

# SPARK ENERGY, INC.

## **FORM 8-K** (Current report filing)

Filed 04/20/15 for the Period Ending 04/15/15

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): April 15, 2015**

**Spark Energy, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-36559**  
(Commission  
File Number)

**46-5453215**  
(IRS Employer  
Identification Number)

**2105 CityWest Blvd., Suite 100  
Houston, Texas 77042**  
(Address of Principal Executive Offices)  
(Zip Code)

**(713) 600-2600**  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

*Employment Agreements with Officers*

On April 15, 2015, Spark Energy, Inc. (the "Company") entered into employment agreements (the "Employment Agreements") with Nathan Kroeker, President and Chief Executive Officer; Allison Wall, Chief Operating Officer; Georganne Hodges, Chief Financial Officer and Gil Melman, Vice President, General Counsel and Corporate Secretary. The terms of the Employment Agreements are substantially similar except with respect to salary and minimum share ownership requirements which are discussed below. The Employment Agreements provide for an annual base salary of \$416,000 for Mr. Kroeker, \$270,000 for each



of Mrs. Wall and Mrs. Hodges and \$265,000 for Mr. Melman. The Employment Agreements have initial terms ending December 31, 2015 and renew for subsequent one year periods, subject to termination by either party as set forth below.

The Employment Agreements also provide the following additional compensation and benefits for each of the executives:

- Participation in annual long-term incentive and short term incentive bonus plans, as may be established by the Company in its discretion and as administered by the Compensation Committee of the Board of Directors (the “Compensation Committee”), including participation in the Company’s existing 2014 long term incentive plan (the Long Term Incentive Plan”); and
- Participation in employee benefit plans available to senior executives and employees generally;
- Severance benefits as discussed below; and
- Indemnity of the relevant executive for all acts and omissions occurring during the executive’s employment with the Company, and an obligation on the part of the Company to purchase director and officer liability insurance providing coverage to the executive.

Generally either the Company or the executive can terminate the Employment Agreement for convenience, with cause in the case of the Company, and with good reason in the case of the executive. The Employment Agreements each provide that, in the event the relevant executive is terminated by the Company other than for “cause” or the executive’s employment terminates due to either the Company’s election not to renew the term of the Employment Agreement or the executive’s resignation for “good reason”, the executive will, subject to execution of a release of claims, be entitled to receive the following payments and benefits:

- 12 months’ base salary, payable in twelve substantially equal installments;
- A pro rata annual bonus for the year of termination, calculated based upon actual performance of the Company and relative achievement of key performance targets by the executive through such date and payable in twelve substantially equal installments;
- Full vesting of any outstanding awards held by the executive under the Company’s Long Term Incentive Plan.

“Cause” under the Employment Agreements is generally defined to include (a) a material uncured breach by the executive of the Employment Agreement or any other obligation owed to the Company, (b) commission of an act of gross negligence, willful misconduct, breach of fiduciary duty, fraud, theft or embezzlement, (c) any conviction, indictment or plea of *nolo contendere* with respect to any felony or any crime involving moral turpitude, (d) willful failure to perform obligations pursuant to the Employment Agreement or failure or refusal to follow the lawful instructions of the Company’s board of directors and (e) any conduct which is materially injurious to the Company.

“Good Reason” under the Employment Agreements is generally defined to include (a) a material diminution in base salary, (b) a material diminution in title, duties, authority or responsibilities, (c) relocation by more than fifty miles or (d) material and uncured breach of the Employment Agreement by the Company.

Upon a change of control (as defined in the Long Term Incentive Plan), outstanding awards under the Long Term Incentive Plan do not automatically vest unless, as a result of the change of control or thereafter, there is a termination of the Employment Agreement by the Company without cause or by the executive for good reason. Upon a change of control, the executive retains all outstanding awards under the Long Term Incentive Plan subject to existing vesting schedules; provided that such awards may be modified by the Compensation Committee to reflect the change in capital structure resulting from the change in control.

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## EXHIBIT INDEX

**Exhibit No.**

**Description**

- |      |   |
|------|---|
| 10.1 | Employment Agreement between Spark Energy, Inc. and Nathan Kroeker dated April 15, 2015   |
| 10.2 | Employment Agreement between Spark Energy, Inc. and Allison Wall dated April 15, 2015     |
| 10.3 | Employment Agreement between Spark Energy, Inc. and Georganne Hodges dated April 15, 2015 |
| 10.4 | Employment Agreement between Spark Energy, Inc. and Gil Melman dated April 15, 2015       |

**Employment Agreement**  
**Spark Energy, Inc.**

This Employment Agreement (this “Agreement”) dated April 15, 2015 is between Nathan Kroeker (“Employee”) and Spark Energy, Inc. (the “Company”). Capitalized terms that are not otherwise defined are defined in Exhibit B to this Agreement.

1. **Employment.** The Company will employ Employee in accordance with the terms and conditions set forth in this Agreement and Exhibit A to this Agreement. During the Term (as defined in Exhibit A to this Agreement), Employee will devote his full business time, attention and best efforts to the business of the Company, as may be requested by the Company’s Board of Directors (the “Board”). Employee acknowledges and agrees that he owes the Company fiduciary duties, including duties of loyalty and disclosure, and that the obligations described in this Agreement are in addition to, and not in lieu of, the obligations owed to the Company and its subsidiaries under common law.

2. **Termination of Employment.**

(a) **Right to Terminate for Convenience.** Either the Company or Employee shall have the right to terminate the employment under this Agreement for convenience at any time and for any reason, or no reason at all, upon written notice to the other party. Such termination shall be effective immediately unless otherwise agreed between the parties.

(b) **Company’s Right to Terminate Employee’s Employment for Cause.** The Company shall have the right to terminate Employee’s employment at any time for Cause.

(c) **Employee’s Right to Terminate for Good Reason.** Employee shall have the right to terminate Employee’s employment with the Company at any time for Good Reason. Any assertion by Employee of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (i) the condition giving rise to Employee’s termination of employment must have arisen without Employee’s written consent; (ii) Employee must provide written notice to the Board of the existence of such condition(s) within 30 days of the initial existence of such condition(s); (iii) the condition(s) specified in such notice must remain uncorrected for 30 days following the Board’s receipt of such written notice; and (iv) the date of Employee’s termination of employment must occur within 75 days after the initial existence of the condition(s) specified in such notice.

(d) **Death or Disability.** Upon the death or Disability of Employee, Employee’s employment with Company shall terminate with no further obligation under this Agreement of either party hereunder.

(e) **Effect of Termination.**

(i) If Employee’s employment is terminated by the Company without Cause pursuant to Section 2(a) above, is terminated as a result of a non-renewal of the Term of this Agreement by the Company pursuant to Exhibit A, or is terminated by Employee for Good Reason pursuant to Section 2(c) above, and Employee: (A) executes within 50 days following the date on which Employee’s employment terminates, and does not revoke within the time provided by the Company to do so, a release of all claims in a form reasonably acceptable to the Company (the “Release”); and (B) abides by Employee’s continuing obligations under Sections 3 and 4 of this Agreement, then the Company shall pay to Employee any bonus earned for the calendar year prior to the year in which the termination occurs but which is unpaid as of the date of termination (which shall be paid to Employee on the same date as such bonus would have been paid had Employee remained in employment) (the “Post-Termination Bonus Payment”) and make severance payments to Employee in a total amount equal to: (X) 12 months’ worth of Employee’s Base Salary; plus (Y) an additional amount equal to the target annual bonus for the Employee for the year in which Employee is terminated prorated up to the date of termination for the number of days worked during such calendar year and calculated based on relative achievement of key performance targets as determined by the Compensation Committee of the Board in its reasonable discretion (such total severance payments being referred to as the “Severance Payment”). For the avoidance of doubt, a non-renewal of the Term of this Agreement by Employee, a termination by reason of Employee’s death or Disability, a termination by the Company for Cause or a termination of employment by Employee without Good Reason under Section 2(a) above shall not give rise to a right to the Severance Payment or Post-Termination Bonus Payment.

(ii) The Severance Payment will be paid in substantially equal monthly installments in accordance

with the Company's normal payroll practices, beginning on Company's first pay date that is on or after the 60th day following the date of termination of employment; *provided, however*, that the first installment payment shall include all amounts that would otherwise have been paid to Employee during the period beginning at termination and ending on the first payment date (without interest) if no delay had been imposed. Any Severance Payment is conditional upon Employee's compliance with Sections 3 and 4. Each payment of a portion of the Severance Payment under this Agreement is intended to be a series of separate payments and not as the entitlement to a single payment for purposes of Section 409A. For purposes of this Agreement, references to Employee's termination of employment shall mean, and be interpreted in accordance with, Employee's "separation from service" from the Company within the meaning of Treasury Regulation § 1.409A-1(h)(1)(ii).

(iii) Upon a termination of employment by Employee for Good Reason, by the Company for convenience or non-renewal by the Company, then all outstanding unvested long term incentive awards granted to the Employee during his employment with the Company under the Long Term Incentive Plan shall become fully vested and exercisable for the remainder of their full term in accordance with, and subject to, any applicable agreements and plan documents as may be amended from time to time.

(iv) Upon a Change of Control, the Employee shall retain all outstanding long term incentive awards previously granted to Employee under the Long Term Incentive Plan subject to existing vesting schedules, provided that all such awards shall be modified by the Compensation Committee in its discretion to reflect the consideration, whether in shares of stock, other securities, cash or property that the Employee would be entitled to receive had he vested into such awards immediately prior to the Change of Control. For the avoidance of doubt, all such modified awards shall remain subject to the vesting requirements in effect for such awards prior to the Change of Control and shall remain subject to all applicable agreements and plan documents as may be amended from time to time.

**3. Confidentiality** . The Company will provide Employee and give Employee access to Confidential Information during the Term. Employee will hold all Confidential Information in a fiduciary capacity for the benefit of the Company. During the Term and at all times after termination of Employee's employment hereunder, Employee will: (a) not disclose any Confidential Information to any person or entity other than in the proper performance of his duties during the Term; (b) not use any Confidential Information except for the benefit of the Company; and (c) take all such precautions as may be reasonably necessary to prevent the disclosure to any third party of any of the Confidential Information.

Upon termination of employment, Employee will surrender and deliver to the Company all documents (including electronically stored information) and other materials of any nature containing or pertaining to all Confidential Information and any other Company property or property of its subsidiaries (including, without limitation, any Company-issued computer, mobile device, credit card, or other equipment or property), in Employee's possession, custody and control and Employee will not retain any such document or other materials or property.

