

Related-party Transactions



Policy 3.11

Purpose

Under the Xcel Energy Code of Conduct, all Employees and Directors are expected to act in the best interests of Xcel Energy and avoid conflicts of interest.

This policy outlines the review process and approval criteria for Transactions that involve related parties.

Applicability

This policy applies to officers who are required to file reports under Section 16 of the Securities Exchange Act of 1934, as amended (“Executive Officers”) and members of the Xcel Energy Inc. board of directors (“Directors”).

Requirements and Responsibilities

Under the rules of the Securities and Exchange Commission (SEC), certain Transactions between Xcel Energy and Executive Officers or Directors are required to be disclosed in Xcel Energy’s filings with the SEC. Executive Officers and Directors are expected to comply with the terms of this policy for the review, approval or ratification of Related-party Transactions.

Transactions Subject to Policy

Any transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) (a “Transaction”) or any series of similar Transactions in which Xcel Energy is, or will be a participant, and in which a Related Party has a direct or indirect material interest (“Related-party Transaction”), is subject to this policy.

For a Transaction to be subject to this policy, there must be a financial aspect to the Transaction, which may, for example, involve payments or otherwise provide value between the Company and the Related Party or an entity in which the Related Party has an interest.

For the purposes of Related-party Transactions, Related Parties include:

- all Xcel Energy Directors and Executive Officers;
- any nominee for Company Director;
- any Immediate Family Member of a Director, nominee for Director or Executive Officer; and
- a shareholder owning more than five percent (5%) of any class of voting stock, or an Immediate Family Member of such shareholder.

Immediate family members include children, stepchildren, parents, stepparents, spouses, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and any other person (other than a tenant or employee) sharing the household of a Related Party (“Immediate Family Members”).

A Related Party would have an indirect interest in a Transaction if he or she serves as a general partner, manager, officer or employee of, or being a significant investor or equity holder in, an entity that is a party to a Transaction with the Company.

The following Transactions are exempt from this policy:

Policy Highlights

- The Xcel Energy Inc. Board of Directors’ Governance, Compensation and Nominating Committee must pre-approve any Related-party Transaction.

- payment of compensation by the Company to a Related Party for the Related Party's service to the Company as a Director, Executive Officer or employee;
- Transactions available to all employees or all shareholders of the Company on the same terms;
- the receipt of regulated electric or natural gas service from the Company, and transactions between or among the Company and its subsidiaries; and
- Transactions which, when aggregated with the amount of all other Transactions between the Company and the Related Party or any entity in which the Related Party has an interest, involve less than \$120,000 in a fiscal year.

Approval or Ratification of Related-party Transactions

The Xcel Energy Inc. Board of Directors' Governance, Compensation and Nominating Committee (the "Committee") must approve any Related-party Transaction subject to this policy before commencement of the Related-party Transaction.

However, if a Related-party Transaction is only first identified after it commences or first becomes a Related-party Transaction, it shall be brought to the Committee for ratification. The Related-party Transaction should be presented to the Committee by an Executive Officer of the Company requesting that the Committee consider the Related-party Transaction at its next meeting. The Executive Officer presenting the Transaction must advise the Committee of all material terms of the Transaction, including without limitation, the information needed to be disclosed about the Transaction in the Company's SEC filings.

The Committee has delegated authority to the Committee chairperson to, upon request of an Executive Officer of the Company, review and approve Related-party Transactions if they arise between Committee meetings. The chairperson may take any action with respect to such Related-party Transaction the Committee would be authorized to take, or, in his or her discretion, require the matter be brought before the full Committee.

Any action taken by the chairperson shall be reported to the Committee at its next regularly scheduled meeting. If a matter involves the chairperson and requires action between Committee meetings, a special meeting may be called.

Standards for Transaction Approval

The Committee will analyze the following factors, in addition to any other factors the Committee deems appropriate, in determining whether to approve a Related-party Transaction:

- whether the terms are fair to the Company;
- whether the Transaction is material to the Company;
- the role the Related Party has played in arranging the Related-party Transaction;
- the structure of the Related-party Transaction; and
- the interests of all Related Parties in the Related-party Transaction.

