

LEADERSHIP FOR ENERGY AUTOMATED PROCESSING

CONFLICT OF INTEREST POLICY

ARTICLE 1

PURPOSE

The purpose of this conflict of interest policy is to protect the interests of Leadership for Energy Automated Processing (the "Corporation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, committee member, or employee of the Corporation 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 conflicts of interest applicable to nonprofit or tax-exempt organizations. Notwithstanding this policy, if there is any difference between this policy and Section 10.5 of the Bylaws, the provisions of Section 10.5 of the Bylaws shall prevail.

ARTICLE 2

DEFINITIONS

1. Interested Person

Any director, principal officer, or member of a committee with Board of Directors delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or

(b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

(c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article 3, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

3. Duty of Loyalty

Every interested person must act with loyalty to the Corporation, meaning that no interested person may use his or her position with the Corporation to make personal profit or gain other personal advantage. No interested person may personally take advantage of a business

opportunity that is offered to the Corporation unless the Board of Directors determines (after full disclosure and a disinterested and informed evaluation) not to pursue that opportunity.

ARTICLE 3

PROCEDURES

1. 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 Board of Directors delegated powers considering the proposed transaction or arrangement.

2. 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/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

(a) An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(b) The chair of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether it is fair and reasonable to the Corporation. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violation of the Conflicts of Interest Policy

(a) If the Board of Directors or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the interested person's response and after making such further investigation as may be warranted by the circumstances, the board or committee determines the interested person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE 4

RECORDS OF PROCEEDINGS

The minutes of the board and all committees with board delegated powers 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 decision of the Board of Directors or a committee 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 5

COMPENSATION

(a) A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation 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 Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE 6

ANNUAL STATEMENTS

Each interested 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 Corporation is exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, as amended, 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 7

PERIODIC REVIEWS

To ensure the Corporation operates in a manner consistent with tax-exempt purposes and that it 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, or other business arrangements are properly recorded, reflect reasonable payments for goods and services, further the Corporation's tax-exempt purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE 8

USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article 7, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

LEADERSHIP FOR ENERGY AUTOMATED PROCESSING

CONFLICT OF INTEREST DISCLOSURE STATEMENT FOR BOARD OF DIRECTORS, OFFICERS, AND COMMITTEE MEMBERS

REMINDER: If at any time there is a matter under consideration which may constitute a direct or indirect conflict of interest as defined in the Conflict of Interest Policy of the Leadership for Energy Automated Processing (the "Corporation"), it is your obligation to disclose the facts to the Board of Directors of the Corporation, the President of the Corporation, or any committee or task force with board-delegated powers considering the matter, to abstain from voting and to refrain from using your personal influence on the matter.

I affirm the following:

	YES	NO
1. I have received a copy of the conflict of interest policy,	_____	_____
2. I have read and understand the policy,	_____	_____
3. I agree to comply with the policy, and	_____	_____
4. I understand that the Corporation is exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.	_____	_____

I serve on the nonprofit and for profit boards listed below:

I am employed by: _____

I have the following interests that may possibly pose a conflict of interest:

I certify that the foregoing information is true and complete to the best of my knowledge.

Name (please type or print)

Date

Signature