

Vermont Energy Investment Corporation

CONFLICT OF INTEREST POLICY FOR DIRECTORS, OFFICERS, AND PRINCIPALS

Adopted by the Board: July 19, 2018

Last revised: June 5, 2024

1. Purpose of the Policy:

Vermont Energy Investment Corporation's ("VEIC") leadership, consisting of a Board of Directors ("Board"), officers, and senior executives, is comprised of individuals from industry, consumer, environmental and government backgrounds who are committed to pursuing VEIC's charitable mission and conducting business in a responsible, transparent and ethical manner. This Conflict of Interest Policy is designed to help directors, officers, committee members, senior executives, and other relevant members of the organization identify situations that may present an actual or potential conflict of interest and to provide guidance, that if observed, will allow a transaction to be treated as valid and binding even though a Member may have a Conflict of Interest with respect to an action taken by the Board. In addition, this Policy is intended to help VEIC avoid the potential for future Conflicts of Interest as it pursues its nonprofit mission. In the event there are any inconsistencies between the requirements and procedures described herein and those in federal or state law, the law shall control. No Member shall be automatically disqualified from holding office or participating on a committee due to a Conflict of Interest; however, all Members must comply with the requirements and procedures described herein. All capitalized terms are defined in Section 3 of this Policy.

2. Scope: This Policy applies to all individuals serving on VEIC's Board as a director or officer, committee members, and the members of VEIC's senior executive or leadership team, as defined from time to time in accordance with VEIC's business practices, which shall include at a minimum (but not be limited to) VEIC's Chief Executive Officer and Chief Financial Officer. This Policy shall also apply to any other individual for whom VEIC is obligated (contractually or otherwise) to track, monitor, and/or report on conflicts of interest, such as staff working on federally-funded research projects where VEIC is required to report on potential conflicts of interest. Each such individual listed in this section shall hereafter be referred to as "Member" or collectively referred to as "Members". For Members that are also VEIC employees, this Policy will apply in addition to the employee Conflict of Interest policy contained in VEIC's employee handbook, as it may change from time to time.

3. Conflicts of Interest:

The following circumstances shall be deemed to create a Conflict of Interest:

- a. Outside Interests.
 - i. An Agreement or Transaction between VEIC and a Member or Family Member.
 - ii. An Agreement or Transaction between VEIC and an entity in which a Member or Family Member has a Material Financial Interest or of which such person is a

- director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative,
- b. Outside Activities.
 - i. A Member competing with VEIC in the rendering of services or in any other Agreement or Transaction with a third party.
 - ii. A Member or Family Member having a Material Financial Interest in, or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of or consultant to, an entity or individual that competes with VEIC in the provision of services or in any other Agreement or Transaction with a third party.
 - iii. A Member or Family Member serving as an elected or appointed official or representative of any governmental or regulatory body in a matter to which VEIC is a named party, or in such Member's or Family Member's capacity as the elected or appointed official, taking any action related to a specific Agreement or Transaction.
 - c. Gifts, Gratuities and Entertainment. A Member accepting gifts, entertainment, or other favors from any individual or entity that:
 - i. does or is seeking to do business with VEIC;
 - ii. has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from VEIC; or
 - iii. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Member in the performance of his or her duties to VEIC.

This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of VEIC.

4. Definitions:

- a. An "Agreement or Transaction" is any agreement or relationship involving any of the following: the sale or purchase of goods, services, or rights of any kind; the providing or receipt of a loan, grant, incentive, or award; or the establishment of any other type of pecuniary relationship with VEIC. Neither the making of a gift or donation to VEIC or any of its programs, nor participation in any of VEIC's standard offerings (such as submitting a product rebate or receiving a standard incentive for an energy efficiency project) constitute an Agreement or Transaction within the meaning of this Policy.
- b. "Competes" means any business that provides, or attempts to provide, consulting, implementation services, technology, market research and analysis, policy development and regulatory support, program delivery structure, or program design, in one or more of the following areas: energy efficiency, building decarbonization, transportation electrification, or grid management.
- c. A "Conflict of Interest" is any circumstance described in Section 3 of this Policy or an interest of a Member that conflicts with the proper discharge of their official duties to VEIC, or otherwise reduces the likelihood that a Member's influence can be exercised

impartially in the best interests of VEIC, due to a significant personal or financial interest of the Member or a Family Member.

- d. A “Family Member” is a spouse, domestic partner, parent, child, or spouse of a child, sibling or spouse of a sibling, of a Member.
- e. A “Material Financial Interest” is (i) an ownership or beneficial interest of 35% or greater in an organization or partnership, or (ii) a financial interest of any kind, including any form of compensation, that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Member’s judgment with respect to transactions to which VEIC is a party.
- f. A “Member” is any individual identified in Section 2 (Scope) of this Policy.

