

**CONFLICT OF INTEREST POLICY
OF
GREEN MOUNTAIN ENERGY SUN CLUB**

ARTICLE I. PURPOSE

The purpose of the conflict of interest policy is to protect the interests of Green Mountain Energy Sun Club (“GME Sun Club”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, or member of a committee of the GME Sun Club or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II. DEFINITIONS

A. Affiliated Person. Any director, officer, or member of a committee with board of directors delegated powers is an affiliated person.

B. Interested Person. Any affiliated person who has a direct or indirect financial interest, as defined below, is an interested person.

C. Financial Interest. A person has a financial interest if the person has (directly or indirectly, through business, investment, or family):

1. an ownership or investment interest in any entity with which the GME Sun Club has a transaction or arrangement;
2. a compensation arrangement with the GME Sun Club;
3. a compensation arrangement with any entity or individual with which the GME Sun Club has a transaction or arrangement; or
4. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the GME Sun Club is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under ARTICLE III, Section B below, a person who has a financial interest may have a conflict of interest only if the board of directors or an appropriate committee decides that a conflict of interest exists.

ARTICLE III. PROCEDURES

A. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the

opportunity to disclose all material facts to the directors and members of committees with powers delegated by the board of directors considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the meeting of the board of directors or committee while the determination of a conflict of interest is discussed and voted upon. The remaining board of directors or committee members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest.

1. An interested person may make a presentation at the board of directors or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chairperson of the board of directors or the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the board of directors or committee shall determine whether the GME Sun Club can obtain with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board of directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the GME Sun Club's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy.

1. If the board of directors or committee has reasonable cause to believe an affiliated person has failed to disclose actual or possible conflicts of interest, it shall inform the affiliated person of the basis for such belief and afford the affiliated person an opportunity to explain the alleged failure to disclose.
2. If, after hearing the affiliated person's response and after making further investigation as warranted by the circumstances, the board of directors or committee determines the affiliated person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV. RECORDS OF PROCEEDINGS

The minutes of the board of directors and all committees with powers delegated by the board of directors shall contain:

A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board of director’s or committee’s decision as to whether a conflict of interest in fact existed.

B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V. COMPENSATION

A. A voting director who receives compensation, directly or indirectly, from the GME Sun Club for services is precluded from voting on matters pertaining to that director’s compensation.

B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the GME Sun Club for services is precluded from voting on matters pertaining to that member’s compensation.

C. No voting member of the board of directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the GME Sun Club, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI. ANNUAL STATEMENTS

Each affiliated person shall annually sign a statement which affirms such person:

- A. has received a copy of the conflicts of interest policy,
- B. has read and understands the policy,
- C. has agreed to comply with the policy, and
- D. understands the GME Sun Club is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII. PERIODIC REVIEWS

To ensure the GME Sun Club operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the GME Sun Club's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in ARTICLE VII, the GME Sun Club may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of directors of its responsibility for ensuring periodic reviews are conducted.