The Committee will approve a Related-party Transaction only if the Committee determines the Related-party Transaction is beneficial to the Company and the terms of the Related-party Transaction are fair to the Company.

Approval Process

The Committee may, in its sole discretion, approve or deny any Related-party Transaction. Approval of a Related-party Transaction may be conditioned upon the Company and the Related Party taking any or all of the following additional actions, or any other actions that the Committee deems appropriate:

- requiring the Related Party to resign from, or change position within, an entity that is involved in the Related-party Transaction with the Company;

- assuring that the Related Party will not be directly involved in negotiating the terms of the Related-party Transaction or in the ongoing relationship between the Company and the other persons or entities involved in the Related-party Transaction;
- limiting the duration or magnitude of the Related-party Transaction;
- requiring information about the Related-party Transaction be documented and reports reflecting the nature and amount of the Related-party Transaction be delivered to the Committee on a regular basis;
- requiring the Company have the right to terminate the Related-party Transaction by giving a specified period of advance notice; or
- appointing a Company representative to monitor various aspects of the Related-party Transaction.

For any transaction in which ratification is sought, the Committee may require amendment or termination of the transaction, or implementation of any of the above actions, if the Committee does not ratify the transaction.

Consequences of Non-Compliance

Any employee, regardless of position or title, who violates any provision of this policy, may be subject to discipline, up to and including termination of employment.

Reporting and Protection from Retaliation

We encourage individuals to speak up without fear of retaliation when they see or suspect policy violations. There are several [reporting options](#) available. Retaliation is prohibited and will not be tolerated at Xcel Energy. Please refer to Xcel Energy’s [Anti-Retaliation Policy \(9.23\)](#).

Definitions

Committee	The board of directors Governance, Compensation and Nominating Committee
Directors	Members of the Xcel Energy Inc. board of directors
Employee	All regular, full-time, part-time and temporary employees, including executive officers; includes benefit and non-benefit employees
Executive Officers	Xcel Energy Officers who are required to file reports under Section 16 of the Securities Exchange Act of 1934, as amended
Immediate Family Members	Children, stepchildren, parents, stepparents, spouses, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and any other person (other than a tenant or employee) sharing the household of a Related Party
Material Interest	An interest the committee, or the General Counsel on behalf of the committee determines to be material based on relevant facts, circumstances and other factors, including the relationship of the Related Party to the Transactions, and with each other, the importance of the interest to the person having the interest and the amount involved in the Transaction, as well as other facts or circumstances deemed relevant in making such determination.
Related Party	For the purposes of Related-party Transactions, a Related Party includes: <ul style="list-style-type: none"> • all Xcel Energy Directors and Executive Officers; • any nominee for Company Director; • any Immediate Family Member of a Director, nominee for Director or Executive Officer of Xcel Energy; and • a shareholder or immediate family member of such shareholder owning more than five percent of any class of the Company’s voting

	stock
Related-party Transaction	Any Transaction (including any indebtedness or guarantee of indebtedness) or any series of similar Transactions, in which Xcel Energy is or will be a participant and in which a Related Party has a direct or indirect material interest
Transaction	Any transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness)
Xcel Energy	Xcel Energy Inc. and its subsidiaries and affiliates. The use of “we,” “ours,” or “the Company” is synonymous with Xcel Energy

References

Read and follow the [Code of Conduct](#) and other [corporate policies](#).

History of Revisions

August 21, 2019
 August 23, 2017
 August 24, 2016
 December 9, 2015
 September 16, 2014
 June 19, 2013
 January 21, 2011
 May 19, 2010
 February 5, 2010
 January 12, 2009 – Reviewed Only
 December 10, 2008 – Initial Issuance

Approval

This policy was approved by Scott Wilensky, Executive Vice President and General Counsel, and Ben Fowke, Chairman, President and Chief Executive Officer.