**4. Non-Competition and Non-Solicitation** .

(a) The Company shall provide Employee access to the Confidential Information for use only during the Term, and Employee acknowledges and agrees that the Company will be entrusting Employee, in Employee's unique and special capacity, with developing the goodwill of the Company and its subsidiaries, and in consideration thereof and in consideration of the access to Confidential Information and as a condition to the Company's entry into this Agreement and employment of Employee, and Employee's receipt of equity-based compensation pursuant to the Long-Term Incentive Plan as described in Exhibit A, Employee has voluntarily agreed to the covenants set forth in this Section 4. Employee further agrees and acknowledges that the limitations and restrictions set forth herein, including geographical and temporal restrictions on certain competitive activities, are reasonable in all respects and are material and substantial parts of this Agreement intended and necessary to prevent unfair competition and to protect the Company's and its subsidiaries' legitimate business interests, including the protection of its Confidential Information and goodwill.

(b) Employee agrees that, during the period that he is employed by the Company or any of its subsidiaries and continuing through the date that is 12 months following the date that Employee is no longer employed by the Company or any of its subsidiaries, Employee shall not, without the prior written approval of the Company, directly or indirectly, for himself or on



behalf of or in conjunction with any other person or entity of whatever nature engage in any Prohibited Activity.

(c) During the Term and at all times following the termination of Employee's employment for whatever reason, Employee shall not (except to the extent required by law) disparage, and shall cause the Employee's affiliates not to disparage, either orally or in writing, the Company or any of its subsidiaries or affiliates, or any of their directors, officers, managers, agents, representatives, stockholders, investors, partners, members, or employees, or any of their respective businesses, products, services or practices. During the Term and at all times following the termination of Employee's employment for whatever reason, the Company shall not (except to the extent required by law) disparage, and shall cause the Company's subsidiaries not to disparage, either orally or in writing, the Employee.

(d) Because of the difficulty of measuring economic losses to the Company as a result of a breach of the foregoing covenants, and because of the immediate and irreparable damage that would be caused to the Company for which it would have no other adequate remedy, Employee agrees that the Company and its subsidiaries shall be entitled to enforce the foregoing covenants, in the event of a breach, by injunctions and restraining orders and that such enforcement shall not be the Company's or such subsidiary's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company or its subsidiaries at law and equity.

(e) The covenants in this Section 4, and each provision and portion thereof, are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

**5. Stock Ownership Policy**. On and after April 1, 2019, Employee is expected to hold a number of shares of Class A common stock, par value \$0.01 per share, of the Company ("Stock") with an aggregate value equal to three times Employee's Base Salary (such value to be determined based on the closing price of a share of Stock as of December 31 of the prior year (the "Stock Ownership Requirement"). The Stock Ownership Requirement shall be measured on April 1 of each year beginning in 2019. Until the applicable Stock Ownership Requirement is achieved, Employee is encouraged to retain the net shares obtained through the Company's stock incentive plans. "Net shares" are those shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and withholding taxes. To the extent Employee falls below the Stock Ownership Requirement after April 1, 2019, Employee will be required to retain 100% of the net shares obtained through the Company's stock incentive plans until the Stock Ownership Requirement is met. In the event of a drop in the share price of the Stock from the beginning of each fiscal year through the end of such year commencing with fiscal year 2018 and for each fiscal year thereafter of more than twenty-five percent (25%), Employee will be entitled to an additional twelve month period commencing on April 1 of the next year to comply with the Stock Ownership Requirement. Failure to satisfy the Stock Ownership Requirement may impact Employee's eligibility to receive future cash and equity incentive compensation awards. All shares of Stock held by Employee (including (i) shares purchased on the open market or (ii) shares held indirectly by Employee (a) under any retirement or deferred compensation plan or (b) held by a spouse or other immediate family member residing in the same household or (c) in a trust for the benefit of Employee or his family (whether held individually or jointly)) and all shares of Stock underlying awards granted under the Company's long term incentive plan and which can be settled in Stock (whether vested or unvested, exercised or unexercised, or settled or unsettled) will count towards the Stock Ownership Requirement. Performance awards held by Employee will count towards the Stock Ownership Requirement at the target level of such awards until settled.

**6. Applicable Law; Submission to Jurisdiction**. This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflict of laws principles that would result in the application of the laws of another jurisdiction. With respect to any claim or dispute related to or arising under this Agreement or relating to Employee's employment or the termination thereof, the parties hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Houston, Texas. Notwithstanding the foregoing, the Company and its subsidiaries shall be entitled to enforce their rights under Section 4 in any court of competent jurisdiction.

**7. Entire Agreement and Amendment**. This Agreement, the Long Term Incentive Plan and the award agreement evidencing any equity compensation awards granted under the Long Term Incentive Plan contains the entire agreement of the parties with respect to the matters covered herein; moreover, this Agreement supersedes all prior and contemporaneous agreements and understandings, oral or written, between the parties hereto concerning the subject matter hereof. This Agreement

may be amended only by a written instrument executed by both parties hereto.

**8. Waiver of Breach.** Any waiver of this Agreement must be executed by the party to be bound by such waiver. No waiver by either party hereto of a breach of any provision of this Agreement by the other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either party hereto to take any action by reason of any breach will not deprive such party of the right to take action at any time while such breach continues.

**9. Assignment.** This Agreement is personal to Employee, and neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise transferred by Employee. The Company may assign this Agreement without Employee's consent, including to any subsidiary of the Company and to any successor (whether by merger, purchase or otherwise) to all or substantially all of the equity, assets or businesses of the Company.

**10. Notices.** Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly received when delivered in person or on the third business day following deposit in the United States mail, registered or certified mail, return receipt requested: to the address of the Company's principal offices, Attention: General Counsel, if to the Company; and to the home address of the Employee on file with the Company if to the Employee.

**11. Section 409A.** If any provision of this Agreement does not satisfy the requirements of Section 409A, then such provision shall nevertheless be applied in a manner consistent with those requirements. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A. If any payment or benefit provided to the Employee in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Employee is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then all such payments or benefits shall not be paid until the first payroll date to occur following the six-month anniversary of the Termination Date in a lump sum, and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

**12. Effect of Termination.** The provisions of Sections 2(e), 3, 4, 6 and 11 and those provisions necessary to interpret and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Employee and the Company.

**13. Third-Party Beneficiaries.** Each subsidiary of the Company that is not a signatory to this Agreement is an intended, third-party beneficiary of Employee's obligations under Sections 3 and 4 above and shall be entitled to enforce such obligations as if a party hereto.

**14. Severability.** If an arbitrator or court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement and all other provisions shall remain in full force and effect.

**/s/ Nathan Kroeker**

**Employee Name: Nathan Kroeker**

**SPARK ENERGY, INC.**

**By: /s/ W. Keith Maxwell III**

**Name: W. Keith Maxwell III**

**Title: Chairman of the Board**

EXHIBIT A TO EMPLOYMENT AGREEMENT

OF NATHAN KROEKER

**Title:** President and Chief Executive Officer

**Duties:** Those normally incidental to the title identified above, as well as such additional duties as may be assigned to Employee by the Board from time to time.

**Term:** The initial term of this Agreement shall be for the period beginning on the date of the Agreement and ending on December 31, 2015. On January 1, 2016 and on each subsequent anniversary thereafter, this Agreement shall automatically renew and extend for a period of 12 months unless written notice of non-renewal is delivered from either party to the other not less than 30 days prior to the expiration of the then-existing Term. The Term shall include the initial term and any renewal periods. The Term shall end effective as of the date of termination of Employee's employment for any reason.

**Base Salary:** Annual base salary of \$416,000.00 (less applicable taxes and withholdings) (the "Base Salary") payable in conformity with the Company's customary payroll practices for similarly situated employees as may exist from time to time, but no less frequently than monthly.

**Bonus:** Employee shall be eligible to participate in such annual bonus plan as may be established by the Company in its discretion from time to time and in which other similarly situated Company employees are eligible to participate, subject to the terms and conditions of the applicable plan in effect from time to time. The Company shall not, however, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any bonus plan, so long as such changes are similarly applicable to similarly situated Company employees generally. Except to the extent specifically provided for in Section 2(e)(i), any bonus shall not be payable unless Employee remains continuously employed within the Company to the date on which such bonus is paid.

**Equity Based Compensation:** Employee will be eligible to receive equity based compensation awards pursuant to, and subject to the terms of, an equity compensation plan adopted by the Company, as such plan may be amended by the Company from time to time (the "Long Term Incentive Plan"). Such awards will be in an amount determined by the Company and subject to the terms and conditions established by the Board or a committee thereof.

**Benefits:** Employee shall be eligible to participate in the same benefit plans and programs in which other similarly situated Company employees are eligible to participate, subject to the terms and conditions of the applicable plans and programs in effect from time to time. The Company shall not be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such plan or policy, so long as such changes are similarly applicable to similarly situated Company employees.

**Indemnity and D&O Insurance:** The Company will indemnify and hold Employee harmless for all acts and omissions occurring during his employment to the maximum extent provided under the Company's certificate of incorporation, by-laws and applicable law (as each may be amended from time to time). During the Term, the Company will purchase and maintain, at its own expense, directors' and officers' liability insurance providing coverage for Employee in the same amount as for similarly situated executives of the Company.

EXHIBIT B  
TO EMPLOYMENT AGREEMENT OF NATHAN KROEKER  
DEFINITIONS

“Business” means the products or services offered, marketed, or sold, or with respect to which there are active plans to offer, market or sell, by the Company or its subsidiaries during the period in which Employee is employed by the Company or any of its subsidiaries and for which Employee has material responsibility or about which Employee obtains Confidential Information, which such products and services include, without limitation, the business of supplying electricity and natural gas to homes and

businesses.

“ Business Opportunity ” means any commercial, investment or other business opportunity relating to the Business.

“ Cause ” means:

(i) Employee’s material breach of this Agreement, or any other material obligation owed to the Company or any of its subsidiaries; provided that, if the Company determines that any such breach is capable of cure by Employee, written notice of such breach must be delivered to Employee and Employee must be given a period of 15 days following delivery of such notice to cure the breach;

(ii) the commission of an act of gross negligence, willful misconduct, breach of fiduciary duty, fraud, theft or embezzlement on the part of Employee, which such act has an adverse effect on the Company or any of its subsidiaries or can reasonably be expected to have an adverse effect on the Company or any of its subsidiaries;

(iii) the conviction or indictment of Employee, or a plea of *nolo contendere* by Employee, to any felony or any crime involving moral turpitude;

(iv) Employee’s willful failure or refusal to perform Employee’s obligations pursuant to this Agreement or willful failure or refusal to follow the lawful instructions of the Board; provided that, if the Company determines that any such failure is capable of cure by Employee, written notice of such failure must be delivered to Employee and Employee must be given a period of 15 days following delivery of such notice to cure the failure; or

(v) any conduct by Employee which is materially injurious (monetarily or otherwise) to the Company or any of its subsidiaries.

“ Change of Control ” has the meaning given to it in the Company’s Long Term Incentive Plan.

