

**MINUTES OF THE SPECIAL MEETING OF THE
JOINT COMPENSATION COMMITTEE OF THE
BOARD OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE**

April 11, 2019

A special meeting of the Joint Compensation Committee of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC”) was held on Thursday, April 11, 2019 at 10:00 a.m. at CMEEC, 30 Stott Avenue, Norwich, CT and via telephone.

The meeting was legally noticed in compliance with Connecticut State law and all proceedings and actions hereafter recorded occurred during the publicly open portions of the meeting.

The following Committee Members participated:

Bozrah Light and Power – Ralph Winslow
Jewett City Department of Public Utilities – Louis Demicco (via telephone)
Groton Utilities – Ronald Gaudet
Norwich Public Utilities – Dr. Grace Jones
South Norwalk SNEW – Paul Yatcko (via telephone)
East Norwalk TTD – Debora Goldstein (via telephone)

The following CMEEC staff participated:

Michael Lane, CMEEC Interim CEO
Robin Kipnis, CMEEC General Counsel
Ellen Kachmar, CMEEC Office & Facility Manager

Other Participants:

William Kowalski, Municipal Electric Consumer Advocate (via telephone).

Ms. Kachmar recorded.

Committee Member Yatcko, the 2018 Committee Chairman, called the meeting to order at 10:01 a.m. and requested persons participating by telephone and those in the room identify themselves.

(A) SELECTION OF JOINT COMPENSATION COMMITTEE CHAIRMAN

The first order of business was to select a Committee Chairperson for 2019. Committee Member Yatcko asked if there were any volunteers. Hearing none, he asked for nominations.

A motion was made by Committee Member Gaudet, seconded by Committee Member Dr. Jones to nominate Committee Member Winslow as Committee Chairman.

Vote passed unanimously.

(B) REVIEW OF COMPENSATION COMMITTEE CHARTER

The Committee began review of the Draft Compensation Committee Charter by first discussing the deletion of Section 5, Authority to Retain Advisors. Mr. Lane reported the section was being removed by other Committees because advisor funding is already contemplated in the budget and it is thus not required in the Charter. The Committee agreed to strike the section.

Section II Membership, sub-section 2. Qualifications: Independence was the next subject matter discussed. The Committee questioned the stipulation in the last sentence that at least one member of the Committee shall be the “Compensation Expert”.

A motion was made by Committee Member Goldstein, seconded by Committee Member Dr. Jones, to strike the last sentence “Finally, at least one member of the Committee shall be the “Compensation Expert”.

Vote passed unanimously.

The Committee reviewed the language of the second sentence in the Qualifications: Independence subsection noting that the phrase “the Committee will be independent” was inexplicit. The sentence was re-crafted as follows: “In addition, each Director on the Committee will abide by the Ethics and Conflict of Interest Policies of CMEEC and Transco management when making recommendations.”

Motion by Committee Member Gaudet, seconded by Committee Member Goldstein to accept the amended sentence in the subsection referenced above.

Motion passed unanimously.

Section IV. Responsibilities, sub-section 3. Oversee Succession Planning and Leadership Development was the next discussion topic. Mr. Kowalski, the Municipal Electric Consumer’s Advocate (MECA), questioned whether CMEEC utilized objective data when determining compensation levels and that they should do so. The Committee members communicated that

CMEEC does in fact utilize salary surveys and data when determining salary levels. The Committee decided to make a minor change to Section IV, sub-section 3, by moving the word senior in front of management to read “The Committee will review senior management’s selection process and executive session planning.

Motion by Committee Member Gaudet, seconded by Committee Member Goldstein to accept the Compensation Committee Charter as amended and to recommend the adoption to the CMEEC Board of Directors.

Vote passed unanimously.

Motion by Committee Member Goldstein, seconded by Committee Member Gaudet to adjourn the meeting.

Vote passed unanimously.

There being no further business of the Committee, the meeting was adjourned at 11:07 a.m.

