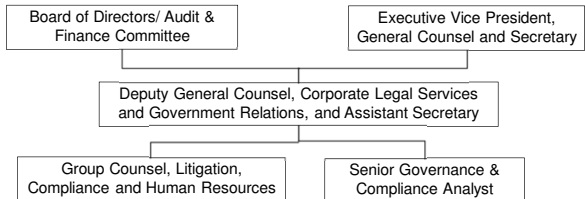
STRUCTURE

- PROGRAM OVERSIGHT CENTRALIZED OVERSIGHT WITH BUSINESS INTEGRITY OFFICE
- PARTNER WITH OTHER DEPARTMENTS

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Reporting Structure



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AREAS of RESPONSIBILITY

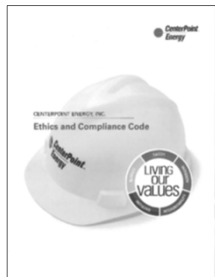
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Advanced Awareness



- Annual E&C Code of Conduct – 100% completion
- Employee Choice – View 6 videos or take annual E&C Code training
- Ethics In Action Video Contest
- Annual Roundtable Discussions
- Annual COI Questionnaire
- New Hire Orientation
- New Leadership training
- CEO Leadership Meetings
- Living Our Values Monthly Newsletter
- Conversations with Carol Quarterly Newsletter





Ethics In Action Video Contest



- Executive “Teaser” Video to encourage employee participation
 - 66% of employees are over 40 years
 - 33% have 25+ years of service
 - 35% belong to a union
 - 87% of CNP employees are below supervisor level

Ethics & Compliance
Our Responsibilities

Foundational components of what we believe must be accomplished in order to be effective



<p>PRIMARY:</p> <ul style="list-style-type: none"> • Comply with all laws and regulations • Prevent and detect potential issues or misconduct • Create a culture of ethics and respect 	<p>SECONDARY:</p> <ul style="list-style-type: none"> • Reinforce tone at the top • Enhance understanding of employees' compliance responsibilities • Continuously improve ethics and compliance program to expand engagement
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Ethics and Compliance | 28

Advanced Training Program

We use multiple training formats to drive engagement and compliance understanding

- **Augmented reality:** "LUCI" is our virtual instructor
- **Online training:** Taken by the majority of employees
- **Live training:** Offered at our largest employee centers
- **Video-based training:** Uses animation to more effectively convey our messages, available anytime to all employees
- **Knowledge Demonstration Questions:** Test out option
- **Slide show:** Connecting the dots on compliance



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Ethics & Compliance Responsibilities

Comply with laws and regulations


- Ensure proper management of all compliance programs
- Collective assessment of compliance programs' effectiveness
- Identify and prioritize potential risks
- Recommend and monitor actions to address identified risks

Culture

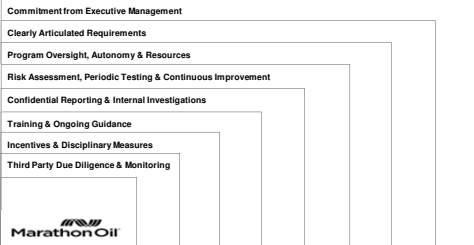
- Communications
- Harness the support of Leadership



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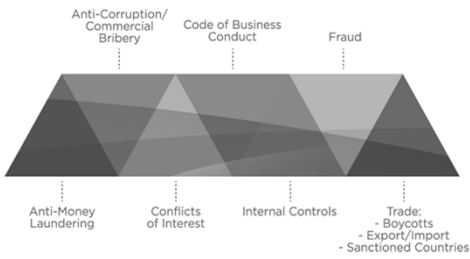
Components of Compliance Program



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Marathon Oil

Compliance Areas



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Marathon Oil

DATA and METRICS

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Data and Metrics



- Ethics and Compliance Headlines
 - Ethics and Compliance Notable cases
 - Operational Compliance Issues
 - Helpline Metrics with Benchmarking Information
 - Training, COI Survey, Roundtable Discussions
 - E&C Initiatives
 - Ethics in Action Video Contest, Outside speakers
 - Risk and Audit Assessments

Ethics & Compliance Our Responsibilities

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PRIMARY:

- Comply with all laws and regulations
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SECONDARY:

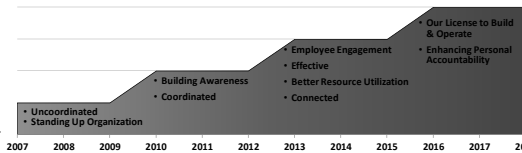
- Reinforce tone at the top
- Enhance understanding of employees' compliance responsibilities
- Continuously improve ethics and compliance program to expand engagement

Our Compliance Training Journey


Increasing Our Organizational Impact/Effectiveness

HIGH PERFORMANCE

COMPLIANT



Program Effectiveness Measurements

- Training
 - ✓ Completion rates
 - Helpline
 - ✓ Allegations
 - ✓ Outcome
 - ✓ Call volume
 - Disclosures
 - ✓ Investigations
 - Benchmark
- 
- Training
 - Communications
 - Process



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Measuring Program Effectiveness

- Training Completion Rates
 - 100% completion
- Helpline Investigations
 - Reduce number of days open
- Communications
 - Reduce number of days open
- Benchmark
 - Against peers and other data available



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2014 Calendar of Events

Questions?



Ask us about GHER