“ Confidential Information ” means: all non-public information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by or disclosed to Employee, individually or in conjunction with others, during or prior to the Term that relate to the Company’s or its subsidiaries businesses or properties, products or services (including all such information relating to hedging strategies and current, prospective and historic customer segmentation analysis, corporate opportunities, business plans, strategies for developing business and market share, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, customer requirements, the identity of key contacts within customers’ organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks). All documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type including or embodying any Confidential Information shall be deemed Confidential Information and be subject to the same restrictions on disclosure applicable to Confidential Information pursuant to this Agreement. For purposes of this Agreement, Confidential Information shall not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Employee; (ii) was available to Employee on a non-confidential basis before its disclosure by the Company; or (iii) becomes available to Employee on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company or any of its subsidiaries.

“ Covered Vendor or Supplier ” means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other entity who is or was: (A) a vendor or supplier of the Company or any of its subsidiaries at any time during the last 12 months of Employee’s employment with the Company or any of its subsidiaries; or (B) a prospective vendor or supplier of the Company or any of its subsidiaries about which Employee had confidential information or with which Employee had contact in Employee’s capacity as a representative of the Company or any of its subsidiaries.

“ Covered Employee or Agent ” means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other person or entity who is or was an employee, director, officer, contractor, consultant, or vendor of the Company or any of its subsidiaries at any time during the Term and for a period of twelve months after termination of Employee’s employment.

“ Disability ” shall exist if Employee is unable to perform the essential functions of Employee’s position, with reasonable accommodation, due to an illness or physical or mental impairment or other incapacity that continues, or can reasonably be expected to continue, for a period in excess of 90 days, whether or not consecutive. The determination of whether Employee has incurred a Disability will be made in good faith by the Board.

“ Good Reason ” means:

- (i) the material diminution of Employee’s Base Salary;
- (ii) the material diminution in Employee’s title, duties, authority or responsibilities at the Company;
- (iii) the relocation of the Company’s corporate offices at which Employee is required to perform services by more than fifty (50) miles from its location as of the date of this Agreement; or
- (iv) a material breach by the Company of any other material obligation under this Agreement or any other written agreement between Employee and the Company.

“ Market Area ” means that geographic area in the United States of America in which the Company or any of its subsidiaries (A) engages in business, (B) sells or markets to, or obtains products or services from, Covered Customers or Suppliers, (C) has Covered Employees or Agents located, or (D) contemplates doing any of the foregoing, which such area includes Texas, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Arizona, California, Colorado, Florida, Indiana, Michigan, Nevada, and Ohio.

“ Prohibited Activity ” means:

- (a) to engage in or participate within the Market Area in competition with the Company or any of its subsidiaries in any aspect of the Business, including directly or indirectly owning, managing, operating, joining, becoming an employee or consultant of, or loaning money to or selling or leasing equipment or real estate to or otherwise being affiliated with any person or entity engaged in, or planning to engage in, the Business in competition, or anticipated competition, in the Market Area, with the Company or any of its subsidiaries;
- (b) to appropriate any Business Opportunity of, or relating to, the Company or any of its subsidiaries located in the Market Area;
- (c) to solicit, canvass, approach, entice or induce any Covered Customer or Supplier to cease, fail to establish, or lessen such Covered Customer or Supplier’s business with the Company or any of its subsidiaries; or
- (d) to solicit, canvass, approach, entice or induce any Covered Employee or Agent to alter, lessen or terminate his, her or its employment, engagement or relationship with the Company or any of its subsidiaries.

**Employment Agreement**  
**Spark Energy, Inc.**

This Employment Agreement (this “Agreement”) dated April 15, 2015 is between Allison Wall (“Employee”) and Spark Energy, Inc. (the “Company”). Capitalized terms that are not otherwise defined are defined in Exhibit B to this Agreement.

1. **Employment.** The Company will employ Employee in accordance with the terms and conditions set forth in this Agreement and Exhibit A to this Agreement. During the Term (as defined in Exhibit A to this Agreement), Employee will devote his full business time, attention and best efforts to the business of the Company, as may be requested by the Company’s Board of Directors (the “Board”). Employee acknowledges and agrees that he owes the Company fiduciary duties, including duties of loyalty and disclosure, and that the obligations described in this Agreement are in addition to, and not in lieu of, the obligations owed to the Company and its subsidiaries under common law.

2. **Termination of Employment.**

(a) **Right to Terminate for Convenience.** Either the Company or Employee shall have the right to terminate the employment under this Agreement for convenience at any time and for any reason, or no reason at all, upon written notice to the other party. Such termination shall be effective immediately unless otherwise agreed between the parties.

(b) **Company’s Right to Terminate Employee’s Employment for Cause.** The Company shall have the right to terminate Employee’s employment at any time for Cause.

(c) **Employee’s Right to Terminate for Good Reason.** Employee shall have the right to terminate Employee’s employment with the Company at any time for Good Reason. Any assertion by Employee of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (i) the condition giving rise to Employee’s termination of employment must have arisen without Employee’s written consent; (ii) Employee must provide written notice to the Board of the existence of such condition(s) within 30 days of the initial existence of such condition(s); (iii) the condition(s) specified in such notice must remain uncorrected for 30 days following the Board’s receipt of such written notice; and (iv) the date of Employee’s termination of employment must occur within 75 days after the initial existence of the condition(s) specified in such notice.

(d) **Death or Disability.** Upon the death or Disability of Employee, Employee’s employment with Company shall terminate with no further obligation under this Agreement of either party hereunder.

(e) **Effect of Termination.**

(i) If Employee’s employment is terminated by the Company without Cause pursuant to Section 2(a) above, is terminated as a result of a non-renewal of the Term of this Agreement by the Company pursuant to Exhibit A, or is terminated by Employee for Good Reason pursuant to Section 2(c) above, and Employee: (A) executes within 50 days following the date on which Employee’s employment terminates, and does not revoke within the time provided by the Company to do so, a release of all claims in a form reasonably acceptable to the Company (the “Release”); and (B) abides by Employee’s continuing obligations under Sections 3 and 4 of this Agreement, then the Company shall pay to Employee any bonus earned for the calendar year prior to the year in which the termination occurs but which is unpaid as of the date of termination (which shall be paid to Employee on the same date as such bonus would have been paid had Employee remained in employment) (the “Post-Termination Bonus Payment”) and make severance payments to Employee in a total amount equal to: (X) 12 months’ worth of Employee’s Base Salary; plus (Y) an additional amount equal to the target annual bonus for the Employee for the year in which Employee is terminated prorated up to the date of termination for the number of days worked during such calendar year and calculated based on relative achievement of key performance targets as determined by the Compensation Committee of the Board in its reasonable discretion (such total severance payments being referred to as the “Severance Payment”). For the avoidance of doubt, a non-renewal of the Term of this Agreement by Employee, a termination by reason of Employee’s death or Disability, a termination by the Company for Cause or a termination of employment by Employee without Good Reason under Section 2(a) above shall not give rise to a right to the Severance Payment or Post-Termination Bonus Payment.

(ii) The Severance Payment will be paid in substantially equal monthly installments in accordance

with the Company's normal payroll practices, beginning on Company's first pay date that is on or after the 60th day following the date of termination of employment; *provided, however*, that the first installment payment shall include all amounts that would otherwise have been paid to Employee during the period beginning at termination and ending on the first payment date (without interest) if no delay had been imposed. Any Severance Payment is conditional upon Employee's compliance with Sections 3 and 4. Each payment of a portion of the Severance Payment under this Agreement is intended to be a series of separate payments and not as the entitlement to a single payment for purposes of Section 409A. For purposes of this Agreement, references to Employee's termination of employment shall mean, and be interpreted in accordance with, Employee's "separation from service" from the Company within the meaning of Treasury Regulation § 1.409A-1(h)(1)(ii).

(iii) Upon a termination of employment by Employee for Good Reason, by the Company for convenience or non-renewal by the Company, then all outstanding unvested long term incentive awards granted to the Employee during his employment with the Company under the Long Term Incentive Plan shall become fully vested and exercisable for the remainder of their full term in accordance with, and subject to, any applicable agreements and plan documents as may be amended from time to time.

(iv) Upon a Change of Control, the Employee shall retain all outstanding long term incentive awards previously granted to Employee under the Long Term Incentive Plan subject to existing vesting schedules, provided that all such awards shall be modified by the Compensation Committee in its discretion to reflect the consideration, whether in shares of stock, other securities, cash or property that the Employee would be entitled to receive had he vested into such awards immediately prior to the Change of Control. For the avoidance of doubt, all such modified awards shall remain subject to the vesting requirements in effect for such awards prior to the Change of Control and shall remain subject to all applicable agreements and plan documents as may be amended from time to time.

**3. Confidentiality** . The Company will provide Employee and give Employee access to Confidential Information during the Term. Employee will hold all Confidential Information in a fiduciary capacity for the benefit of the Company. During the Term and at all times after termination of Employee's employment hereunder, Employee will: (a) not disclose any Confidential Information to any person or entity other than in the proper performance of his duties during the Term; (b) not use any Confidential Information except for the benefit of the Company; and (c) take all such precautions as may be reasonably necessary to prevent the disclosure to any third party of any of the Confidential Information.

Upon termination of employment, Employee will surrender and deliver to the Company all documents (including electronically stored information) and other materials of any nature containing or pertaining to all Confidential Information and any other Company property or property of its subsidiaries (including, without limitation, any Company-issued computer, mobile device, credit card, or other equipment or property), in Employee's possession, custody and control and Employee will not retain any such document or other materials or property.

**4. Non-Competition and Non-Solicitation** .

(a) The Company shall provide Employee access to the Confidential Information for use only during the Term, and Employee acknowledges and agrees that the Company will be entrusting Employee, in Employee's unique and special capacity, with developing the goodwill of the Company and its subsidiaries, and in consideration thereof and in consideration of the access to Confidential Information and as a condition to the Company's entry into this Agreement and employment of Employee, and Employee's receipt of equity-based compensation pursuant to the Long-Term Incentive Plan as described in Exhibit A, Employee has voluntarily agreed to the covenants set forth in this Section 4. Employee further agrees and acknowledges that the limitations and restrictions set forth herein, including geographical and temporal restrictions on certain competitive activities, are reasonable in all respects and are material and substantial parts of this Agreement intended and necessary to prevent unfair competition and to protect the Company's and its subsidiaries' legitimate business interests, including the protection of its Confidential Information and goodwill.

(b) Employee agrees that, during the period that he is employed by the Company or any of its subsidiaries and continuing through the date that is 12 months following the date that Employee is no longer employed by the Company or any of its subsidiaries, Employee shall not, without the prior written approval of the Company, directly or indirectly, for himself or on

behalf of or in conjunction with any other person or entity of whatever nature engage in any Prohibited Activity.