**Connecticut Municipal Electric Energy Cooperative
Connecticut Transmission Municipal Electric Energy Cooperative
CMEEC and TRANSCO
Board of Directors
Joint Compensation and Policy Committee Charter**

**In effect and adopted by the CMEEC and TRANSCO Board of
Directors April 25, 2019**

I. Purpose and Authority

The purpose of the Joint Compensation Committee (the “Committee”) of the Boards of Directors (“the Boards”) of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and the Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” or “TRANSCO”) is:

1. To assist the Boards in fulfilling its responsibilities for generally overseeing:
 - Responsibilities relating to the compensation of the CMEEC and TRANSCO CEO, CFO, General Counsel and Directors;
 - Provide general insight and guidance on the CMEEC and TRANSCO compensation structure, including benefits programs;
 - Review and provide guidance on talent review, leadership development, and succession planning;
 - Review other corporate policies as requested by management.
2. To perform such other duties and responsibilities as are enumerated in and consistent with this charter.

II. Membership

1. Membership and Appointment

- The Committee will consist of at least three Directors and/or Alternate Directors whom the Boards appoint and such number of additional Directors as the Boards deem appropriate and appoints.

2. Qualifications; Independence

- Each Director on the Committee will have qualifications as the Boards determine. In addition, each Director on the Committee will abide by the Ethics and Conflict of Interest Policies of CMEEC and Transco management when making recommendations.

3. Removal

- The entire Committee or any individual Director on the Committee may be removed with or without cause by the affirmative vote of the majority of the Boards.

4. Chairman

- The Boards may designate the Chairman of the Committee (“the Chairman”). In the absence of such designation, the Committee may designate the Chairman by majority vote of the Committee. The Chairman may establish other rules as are necessary for the Committee to conduct business.

III. Procedures

1. Number of meetings

- The Committee will convene as necessary to accomplish the following responsibilities:
 - Timely performance review recommendations of the CEO
 - Timely reviews of CEO compensation
 - Timely recommendations on the compensation and incentive plans for staff

2. Agenda

- The Chairman will establish the agenda, with input from management and other Directors on the Committee and Boards as appropriate.

3. Delegation of Authority

- The Committee may delegate to a member or subcommittee tasks related to the Committee’s responsibilities; but only the Committee as a whole may make a decision.

4. Charter Review

- The Committee will review and update its charter annually and recommendations for change will require approvals by the Boards.

5. Performance Review

- The Committee will annually evaluate its performance relative to its duties and responsibilities as set forth in the charter and report the results to the Boards.

6. Reporting to the Board

- The Committee will regularly report to the Boards with respect to the Committee’s activities.

7. Open Access

- The Committee will have access to CMEEC's and TRANSCO's books, records, facilities, and to CMEEC's and TRANSCO's management.

IV. Responsibilities

The following responsibilities of the Committee are set forth as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by the law or the Boards.

1. Provide the Board Focal Point for the Development of Employee Evaluation Criteria Consistent with the Board Strategic Plan

- The Committee will work with CMEEC and TRANSCO management to ensure that CMEEC and TRANSCO have a total compensation philosophy designed to facilitate the achievement of the mission, vision, and objectives of CMEEC and TRANSCO. As such, it is the guideline for the determination, administration, and decision-making related to all elements of total compensation for CMEEC and TRANSCO employees. With CMEEC and TRANSCO management, determine appropriate prioritized goals for CMEEC and TRANSCO to meet the needs of members, participants, and customers they serve. The Committee will work with CMEEC and TRANSCO management to assess performance against established goals.

2. Evaluate Human Resources and Compensation Strategies and Policies

- The Committee will oversee and evaluate CMEEC's and TRANSCO's overall human resources and compensation structure, policies and programs, and assess whether these establish the appropriate incentives and leadership development opportunities. Ensure that CMEEC and TRANSCO have a total

compensation philosophy designed to facilitate the achievement of the mission, vision, and objectives of CMEEC and TRANSCO. As such, the policy is a guideline for the determination, administration, and decision-making related to all elements of total compensation for CMEEC and TRANSCO employees.

3. Oversee Succession Planning and Leadership Development

- The Committee will review senior managements' selection process and executive succession planning.
 - The Committee will review compensation, incentive and other programs to promote executive development.

4. Conduct Executive Performance Review and Set Executive Compensation

- The Committee will review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer Director, evaluate the Chief Executive Officer's performance in light of the goals and objectives and approve compensation.

5. Oversight of Employee Benefit Plans

- The Committee will monitor the effectiveness of the employee benefit plans.

6. Set Director Compensation

- The Committee will establish compensation policies and practices for Directors for service on the Boards and their Committees, as well as for the Chairmen of the Boards. The Committee will regularly review the appropriate level of Director compensation.