5. Procedures.

- a. *Duty to Disclose*: Members must disclose actual or potential Conflicts of Interest as they arise and situations that are evolving that may result in a Conflict of Interest or a potential Conflict of Interest.
 - i. *Known Conflict of Interest*:
 - Before a Board, committee, or VEIC management action on a matter involving a Conflict of Interest (e.g. an Agreement or Transaction), a Member having a Conflict of Interest and who is in attendance at the meeting or participates in the action shall disclose all facts material to the Conflict of Interest to the attendees of the meeting or other participants in the action, as applicable. Such disclosure shall be confirmed in writing, such as in the minutes of a meeting or written summary to the other decision-makers, as applicable.
 - A Member who plans not to attend a meeting at which they have reason to believe that the other attendees of the meeting will act on a matter in which the Member has a Conflict of Interest shall disclose to the Board Chair, committee chair, or meeting organizer all facts material to the Conflict of Interest. The Board Chair, committee chair, or meeting organizer shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting or written summary following the meeting.
 - ii. *Potential Conflict of Interest*:
 - In the event it is not entirely clear whether a Conflict of Interest exists, the Member with the potential conflict shall disclose the potential Conflict of Interest and all material facts to the Board, committee, or meeting attendees. After disclosure of the potential Conflict of Interest, and after any discussion with the Board, committee, or meeting attendees, the Member with the potential conflict shall abstain from participating in the meeting or discussion while the determination of a conflict of interest is discussed and voted upon. The remaining attendees, with the assistance of legal counsel if the remaining members deem appropriate, shall decide if a Conflict of Interest exists.
 - Any Member may recuse themselves at any time from involvement in any decision or discussion in which the Member believes they may

have a Conflict of Interest, without going through the process for determining whether a Conflict of Interest in fact exists.

- b. Participation: A person who has a Conflict of Interest shall not participate in or be permitted to hear the attendees' discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert any personal influence with respect to the matter, either at or outside the meeting.
- c. Voting: A Member who has a Conflict of Interest shall not be counted in determining the presence of a quorum for purposes of any vote related to the matter that contains the Conflict of Interest. The Member having a Conflict of Interest may not vote on the matter or other action taken by the attendees and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot.
- d. Record Keeping:
 - i. The minutes of the Board and all Board committees shall contain the names of Members who disclosed or otherwise were found to have an actual or potential Conflict of Interest, the nature of the interest, any Board or committee determination as to whether a Conflict of Interest in fact existed, the ineligibility to vote and abstention of any Member who has a Conflict of Interest, and rationale for approval of any matter in which a Member has a Conflict of Interest.
 - ii. Any non-Board or committee meetings or decisions with Members who have a Conflict of Interest will be documented in writing following the meeting or decision, and will be kept by VEIC's General Counsel for documentation and reporting purposes.
 - iii. VEIC's General Counsel will provide an annual report to the Board reflecting all transactions in which there was a Conflict of Interest and the actions taken.
- e. Review of Policy; Regular Disclosures:
 - i. Each new Member shall be required to review a copy of this Policy and to acknowledge in writing that they have done so.
 - ii. On an annual basis, each Member shall be required to acknowledge in writing that they have received a copy of, acknowledge the contents of, and will comply with the requirements of, this Policy.
 - iii. To enable VEIC to ensure compliance with this Policy, both with respect to existing actual or potential Conflicts of Interest, and to allow VEIC to avoid future actual or potential Conflicts of Interest, each Member shall disclose to VEIC all relationships, positions, or circumstances in which the Member is involved that could result in a Conflict of Interest, including but not limited to, all organizations where a Member serves in any capacity as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of or consultant, or otherwise has a Material Financial Interest. In order to effectively gather and maintain this information, VEIC will request disclosures annually from all Members, in such format as may change from time to time, but in each case to ensure that VEIC is in possession of all the information it requires to ensure compliance with this Policy. Each Member should also disclose any changes to the information reported that may arise during the course of the year between the submission of annual disclosures. Any non-public or otherwise

sensitive information provided by Members regarding business interests of a Member or a Family Member shall, to the extent reasonable and practical, be treated as confidential and shall generally be made available only to the Board Chair, the CEO, and the Legal Department in order to oversee implementation of and ensure compliance with this Policy.

- iv. Notwithstanding the foregoing, the information disclosed by Members will be available or shared in the following ways and for the following purposes: a list of organizations and entities with which VEIC may have a potential Conflict of Interest will be maintained by the Legal Department and shared on an as-needed basis with employees of VEIC to ensure ongoing compliance with this Policy, such as appropriate disclosures when pursuing business opportunities or relationships with such entities; individual Member affiliations may be disclosed when VEIC is required to disclose such affiliations as part of its normal course of business or in pursuing additional business opportunities; and upon request, VEIC will routinely share the disclosures with its auditors or other advisors in order to document its policies and compliance efforts. If the specifics of a Member's disclosure(s) are required to be shared with a third party (such as disclosed on a proposal or grant application), the Member will receive advance notice of the disclosure and an opportunity to ensure it is accurate prior to such information being shared.
- v. This policy shall be reviewed annually by each Member. Any changes to this policy shall be approved by VEIC's Board.

- 6. **Confidentiality.** Each Member shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of VEIC. Furthermore, a Member shall not disclose or use information relating to the business of VEIC for the personal profit or advantage of the Member or any Family Member.