(c) During the Term and at all times following the termination of Employee's employment for whatever reason, Employee shall not (except to the extent required by law) disparage, and shall cause the Employee's affiliates not to disparage, either orally or in writing, the Company or any of its subsidiaries or affiliates, or any of their directors, officers, managers, agents, representatives, stockholders, investors, partners, members, or employees, or any of their respective businesses, products, services or practices. During the Term and at all times following the termination of Employee's employment for whatever reason, the Company shall not (except to the extent required by law) disparage, and shall cause the Company's subsidiaries not to disparage, either orally or in writing, the Employee.

(d) Because of the difficulty of measuring economic losses to the Company as a result of a breach of the foregoing covenants, and because of the immediate and irreparable damage that would be caused to the Company for which it would have no other adequate remedy, Employee agrees that the Company and its subsidiaries shall be entitled to enforce the foregoing covenants, in the event of a breach, by injunctions and restraining orders and that such enforcement shall not be the Company's or such subsidiary's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company or its subsidiaries at law and equity.

(e) The covenants in this Section 4, and each provision and portion thereof, are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

**5. Stock Ownership Policy**. On and after April 1, 2019, Employee is expected to hold a number of shares of Class A common stock, par value \$0.01 per share, of the Company ("Stock") with an aggregate value equal to two times Employee's Base Salary (such value to be determined based on the closing price of a share of Stock as of December 31 of the prior year (the "Stock Ownership Requirement"). The Stock Ownership Requirement shall be measured on April 1 of each year beginning in 2019. Until the applicable Stock Ownership Requirement is achieved, Employee is encouraged to retain the net shares obtained through the Company's stock incentive plans. "Net shares" are those shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and withholding taxes. To the extent Employee falls below the Stock Ownership Requirement after April 1, 2019, Employee will be required to retain 100% of the net shares obtained through the Company's stock incentive plans until the Stock Ownership Requirement is met. In the event of a drop in the share price of the Stock from the beginning of each fiscal year through the end of such year commencing with fiscal year 2018 and for each fiscal year thereafter of more than twenty-five percent (25%), Employee will be entitled to an additional twelve month period commencing on April 1 of the next year to comply with the Stock Ownership Requirement. Failure to satisfy the Stock Ownership Requirement may impact Employee's eligibility to receive future cash and equity incentive compensation awards. All shares of Stock held by Employee (including (i) shares purchased on the open market or (ii) shares held indirectly by Employee (a) under any retirement or deferred compensation plan or (b) held by a spouse or other immediate family member residing in the same household or (c) in a trust for the benefit of Employee or his family (whether held individually or jointly)) and all shares of Stock underlying awards granted under the Company's long term incentive plan and which can be settled in Stock (whether vested or unvested, exercised or unexercised, or settled or unsettled) will count towards the Stock Ownership Requirement. Performance awards held by Employee will count towards the Stock Ownership Requirement at the target level of such awards until settled.

**6. Applicable Law; Submission to Jurisdiction**. This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflict of laws principles that would result in the application of the laws of another jurisdiction. With respect to any claim or dispute related to or arising under this Agreement or relating to Employee's employment or the termination thereof, the parties hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Houston, Texas. Notwithstanding the foregoing, the Company and its subsidiaries shall be entitled to enforce their rights under Section 4 in any court of competent jurisdiction.

**7. Entire Agreement and Amendment**. This Agreement, the Long Term Incentive Plan and the award agreement evidencing any equity compensation awards granted under the Long Term Incentive Plan contains the entire agreement of the parties with respect to the matters covered herein; moreover, this Agreement supersedes all prior and contemporaneous agreements and understandings, oral or written, between the parties hereto concerning the subject matter hereof. This Agreement



may be amended only by a written instrument executed by both parties hereto.

**8. Waiver of Breach.** Any waiver of this Agreement must be executed by the party to be bound by such waiver. No waiver by either party hereto of a breach of any provision of this Agreement by the other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either party hereto to take any action by reason of any breach will not deprive such party of the right to take action at any time while such breach continues.

**9. Assignment.** This Agreement is personal to Employee, and neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise transferred by Employee. The Company may assign this Agreement without Employee's consent, including to any subsidiary of the Company and to any successor (whether by merger, purchase or otherwise) to all or substantially all of the equity, assets or businesses of the Company.

**10. Notices.** Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly received when delivered in person or on the third business day following deposit in the United States mail, registered or certified mail, return receipt requested: to the address of the Company's principal offices, Attention: General Counsel, if to the Company; and to the home address of the Employee on file with the Company if to the Employee.

**11. Section 409A.** If any provision of this Agreement does not satisfy the requirements of Section 409A, then such provision shall nevertheless be applied in a manner consistent with those requirements. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A. If any payment or benefit provided to the Employee in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Employee is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then all such payments or benefits shall not be paid until the first payroll date to occur following the six-month anniversary of the Termination Date in a lump sum, and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

**12. Effect of Termination.** The provisions of Sections 2(e), 3, 4, 6 and 11 and those provisions necessary to interpret and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Employee and the Company.

**13. Third-Party Beneficiaries.** Each subsidiary of the Company that is not a signatory to this Agreement is an intended, third-party beneficiary of Employee's obligations under Sections 3 and 4 above and shall be entitled to enforce such obligations as if a party hereto.

**14. Severability.** If an arbitrator or court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement and all other provisions shall remain in full force and effect.

/s/ Allison Wall

**Employee Name: Allison Wall**

**SPARK ENERGY, INC.**

**By: /s/ Nathan Kroeker**

**Name: Nathan Kroeker**

**Title: President and Chief Executive Officer**

EXHIBIT A TO EMPLOYMENT AGREEMENT

OF ALLISON WALL

**Title:** Chief Operating Officer

**Duties:** Those normally incidental to the title identified above, as well as such additional duties as may be assigned to Employee by the Board from time to time.

**Term:** The initial term of this Agreement shall be for the period beginning on the date of the Agreement and ending on December 31, 2015. On January 1, 2016 and on each subsequent anniversary thereafter, this Agreement shall automatically renew and extend for a period of 12 months unless written notice of non-renewal is delivered from either party to the other not less than 30 days prior to the expiration of the then-existing Term. The Term shall include the initial term and any renewal periods. The Term shall end effective as of the date of termination of Employee's employment for any reason.

**Base Salary:** Annual base salary of \$270,000.00 (less applicable taxes and withholdings) (the "Base Salary") payable in conformity with the Company's customary payroll practices for similarly situated employees as may exist from time to time, but no less frequently than monthly.

**Bonus:** Employee shall be eligible to participate in such annual bonus plan as may be established by the Company in its discretion from time to time and in which other similarly situated Company employees are eligible to participate, subject to the terms and conditions of the applicable plan in effect from time to time. The Company shall not, however, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any bonus plan, so long as such changes are similarly applicable to similarly situated Company employees generally. Except to the extent specifically provided for in Section 2(e)(i), any bonus shall not be payable unless Employee remains continuously employed within the Company to the date on which such bonus is paid.

**Equity Based Compensation:** Employee will be eligible to receive equity based compensation awards pursuant to, and subject to the terms of, an equity compensation plan adopted by the Company, as such plan may be amended by the Company from time to time (the "Long Term Incentive Plan"). Such awards will be in an amount determined by the Company and subject to the terms and conditions established by the Board or a committee thereof.

**Benefits:** Employee shall be eligible to participate in the same benefit plans and programs in which other similarly situated Company employees are eligible to participate, subject to the terms and conditions of the applicable plans and programs in effect from time to time. The Company shall not be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such plan or policy, so long as such changes are similarly applicable to similarly situated Company employees.

**Indemnity and D&O Insurance:** The Company will indemnify and hold Employee harmless for all acts and omissions occurring during his employment to the maximum extent provided under the Company's certificate of incorporation, by-laws and applicable law (as each may be amended from time to time). During the Term, the Company will purchase and maintain, at its own expense, directors' and officers' liability insurance providing coverage for Employee in the same amount as for similarly situated executives of the Company.

EXHIBIT B  
TO EMPLOYMENT AGREEMENT OF ALLISON WALL  
DEFINITIONS

"Business" means the products or services offered, marketed, or sold, or with respect to which there are active plans to offer, market or sell, by the Company or its subsidiaries during the period in which Employee is employed by the Company or any of its subsidiaries and for which Employee has material responsibility or about which Employee obtains Confidential Information, which such products and services include, without limitation, the business of supplying electricity and natural gas to homes and

businesses.

“ Business Opportunity ” means any commercial, investment or other business opportunity relating to the Business.

“ Cause ” means:

(i) Employee’s material breach of this Agreement, or any other material obligation owed to the Company or any of its subsidiaries; provided that, if the Company determines that any such breach is capable of cure by Employee, written notice of such breach must be delivered to Employee and Employee must be given a period of 15 days following delivery of such notice to cure the breach;

(ii) the commission of an act of gross negligence, willful misconduct, breach of fiduciary duty, fraud, theft or embezzlement on the part of Employee, which such act has an adverse effect on the Company or any of its subsidiaries or can reasonably be expected to have an adverse effect on the Company or any of its subsidiaries;

(iii) the conviction or indictment of Employee, or a plea of *nolo contendere* by Employee, to any felony or any crime involving moral turpitude;

(iv) Employee’s willful failure or refusal to perform Employee’s obligations pursuant to this Agreement or willful failure or refusal to follow the lawful instructions of the Board; provided that, if the Company determines that any such failure is capable of cure by Employee, written notice of such failure must be delivered to Employee and Employee must be given a period of 15 days following delivery of such notice to cure the failure; or

(v) any conduct by Employee which is materially injurious (monetarily or otherwise) to the Company or any of its subsidiaries.

“ Change of Control ” has the meaning given to it in the Company’s Long Term Incentive Plan.

“ Confidential Information ” means: all non-public information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by or disclosed to Employee, individually or in conjunction with others, during or prior to the Term that relate to the Company’s or its subsidiaries businesses or properties, products or services (including all such information relating to hedging strategies and current, prospective and historic customer segmentation analysis, corporate opportunities, business plans, strategies for developing business and market share, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, customer requirements, the identity of key contacts within customers’ organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks). All documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type including or embodying any Confidential Information shall be deemed Confidential Information and be subject to the same restrictions on disclosure applicable to Confidential Information pursuant to this Agreement. For purposes of this Agreement, Confidential Information shall not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Employee; (ii) was available to Employee on a non-confidential basis before its disclosure by the Company; or (iii) becomes available to Employee on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company or any of its subsidiaries.

“ Covered Vendor or Supplier ” means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other entity who is or was: (A) a vendor or supplier of the Company or any of its subsidiaries at any time during the last 12 months of Employee’s employment with the Company or any of its subsidiaries; or (B) a prospective vendor or supplier of the Company or any of its subsidiaries about which Employee had confidential information or with which Employee had contact in Employee’s capacity as a representative of the Company or any of its subsidiaries.

“ Covered Employee or Agent ” means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other person or entity who is or was an employee, director, officer, contractor, consultant, or vendor of the Company or any of its subsidiaries at any time during the Term and for a period of twelve months after termination of Employee’s employment.

“ Disability ” shall exist if Employee is unable to perform the essential functions of Employee’s position, with reasonable accommodation, due to an illness or physical or mental impairment or other incapacity that continues, or can reasonably be expected to continue, for a period in excess of 90 days, whether or not consecutive. The determination of whether Employee has incurred a Disability will be made in good faith by the Board.

“ Good Reason ” means:

- (i) the material diminution of Employee’s Base Salary;
- (ii) the material diminution in Employee’s title, duties, authority or responsibilities at the Company;
- (iii) the relocation of the Company’s corporate offices at which Employee is required to perform services by more than fifty (50) miles from its location as of the date of this Agreement; or
- (iv) a material breach by the Company of any other material obligation under this Agreement or any other written agreement between Employee and the Company.

“ Market Area ” means that geographic area in the United States of America in which the Company or any of its subsidiaries (A) engages in business, (B) sells or markets to, or obtains products or services from, Covered Customers or Suppliers, (C) has Covered Employees or Agents located, or (D) contemplates doing any of the foregoing, which such area includes Texas, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Arizona, California, Colorado, Florida, Indiana, Michigan, Nevada, and Ohio.

“ Prohibited Activity ” means:

- (a) to engage in or participate within the Market Area in competition with the Company or any of its subsidiaries in any aspect of the Business, including directly or indirectly owning, managing, operating, joining, becoming an employee or consultant of, or loaning money to or selling or leasing equipment or real estate to or otherwise being affiliated with any person or entity engaged in, or planning to engage in, the Business in competition, or anticipated competition, in the Market Area, with the Company or any of its subsidiaries;
- (b) to appropriate any Business Opportunity of, or relating to, the Company or any of its subsidiaries located in the Market Area;
- (c) to solicit, canvass, approach, entice or induce any Covered Customer or Supplier to cease, fail to establish, or lessen such Covered Customer or Supplier’s business with the Company or any of its subsidiaries; or
- (d) to solicit, canvass, approach, entice or induce any Covered Employee or Agent to alter, lessen or terminate his, her or its employment, engagement or relationship with the Company or any of its subsidiaries.

**Employment Agreement**  
**Spark Energy, Inc.**

This Employment Agreement (this “Agreement”) dated April 15, 2015 is between Georganne Hodges (“Employee”) and Spark Energy, Inc. (the “Company”). Capitalized terms that are not otherwise defined are defined in Exhibit B to this Agreement.

1. **Employment.** The Company will employ Employee in accordance with the terms and conditions set forth in this Agreement and Exhibit A to this Agreement. During the Term (as defined in Exhibit A to this Agreement), Employee will devote his full business time, attention and best efforts to the business of the Company, as may be requested by the Company’s Board of Directors (the “Board”). Employee acknowledges and agrees that he owes the Company fiduciary duties, including duties of loyalty and disclosure, and that the obligations described in this Agreement are in addition to, and not in lieu of, the obligations owed to the Company and its subsidiaries under common law.

2. **Termination of Employment.**

(a) **Right to Terminate for Convenience.** Either the Company or Employee shall have the right to terminate the employment under this Agreement for convenience at any time and for any reason, or no reason at all, upon written notice to the other party. Such termination shall be effective immediately unless otherwise agreed between the parties.

(b) **Company’s Right to Terminate Employee’s Employment for Cause.** The Company shall have the right to terminate Employee’s employment at any time for Cause.

(c) **Employee’s Right to Terminate for Good Reason.** Employee shall have the right to terminate Employee’s employment with the Company at any time for Good Reason. Any assertion by Employee of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (i) the condition giving rise to Employee’s termination of employment must have arisen without Employee’s written consent; (ii) Employee must provide written notice to the Board of the existence of such condition(s) within 30 days of the initial existence of such condition(s); (iii) the condition(s) specified in such notice must remain uncorrected for 30 days following the Board’s receipt of such written notice; and (iv) the date of Employee’s termination of employment must occur within 75 days after the initial existence of the condition(s) specified in such notice.

(d) **Death or Disability.** Upon the death or Disability of Employee, Employee’s employment with Company shall terminate with no further obligation under this Agreement of either party hereunder.

(e) **Effect of Termination.**

(i) If Employee’s employment is terminated by the Company without Cause pursuant to Section 2(a) above, is terminated as a result of a non-renewal of the Term of this Agreement by the Company pursuant to Exhibit A, or is terminated by Employee for Good Reason pursuant to Section 2(c) above, and Employee: (A) executes within 50 days following the date on which Employee’s employment terminates, and does not revoke within the time provided by the Company to do so, a release of all claims in a form reasonably acceptable to the Company (the “Release”); and (B) abides by Employee’s continuing obligations under Sections 3 and 4 of this Agreement, then the Company shall pay to Employee any bonus earned for the calendar year prior to the year in which the termination occurs but which is unpaid as of the date of termination (which shall be paid to Employee on the same date as such bonus would have been paid had Employee remained in employment) (the “Post-Termination Bonus Payment”) and make severance payments to Employee in a total amount equal to: (X) 12 months’ worth of Employee’s Base Salary; plus (Y) an additional amount equal to the target annual bonus for the Employee for the year in which Employee is terminated prorated up to the date of termination for the number of days worked during such calendar year and calculated based on relative achievement of key performance targets as determined by the Compensation Committee of the Board in its reasonable discretion (such total severance payments being referred to as the “Severance Payment”). For the avoidance of doubt, a non-renewal of the Term of this Agreement by Employee, a termination by reason of Employee’s death or Disability, a termination by the Company for Cause or a termination of employment by Employee without Good Reason under Section 2(a) above shall not give rise to a right to the Severance Payment or Post-Termination Bonus Payment.

(ii) The Severance Payment will be paid in substantially equal monthly installments in accordance

with the Company's normal payroll practices, beginning on Company's first pay date that is on or after the 60th day following the date of termination of employment; *provided, however*, that the first installment payment shall include all amounts that would otherwise have been paid to Employee during the period beginning at termination and ending on the first payment date (without interest) if no delay had been imposed. Any Severance Payment is conditional upon Employee's compliance with Sections 3 and 4. Each payment of a portion of the Severance Payment under this Agreement is intended to be a series of separate payments and not as the entitlement to a single payment for purposes of Section 409A. For purposes of this Agreement, references to Employee's termination of employment shall mean, and be interpreted in accordance with, Employee's "separation from service" from the Company within the meaning of Treasury Regulation § 1.409A-1(h)(1)(ii).

(iii) Upon a termination of employment by Employee for Good Reason, by the Company for convenience or non-renewal by the Company, then all outstanding unvested long term incentive awards granted to the Employee during his employment with the Company under the Long Term Incentive Plan shall become fully vested and exercisable for the remainder of their full term in accordance with, and subject to, any applicable agreements and plan documents as may be amended from time to time.

(iv) Upon a Change of Control, the Employee shall retain all outstanding long term incentive awards previously granted to Employee under the Long Term Incentive Plan subject to existing vesting schedules, provided that all such awards shall be modified by the Compensation Committee in its discretion to reflect the consideration, whether in shares of stock, other securities, cash or property that the Employee would be entitled to receive had he vested into such awards immediately prior to the Change of Control. For the avoidance of doubt, all such modified awards shall remain subject to the vesting requirements in effect for such awards prior to the Change of Control and shall remain subject to all applicable agreements and plan documents as may be amended from time to time.

**3. Confidentiality** . The Company will provide Employee and give Employee access to Confidential Information during the Term. Employee will hold all Confidential Information in a fiduciary capacity for the benefit of the Company. During the Term and at all times after termination of Employee's employment hereunder, Employee will: (a) not disclose any Confidential Information to any person or entity other than in the proper performance of his duties during the Term; (b) not use any Confidential Information except for the benefit of the Company; and (c) take all such precautions as may be reasonably necessary to prevent the disclosure to any third party of any of the Confidential Information.

Upon termination of employment, Employee will surrender and deliver to the Company all documents (including electronically stored information) and other materials of any nature containing or pertaining to all Confidential Information and any other Company property or property of its subsidiaries (including, without limitation, any Company-issued computer, mobile device, credit card, or other equipment or property), in Employee's possession, custody and control and Employee will not retain any such document or other materials or property.

**4. Non-Competition and Non-Solicitation** .

(a) The Company shall provide Employee access to the Confidential Information for use only during the Term, and Employee acknowledges and agrees that the Company will be entrusting Employee, in Employee's unique and special capacity, with developing the goodwill of the Company and its subsidiaries, and in consideration thereof and in consideration of the access to Confidential Information and as a condition to the Company's entry into this Agreement and employment of Employee, and Employee's receipt of equity-based compensation pursuant to the Long-Term Incentive Plan as described in Exhibit A, Employee has voluntarily agreed to the covenants set forth in this Section 4. Employee further agrees and acknowledges that the limitations and restrictions set forth herein, including geographical and temporal restrictions on certain competitive activities, are reasonable in all respects and are material and substantial parts of this Agreement intended and necessary to prevent unfair competition and to protect the Company's and its subsidiaries' legitimate business interests, including the protection of its Confidential Information and goodwill.

(b) Employee agrees that, during the period that he is employed by the Company or any of its subsidiaries and continuing through the date that is 12 months following the date that Employee is no longer employed by the Company or any of its subsidiaries, Employee shall not, without the prior written approval of the Company, directly or indirectly, for himself or on

behalf of or in conjunction with any other person or entity of whatever nature engage in any Prohibited Activity.

(c) During the Term and at all times following the termination of Employee's employment for whatever reason, Employee shall not (except to the extent required by law) disparage, and shall cause the Employee's affiliates not to disparage, either orally or in writing, the Company or any of its subsidiaries or affiliates, or any of their directors, officers, managers, agents, representatives, stockholders, investors, partners, members, or employees, or any of their respective businesses, products, services or practices. During the Term and at all times following the termination of Employee's employment for whatever reason, the Company shall not (except to the extent required by law) disparage, and shall cause the Company's subsidiaries not to disparage, either orally or in writing, the Employee.

(d) Because of the difficulty of measuring economic losses to the Company as a result of a breach of the foregoing covenants, and because of the immediate and irreparable damage that would be caused to the Company for which it would have no other adequate remedy, Employee agrees that the Company and its subsidiaries shall be entitled to enforce the foregoing covenants, in the event of a breach, by injunctions and restraining orders and that such enforcement shall not be the Company's or such subsidiary's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company or its subsidiaries at law and equity.

(e) The covenants in this Section 4, and each provision and portion thereof, are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

**5. Stock Ownership Policy**. On and after April 1, 2019, Employee is expected to hold a number of shares of Class A common stock, par value \$0.01 per share, of the Company ("Stock") with an aggregate value equal to two times Employee's Base Salary (such value to be determined based on the closing price of a share of Stock as of December 31 of the prior year (the "Stock Ownership Requirement"). The Stock Ownership Requirement shall be measured on April 1 of each year beginning in 2019. Until the applicable Stock Ownership Requirement is achieved, Employee is encouraged to retain the net shares obtained through the Company's stock incentive plans. "Net shares" are those shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and withholding taxes. To the extent Employee falls below the Stock Ownership Requirement after April 1, 2019, Employee will be required to retain 100% of the net shares obtained through the Company's stock incentive plans until the Stock Ownership Requirement is met. In the event of a drop in the share price of the Stock from the beginning of each fiscal year through the end of such year commencing with fiscal year 2018 and for each fiscal year thereafter of more than twenty-five percent (25%), Employee will be entitled to an additional twelve month period commencing on April 1 of the next year to comply with the Stock Ownership Requirement. Failure to satisfy the Stock Ownership Requirement may impact Employee's eligibility to receive future cash and equity incentive compensation awards. All shares of Stock held by Employee (including (i) shares purchased on the open market or (ii) shares held indirectly by Employee (a) under any retirement or deferred compensation plan or (b) held by a spouse or other immediate family member residing in the same household or (c) in a trust for the benefit of Employee or his family (whether held individually or jointly)) and all shares of Stock underlying awards granted under the Company's long term incentive plan and which can be settled in Stock (whether vested or unvested, exercised or unexercised, or settled or unsettled) will count towards the Stock Ownership Requirement. Performance awards held by Employee will count towards the Stock Ownership Requirement at the target level of such awards until settled.

**6. Applicable Law; Submission to Jurisdiction**. This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflict of laws principles that would result in the application of the laws of another jurisdiction. With respect to any claim or dispute related to or arising under this Agreement or relating to Employee's employment or the termination thereof, the parties hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Houston, Texas. Notwithstanding the foregoing, the Company and its subsidiaries shall be entitled to enforce their rights under Section 4 in any court of competent jurisdiction.

**7. Entire Agreement and Amendment**. This Agreement, the Long Term Incentive Plan and the award agreement evidencing any equity compensation awards granted under the Long Term Incentive Plan contains the entire agreement of the parties with respect to the matters covered herein; moreover, this Agreement supersedes all prior and contemporaneous agreements and understandings, oral or written, between the parties hereto concerning the subject matter hereof. This Agreement

may be amended only by a written instrument executed by both parties hereto.

**8. Waiver of Breach.** Any waiver of this Agreement must be executed by the party to be bound by such waiver. No waiver by either party hereto of a breach of any provision of this Agreement by the other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either party hereto to take any action by reason of any breach will not deprive such party of the right to take action at any time while such breach continues.

**9. Assignment.** This Agreement is personal to Employee, and neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise transferred by Employee. The Company may assign this Agreement without Employee's consent, including to any subsidiary of the Company and to any successor (whether by merger, purchase or otherwise) to all or substantially all of the equity, assets or businesses of the Company.

**10. Notices.** Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly received when delivered in person or on the third business day following deposit in the United States mail, registered or certified mail, return receipt requested: to the address of the Company's principal offices, Attention: General Counsel, if to the Company; and to the home address of the Employee on file with the Company if to the Employee.

**11. Section 409A.** If any provision of this Agreement does not satisfy the requirements of Section 409A, then such provision shall nevertheless be applied in a manner consistent with those requirements. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A. If any payment or benefit provided to the Employee in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Employee is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then all such payments or benefits shall not be paid until the first payroll date to occur following the six-month anniversary of the Termination Date in a lump sum, and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

**12. Effect of Termination.** The provisions of Sections 2(e), 3, 4, 6 and 11 and those provisions necessary to interpret and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Employee and the Company.

**13. Third-Party Beneficiaries.** Each subsidiary of the Company that is not a signatory to this Agreement is an intended, third-party beneficiary of Employee's obligations under Sections 3 and 4 above and shall be entitled to enforce such obligations as if a party hereto.

**14. Severability.** If an arbitrator or court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement and all other provisions shall remain in full force and effect.

**/s/ Georganne Hodges**

**Employee Name: Georganne Hodges**

**SPARK ENERGY, INC.**

**By: /s/ Nathan Kroeker**

**Name: Nathan Kroeker**



**Title: President and Chief Executive Officer**

EXHIBIT A TO EMPLOYMENT AGREEMENT

OF GEORGANNE HODGES

**Title:** Chief Financial Officer

**Duties:** Those normally incidental to the title identified above, as well as such additional duties as may be assigned to Employee by the Board from time to time.

**Term:** The initial term of this Agreement shall be for the period beginning on the date of the Agreement and ending on December 31, 2015. On January 1, 2016 and on each subsequent anniversary thereafter, this Agreement shall automatically renew and extend for a period of 12 months unless written notice of non-renewal is delivered from either party to the other not less than 30 days prior to the expiration of the then-existing Term. The Term shall include the initial term and any renewal periods. The Term shall end effective as of the date of termination of Employee's employment for any reason.

**Base Salary:** Annual base salary of \$270,000.00 (less applicable taxes and withholdings) (the "Base Salary") payable in conformity with the Company's customary payroll practices for similarly situated employees as may exist from time to time, but no less frequently than monthly.

**Bonus:** Employee shall be eligible to participate in such annual bonus plan as may be established by the Company in its discretion from time to time and in which other similarly situated Company employees are eligible to participate, subject to the terms and conditions of the applicable plan in effect from time to time. The Company shall not, however, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any bonus plan, so long as such changes are similarly applicable to similarly situated Company employees generally. Except to the extent specifically provided for in Section 2(e)(i), any bonus shall not be payable unless Employee remains continuously employed within the Company to the date on which such bonus is paid.

**Equity Based Compensation:** Employee will be eligible to receive equity based compensation awards pursuant to, and subject to the terms of, an equity compensation plan adopted by the Company, as such plan may be amended by the Company from time to time (the "Long Term Incentive Plan"). Such awards will be in an amount determined by the Company and subject to the terms and conditions established by the Board or a committee thereof.

**Benefits:** Employee shall be eligible to participate in the same benefit plans and programs in which other similarly situated Company employees are eligible to participate, subject to the terms and conditions of the applicable plans and programs in effect from time to time. The Company shall not be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such plan or policy, so long as such changes are similarly applicable to similarly situated Company employees.

**Indemnity and D&O Insurance:** The Company will indemnify and hold Employee harmless for all acts and omissions occurring during his employment to the maximum extent provided under the Company's certificate of incorporation, by-laws and applicable law (as each may be amended from time to time). During the Term, the Company will purchase and maintain, at its own expense, directors' and officers' liability insurance providing coverage for Employee in the same amount as for similarly situated executives of the Company.

EXHIBIT B  
TO EMPLOYMENT AGREEMENT OF GEORGANNE HODGES  
DEFINITIONS

“Business” means the products or services offered, marketed, or sold, or with respect to which there are active plans to offer, market or sell, by the Company or its subsidiaries during the period in which Employee is employed by the Company or any of its subsidiaries and for which Employee has material responsibility or about which Employee obtains Confidential Information, which such products and services include, without limitation, the business of supplying electricity and natural gas to homes and

businesses.

“ Business Opportunity ” means any commercial, investment or other business opportunity relating to the Business.

“ Cause ” means:

(i) Employee’s material breach of this Agreement, or any other material obligation owed to the Company or any of its subsidiaries; provided that, if the Company determines that any such breach is capable of cure by Employee, written notice of such breach must be delivered to Employee and Employee must be given a period of 15 days following delivery of such notice to cure the breach;

(ii) the commission of an act of gross negligence, willful misconduct, breach of fiduciary duty, fraud, theft or embezzlement on the part of Employee, which such act has an adverse effect on the Company or any of its subsidiaries or can reasonably be expected to have an adverse effect on the Company or any of its subsidiaries;

(iii) the conviction or indictment of Employee, or a plea of *nolo contendere* by Employee, to any felony or any crime involving moral turpitude;

(iv) Employee’s willful failure or refusal to perform Employee’s obligations pursuant to this Agreement or willful failure or refusal to follow the lawful instructions of the Board; provided that, if the Company determines that any such failure is capable of cure by Employee, written notice of such failure must be delivered to Employee and Employee must be given a period of 15 days following delivery of such notice to cure the failure; or

(v) any conduct by Employee which is materially injurious (monetarily or otherwise) to the Company or any of its subsidiaries.

“ Change of Control ” has the meaning given to it in the Company’s Long Term Incentive Plan.

“ Confidential Information ” means: all non-public information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by or disclosed to Employee, individually or in conjunction with others, during or prior to the Term that relate to the Company’s or its subsidiaries businesses or properties, products or services (including all such information relating to hedging strategies and current, prospective and historic customer segmentation analysis, corporate opportunities, business plans, strategies for developing business and market share, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, customer requirements, the identity of key contacts within customers’ organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks). All documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type including or embodying any Confidential Information shall be deemed Confidential Information and be subject to the same restrictions on disclosure applicable to Confidential Information pursuant to this Agreement. For purposes of this Agreement, Confidential Information shall not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Employee; (ii) was available to Employee on a non-confidential basis before its disclosure by the Company; or (iii) becomes available to Employee on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company or any of its subsidiaries.

“ Covered Vendor or Supplier ” means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other entity who is or was: (A) a vendor or supplier of the Company or any of its subsidiaries at any time during the last 12 months of Employee’s employment with the Company or any of its subsidiaries; or (B) a prospective vendor or supplier of the Company or any of its subsidiaries about which Employee had confidential information or with which Employee had contact in Employee’s capacity as a representative of the Company or any of its subsidiaries.

“ Covered Employee or Agent ” means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other person or entity who is or was an employee, director, officer, contractor, consultant, or vendor of the Company or any of its subsidiaries at any time during the Term and for a period of twelve months after termination of Employee’s employment.

“ Disability ” shall exist if Employee is unable to perform the essential functions of Employee’s position, with reasonable accommodation, due to an illness or physical or mental impairment or other incapacity that continues, or can reasonably be expected to continue, for a period in excess of 90 days, whether or not consecutive. The determination of whether Employee has incurred a Disability will be made in good faith by the Board.

“ Good Reason ” means:

- (i) the material diminution of Employee’s Base Salary;
- (ii) the material diminution in Employee’s title, duties, authority or responsibilities at the Company;
- (iii) the relocation of the Company’s corporate offices at which Employee is required to perform services by more than fifty (50) miles from its location as of the date of this Agreement; or
- (iv) a material breach by the Company of any other material obligation under this Agreement or any other written agreement between Employee and the Company.

“ Market Area ” means that geographic area in the United States of America in which the Company or any of its subsidiaries (A) engages in business, (B) sells or markets to, or obtains products or services from, Covered Customers or Suppliers, (C) has Covered Employees or Agents located, or (D) contemplates doing any of the foregoing, which such area includes Texas, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Arizona, California, Colorado, Florida, Indiana, Michigan, Nevada, and Ohio.

“ Prohibited Activity ” means:

- (a) to engage in or participate within the Market Area in competition with the Company or any of its subsidiaries in any aspect of the Business, including directly or indirectly owning, managing, operating, joining, becoming an employee or consultant of, or loaning money to or selling or leasing equipment or real estate to or otherwise being affiliated with any person or entity engaged in, or planning to engage in, the Business in competition, or anticipated competition, in the Market Area, with the Company or any of its subsidiaries;
- (b) to appropriate any Business Opportunity of, or relating to, the Company or any of its subsidiaries located in the Market Area;
- (c) to solicit, canvass, approach, entice or induce any Covered Customer or Supplier to cease, fail to establish, or lessen such Covered Customer or Supplier’s business with the Company or any of its subsidiaries; or
- (d) to solicit, canvass, approach, entice or induce any Covered Employee or Agent to alter, lessen or terminate his, her or its employment, engagement or relationship with the Company or any of its subsidiaries.

**Employment Agreement**  
**Spark Energy, Inc.**

This Employment Agreement (this “Agreement”) dated April 15, 2015 is between Gil Melman (“Employee”) and Spark Energy, Inc. (the “Company”). Capitalized terms that are not otherwise defined are defined in Exhibit B to this Agreement.

1. **Employment.** The Company will employ Employee in accordance with the terms and conditions set forth in this Agreement and Exhibit A to this Agreement. During the Term (as defined in Exhibit A to this Agreement), Employee will devote his full business time, attention and best efforts to the business of the Company, as may be requested by the Company’s Board of Directors (the “Board”). Employee acknowledges and agrees that he owes the Company fiduciary duties, including duties of loyalty and disclosure, and that the obligations described in this Agreement are in addition to, and not in lieu of, the obligations owed to the Company and its subsidiaries under common law.

2. **Termination of Employment.**

(a) **Right to Terminate for Convenience.** Either the Company or Employee shall have the right to terminate the employment under this Agreement for convenience at any time and for any reason, or no reason at all, upon written notice to the other party. Such termination shall be effective immediately unless otherwise agreed between the parties.

(b) **Company’s Right to Terminate Employee’s Employment for Cause.** The Company shall have the right to terminate Employee’s employment at any time for Cause.

(c) **Employee’s Right to Terminate for Good Reason.** Employee shall have the right to terminate Employee’s employment with the Company at any time for Good Reason. Any assertion by Employee of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (i) the condition giving rise to Employee’s termination of employment must have arisen without Employee’s written consent; (ii) Employee must provide written notice to the Board of the existence of such condition(s) within 30 days of the initial existence of such condition(s); (iii) the condition(s) specified in such notice must remain uncorrected for 30 days following the Board’s receipt of such written notice; and (iv) the date of Employee’s termination of employment must occur within 75 days after the initial existence of the condition(s) specified in such notice.

(d) **Death or Disability.** Upon the death or Disability of Employee, Employee’s employment with Company shall terminate with no further obligation under this Agreement of either party hereunder.

(e) **Effect of Termination.**

(i) If Employee’s employment is terminated by the Company without Cause pursuant to Section 2(a) above, is terminated as a result of a non-renewal of the Term of this Agreement by the Company pursuant to Exhibit A, or is terminated by Employee for Good Reason pursuant to Section 2(c) above, and Employee: (A) executes within 50 days following the date on which Employee’s employment terminates, and does not revoke within the time provided by the Company to do so, a release of all claims in a form reasonably acceptable to the Company (the “Release”); and (B) abides by Employee’s continuing obligations under Sections 3 and 4 of this Agreement, then the Company shall pay to Employee any bonus earned for the calendar year prior to the year in which the termination occurs but which is unpaid as of the date of termination (which shall be paid to Employee on the same date as such bonus would have been paid had Employee remained in employment) (the “Post-Termination Bonus Payment”) and make severance payments to Employee in a total amount equal to: (X) 12 months’ worth of Employee’s Base Salary; plus (Y) an additional amount equal to the target annual bonus for the Employee for the year in which Employee is terminated prorated up to the date of termination for the number of days worked during such calendar year and calculated based on relative achievement of key performance targets as determined by the Compensation Committee of the Board in its reasonable discretion (such total severance payments being referred to as the “Severance Payment”). For the avoidance of doubt, a non-renewal of the Term of this Agreement by Employee, a termination by reason of Employee’s death or Disability, a termination by the Company for Cause or a termination of employment by Employee without Good Reason under Section 2(a) above shall not give rise to a right to the Severance Payment or Post-Termination Bonus Payment.

(ii) The Severance Payment will be paid in substantially equal monthly installments in accordance

with the Company's normal payroll practices, beginning on Company's first pay date that is on or after the 60th day following the date of termination of employment; *provided, however*, that the first installment payment shall include all amounts that would otherwise have been paid to Employee during the period beginning at termination and ending on the first payment date (without interest) if no delay had been imposed. Any Severance Payment is conditional upon Employee's compliance with Sections 3 and 4. Each payment of a portion of the Severance Payment under this Agreement is intended to be a series of separate payments and not as the entitlement to a single payment for purposes of Section 409A. For purposes of this Agreement, references to Employee's termination of employment shall mean, and be interpreted in accordance with, Employee's "separation from service" from the Company within the meaning of Treasury Regulation § 1.409A-1(h)(1)(ii).

(iii) Upon a termination of employment by Employee for Good Reason, by the Company for convenience or non-renewal by the Company, then all outstanding unvested long term incentive awards granted to the Employee during his employment with the Company under the Long Term Incentive Plan shall become fully vested and exercisable for the remainder of their full term in accordance with, and subject to, any applicable agreements and plan documents as may be amended from time to time.

(iv) Upon a Change of Control, the Employee shall retain all outstanding long term incentive awards previously granted to Employee under the Long Term Incentive Plan subject to existing vesting schedules, provided that all such awards shall be modified by the Compensation Committee in its discretion to reflect the consideration, whether in shares of stock, other securities, cash or property that the Employee would be entitled to receive had he vested into such awards immediately prior to the Change of Control. For the avoidance of doubt, all such modified awards shall remain subject to the vesting requirements in effect for such awards prior to the Change of Control and shall remain subject to all applicable agreements and plan documents as may be amended from time to time.

**3. Confidentiality** . The Company will provide Employee and give Employee access to Confidential Information during the Term. Employee will hold all Confidential Information in a fiduciary capacity for the benefit of the Company. During the Term and at all times after termination of Employee's employment hereunder, Employee will: (a) not disclose any Confidential Information to any person or entity other than in the proper performance of his duties during the Term; (b) not use any Confidential Information except for the benefit of the Company; and (c) take all such precautions as may be reasonably necessary to prevent the disclosure to any third party of any of the Confidential Information.

Upon termination of employment, Employee will surrender and deliver to the Company all documents (including electronically stored information) and other materials of any nature containing or pertaining to all Confidential Information and any other Company property or property of its subsidiaries (including, without limitation, any Company-issued computer, mobile device, credit card, or other equipment or property), in Employee's possession, custody and control and Employee will not retain any such document or other materials or property.

**4. Non-Competition and Non-Solicitation** .

(a) The Company shall provide Employee access to the Confidential Information for use only during the Term, and Employee acknowledges and agrees that the Company will be entrusting Employee, in Employee's unique and special capacity, with developing the goodwill of the Company and its subsidiaries, and in consideration thereof and in consideration of the access to Confidential Information and as a condition to the Company's entry into this Agreement and employment of Employee, and Employee's receipt of equity-based compensation pursuant to the Long-Term Incentive Plan as described in Exhibit A, Employee has voluntarily agreed to the covenants set forth in this Section 4. Employee further agrees and acknowledges that the limitations and restrictions set forth herein, including geographical and temporal restrictions on certain competitive activities, are reasonable in all respects and are material and substantial parts of this Agreement intended and necessary to prevent unfair competition and to protect the Company's and its subsidiaries' legitimate business interests, including the protection of its Confidential Information and goodwill.

(b) Employee agrees that, during the period that he is employed by the Company or any of its subsidiaries and continuing through the date that is 12 months following the date that Employee is no longer employed by the Company or any of its subsidiaries, Employee shall not, without the prior written approval of the Company, directly or indirectly, for himself or on

behalf of or in conjunction with any other person or entity of whatever nature engage in any Prohibited Activity.

(c) During the Term and at all times following the termination of Employee's employment for whatever reason, Employee shall not (except to the extent required by law) disparage, and shall cause the Employee's affiliates not to disparage, either orally or in writing, the Company or any of its subsidiaries or affiliates, or any of their directors, officers, managers, agents, representatives, stockholders, investors, partners, members, or employees, or any of their respective businesses, products, services or practices. During the Term and at all times following the termination of Employee's employment for whatever reason, the Company shall not (except to the extent required by law) disparage, and shall cause the Company's subsidiaries not to disparage, either orally or in writing, the Employee.

(d) Because of the difficulty of measuring economic losses to the Company as a result of a breach of the foregoing covenants, and because of the immediate and irreparable damage that would be caused to the Company for which it would have no other adequate remedy, Employee agrees that the Company and its subsidiaries shall be entitled to enforce the foregoing covenants, in the event of a breach, by injunctions and restraining orders and that such enforcement shall not be the Company's or such subsidiary's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company or its subsidiaries at law and equity.

(e) The covenants in this Section 4, and each provision and portion thereof, are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

**5. Stock Ownership Policy**. On and after April 1, 2019, Employee is expected to hold a number of shares of Class A common stock, par value \$0.01 per share, of the Company ("Stock") with an aggregate value equal to two times Employee's Base Salary (such value to be determined based on the closing price of a share of Stock as of December 31 of the prior year (the "Stock Ownership Requirement"). The Stock Ownership Requirement shall be measured on April 1 of each year beginning in 2019. Until the applicable Stock Ownership Requirement is achieved, Employee is encouraged to retain the net shares obtained through the Company's stock incentive plans. "Net shares" are those shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and withholding taxes. To the extent Employee falls below the Stock Ownership Requirement after April 1, 2019, Employee will be required to retain 100% of the net shares obtained through the Company's stock incentive plans until the Stock Ownership Requirement is met. In the event of a drop in the share price of the Stock from the beginning of each fiscal year through the end of such year commencing with fiscal year 2018 and for each fiscal year thereafter of more than twenty-five percent (25%), Employee will be entitled to an additional twelve month period commencing on April 1 of the next year to comply with the Stock Ownership Requirement. Failure to satisfy the Stock Ownership Requirement may impact Employee's eligibility to receive future cash and equity incentive compensation awards. All shares of Stock held by Employee (including (i) shares purchased on the open market or (ii) shares held indirectly by Employee (a) under any retirement or deferred compensation plan or (b) held by a spouse or other immediate family member residing in the same household or (c) in a trust for the benefit of Employee or his family (whether held individually or jointly)) and all shares of Stock underlying awards granted under the Company's long term incentive plan and which can be settled in Stock (whether vested or unvested, exercised or unexercised, or settled or unsettled) will count towards the Stock Ownership Requirement. Performance awards held by Employee will count towards the Stock Ownership Requirement at the target level of such awards until settled.

**6. Applicable Law; Submission to Jurisdiction**. This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflict of laws principles that would result in the application of the laws of another jurisdiction. With respect to any claim or dispute related to or arising under this Agreement or relating to Employee's employment or the termination thereof, the parties hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Houston, Texas. Notwithstanding the foregoing, the Company and its subsidiaries shall be entitled to enforce their rights under Section 4 in any court of competent jurisdiction.

**7. Entire Agreement and Amendment**. This Agreement, the Long Term Incentive Plan and the award agreement evidencing any equity compensation awards granted under the Long Term Incentive Plan contains the entire agreement of the parties with respect to the matters covered herein; moreover, this Agreement supersedes all prior and contemporaneous agreements and understandings, oral or written, between the parties hereto concerning the subject matter hereof. This Agreement

may be amended only by a written instrument executed by both parties hereto.

**8. Waiver of Breach.** Any waiver of this Agreement must be executed by the party to be bound by such waiver. No waiver by either party hereto of a breach of any provision of this Agreement by the other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either party hereto to take any action by reason of any breach will not deprive such party of the right to take action at any time while such breach continues.

**9. Assignment.** This Agreement is personal to Employee, and neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise transferred by Employee. The Company may assign this Agreement without Employee's consent, including to any subsidiary of the Company and to any successor (whether by merger, purchase or otherwise) to all or substantially all of the equity, assets or businesses of the Company.

**10. Notices.** Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly received when delivered in person or on the third business day following deposit in the United States mail, registered or certified mail, return receipt requested: to the address of the Company's principal offices, Attention: General Counsel, if to the Company; and to the home address of the Employee on file with the Company if to the Employee.

**11. Section 409A.** If any provision of this Agreement does not satisfy the requirements of Section 409A, then such provision shall nevertheless be applied in a manner consistent with those requirements. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A. If any payment or benefit provided to the Employee in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Employee is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then all such payments or benefits shall not be paid until the first payroll date to occur following the six-month anniversary of the Termination Date in a lump sum, and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

**12. Effect of Termination.** The provisions of Sections 2(e), 3, 4, 6 and 11 and those provisions necessary to interpret and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Employee and the Company.

**13. Third-Party Beneficiaries.** Each subsidiary of the Company that is not a signatory to this Agreement is an intended, third-party beneficiary of Employee's obligations under Sections 3 and 4 above and shall be entitled to enforce such obligations as if a party hereto.

**14. Severability.** If an arbitrator or court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement and all other provisions shall remain in full force and effect.

/s/ Gil Melman  
Employee Name: Gil Melman

**SPARK ENERGY, INC.**

By: /s/ Nathan Kroeker  
Name: Nathan Kroeker

**Title: President and Chief Executive Officer**

EXHIBIT A TO EMPLOYMENT AGREEMENT

OF GIL MELMAN

**Title:** Vice President, General Counsel and Corporate Secretary

**Duties:** Those normally incidental to the title identified above, as well as such additional duties as may be assigned to Employee by the Board from time to time.

**Term:** The initial term of this Agreement shall be for the period beginning on the date of the Agreement and ending on December 31, 2015. On January 1, 2016 and on each subsequent anniversary thereafter, this Agreement shall automatically renew and extend for a period of 12 months unless written notice of non-renewal is delivered from either party to the other not less than 30 days prior to the expiration of the then-existing Term. The Term shall include the initial term and any renewal periods. The Term shall end effective as of the date of termination of Employee's employment for any reason.

**Base Salary:** Annual base salary of \$265,000.00 (less applicable taxes and withholdings) (the "Base Salary") payable in conformity with the Company's customary payroll practices for similarly situated employees as may exist from time to time, but no less frequently than monthly.

**Bonus:** Employee shall be eligible to participate in such annual bonus plan as may be established by the Company in its discretion from time to time and in which other similarly situated Company employees are eligible to participate, subject to the terms and conditions of the applicable plan in effect from time to time. The Company shall not, however, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any bonus plan, so long as such changes are similarly applicable to similarly situated Company employees generally. Except to the extent specifically provided for in Section 2(e)(i), any bonus shall not be payable unless Employee remains continuously employed within the Company to the date on which such bonus is paid.

**Equity Based Compensation:** Employee will be eligible to receive equity based compensation awards pursuant to, and subject to the terms of, an equity compensation plan adopted by the Company, as such plan may be amended by the Company from time to time (the "Long Term Incentive Plan"). Such awards will be in an amount determined by the Company and subject to the terms and conditions established by the Board or a committee thereof.

**Benefits:** Employee shall be eligible to participate in the same benefit plans and programs in which other similarly situated Company employees are eligible to participate, subject to the terms and conditions of the applicable plans and programs in effect from time to time. The Company shall not be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such plan or policy, so long as such changes are similarly applicable to similarly situated Company employees.

**Indemnity and D&O Insurance:** The Company will indemnify and hold Employee harmless for all acts and omissions occurring during his employment to the maximum extent provided under the Company's certificate of incorporation, by-laws and applicable law (as each may be amended from time to time). During the Term, the Company will purchase and maintain, at its own expense, directors' and officers' liability insurance providing coverage for Employee in the same amount as for similarly situated executives of the Company.

EXHIBIT B

TO EMPLOYMENT AGREEMENT OF GIL MELMAN  
DEFINITIONS

"Business" means the products or services offered, marketed, or sold, or with respect to which there are active plans to offer, market or sell, by the Company or its subsidiaries during the period in which Employee is employed by the Company or any of its subsidiaries and for which Employee has material responsibility or about which Employee obtains Confidential Information, which such products and services include, without limitation, the business of supplying electricity and natural gas to homes and



businesses.

“ Business Opportunity ” means any commercial, investment or other business opportunity relating to the Business.

“ Cause ” means:

(i) Employee’s material breach of this Agreement, or any other material obligation owed to the Company or any of its subsidiaries; provided that, if the Company determines that any such breach is capable of cure by Employee, written notice of such breach must be delivered to Employee and Employee must be given a period of 15 days following delivery of such notice to cure the breach;

(ii) the commission of an act of gross negligence, willful misconduct, breach of fiduciary duty, fraud, theft or embezzlement on the part of Employee, which such act has an adverse effect on the Company or any of its subsidiaries or can reasonably be expected to have an adverse effect on the Company or any of its subsidiaries;

(iii) the conviction or indictment of Employee, or a plea of *nolo contendere* by Employee, to any felony or any crime involving moral turpitude;

(iv) Employee’s willful failure or refusal to perform Employee’s obligations pursuant to this Agreement or willful failure or refusal to follow the lawful instructions of the Board; provided that, if the Company determines that any such failure is capable of cure by Employee, written notice of such failure must be delivered to Employee and Employee must be given a period of 15 days following delivery of such notice to cure the failure; or

(v) any conduct by Employee which is materially injurious (monetarily or otherwise) to the Company or any of its subsidiaries.

“ Change of Control ” has the meaning given to it in the Company’s Long Term Incentive Plan.

“ Confidential Information ” means: all non-public information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by or disclosed to Employee, individually or in conjunction with others, during or prior to the Term that relate to the Company’s or its subsidiaries businesses or properties, products or services (including all such information relating to hedging strategies and current, prospective and historic customer segmentation analysis, corporate opportunities, business plans, strategies for developing business and market share, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, customer requirements, the identity of key contacts within customers’ organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks). All documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type including or embodying any Confidential Information shall be deemed Confidential Information and be subject to the same restrictions on disclosure applicable to Confidential Information pursuant to this Agreement. For purposes of this Agreement, Confidential Information shall not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Employee; (ii) was available to Employee on a non-confidential basis before its disclosure by the Company; or (iii) becomes available to Employee on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company or any of its subsidiaries.

“ Covered Vendor or Supplier ” means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other entity who is or was: (A) a vendor or supplier of the Company or any of its subsidiaries at any time during the last 12 months of Employee’s employment with the Company or any of its subsidiaries; or (B) a prospective vendor or supplier of the Company or any of its subsidiaries about which Employee had confidential information or with which Employee had contact in Employee’s capacity as a representative of the Company or any of its subsidiaries.

“ Covered Employee or Agent ” means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, or other person or entity who is or was an employee, director, officer, contractor, consultant, or vendor of the Company or any of its subsidiaries at any time during the Term and for a period of twelve months after termination of Employee’s employment.

“ Disability ” shall exist if Employee is unable to perform the essential functions of Employee’s position, with reasonable accommodation, due to an illness or physical or mental impairment or other incapacity that continues, or can reasonably be expected to continue, for a period in excess of 90 days, whether or not consecutive. The determination of whether Employee has incurred a Disability will be made in good faith by the Board.

“ Good Reason ” means:

- (i) the material diminution of Employee’s Base Salary;
- (ii) the material diminution in Employee’s title, duties, authority or responsibilities at the Company;
- (iii) the relocation of the Company’s corporate offices at which Employee is required to perform services by more than fifty (50) miles from its location as of the date of this Agreement; or
- (iv) a material breach by the Company of any other material obligation under this Agreement or any other written agreement between Employee and the Company.

“ Market Area ” means that geographic area in the United States of America in which the Company or any of its subsidiaries (A) engages in business, (B) sells or markets to, or obtains products or services from, Covered Customers or Suppliers, (C) has Covered Employees or Agents located, or (D) contemplates doing any of the foregoing, which such area includes Texas, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Arizona, California, Colorado, Florida, Indiana, Michigan, Nevada, and Ohio.

“ Prohibited Activity ” means:

- (a) to engage in or participate within the Market Area in competition with the Company or any of its subsidiaries in any aspect of the Business, including directly or indirectly owning, managing, operating, joining, becoming an employee or consultant of, or loaning money to or selling or leasing equipment or real estate to or otherwise being affiliated with any person or entity engaged in, or planning to engage in, the Business in competition, or anticipated competition, in the Market Area, with the Company or any of its subsidiaries;
- (b) to appropriate any Business Opportunity of, or relating to, the Company or any of its subsidiaries located in the Market Area;
- (c) to solicit, canvass, approach, entice or induce any Covered Customer or Supplier to cease, fail to establish, or lessen such Covered Customer or Supplier’s business with the Company or any of its subsidiaries; or
- (d) to solicit, canvass, approach, entice or induce any Covered Employee or Agent to alter, lessen or terminate his, her or its employment, engagement or relationship with the Company or any of its subsidiaries.