

EVERSOURCE ENERGY  
Form DEF 14A  
March 22, 2019

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Eversource Energy**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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## 2019 ANNUAL MEETING OF SHAREHOLDERS

Dear Fellow Shareholders:

On behalf of the Board of Trustees and employees of Eversource Energy, it is my pleasure to invite you to attend the May 1, 2019 Annual Meeting of Shareholders of Eversource Energy.

In 2018, we continued to achieve very positive financial and operating performance and also expanded our development of clean energy. We implemented several constructive multi-year rate plans among our utilities, integrated Aquarion Water into our family of companies, and continued to provide a total shareholder return better than both our utility peers and the broader market.

We reported earnings per share of \$3.25, compared to \$3.11 in 2017, grew our common dividend by 6.3 percent to an annualized rate of \$2.02 per share, and realized total shareholder return of 6.4 percent. In February 2019, we announced a common dividend increase of another 6 percent to an annualized rate of \$2.14 per share. We expanded our partnership with Ørsted, the world's leading offshore wind provider, and we continue to support our states' clean energy policies, with a nearly \$500 million investment in energy efficiency, the expansion of utility-scale solar capacity, and initiation of work on grid-scale energy storage in Massachusetts. We are also accelerating our deployment of electric vehicle charging infrastructure in Massachusetts, a project that could ultimately support thousands of individual electric vehicle charging ports.

Workplace and boardroom Diversity & Inclusion (D&I) are a part of our core values. I have signed onto the CEO Action for D&I letter – a nationwide effort to drive inclusiveness. Our D&I programs support initiatives to integrate inclusive practices and drive accountability in all areas of our business, for which we received industry group awards for employee diversity leadership, and recognition in 2018 of our Board of Trustees by the National Association of Corporate Directors (NACD) as one of only eight large-cap finalists for NACD's first Board Diversity Award. I am also very proud of our long history of partnering with local and regional community organizations. We provided nearly \$18 million in grants to non-profit organizations and worthwhile regional activities across our tri-state service area in 2018 and devoted 30,000 employee hours to volunteerism.

As a Company, we are more focused than ever on shareholder value, excellent customer service, compliance, environmental stewardship and being a strong partner in the communities we serve. This is all made possible through the dedication of our employees, whom we provide with the competitive wages and benefits that their high performance merits.

Before closing, I want to recognize Dennis R. Wraase, who will retire from the Board of Trustees effective on the date of our Annual Meeting. We are grateful for his exceptional service to the Board and the Company.

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On behalf of your Board of Trustees, I thank you for your continued support of Eversource Energy.

Very truly yours,

**James J. Judge**

*Chairman, President and Chief Executive Officer*

March 22, 2019

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## Notice of Annual Meeting of Shareholders

**DATE:** Wednesday, May 1, 2019

**TIME:** 10:30 a.m.

**PLACE:** Infinity Hall, 32 Front Street, Hartford, Connecticut 06103

### Business Items/Agenda

1. Elect the ten nominees named in the proxy statement as Trustees to hold office until the 2020 Annual Meeting.
2. Consider an advisory proposal approving the compensation of our Named Executive Officers.
3. Ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2019.
4. Consider other matters that may properly come before the meeting.

### Adjournments and Postponements

The business items to be considered at the Annual Meeting may be considered at the meeting or following any adjournment or postponement of the meeting.

### Record Date

You or your proxy are entitled to vote at the Annual Meeting or at any adjournment or postponement if you were an Eversource Energy shareholder at the close of business on March 5, 2019.

### Voting

Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented at the meeting. For specific instructions on how to vote your shares, please refer to the section entitled "Questions and Answers About the Annual Meeting and Voting" beginning on page 66. This Notice of Annual Meeting of Shareholders and our proxy statement are first being made available to shareholders on or about March 22, 2019.

### Meeting Attendance Information

You or your proxy are entitled to attend the Annual Meeting or any adjournment or postponement if you were an Eversource Energy shareholder at the close of business on March 5, 2019 or hold a valid proxy to vote at the Annual Meeting. Please be prepared to present photo identification to be admitted to the meeting. If your shares are not registered in your name but are held in "street name" through a bank, broker or other nominee, and you plan to attend, please bring proof of ownership.

By Order of the Board of Trustees,

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Richard J. Morrison  
Secretary

March 22, 2019

**Important Notice Regarding the Availability of Proxy Statement Materials for the Annual Meeting of Shareholders to be held on May 1, 2019. The Proxy Statement for the Annual Meeting of Shareholders to be held on May 1, 2019 and the 2018 Annual Report are available on the Internet at [www.envisionreports.com/ES](http://www.envisionreports.com/ES)**

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## Information Summary

This summary highlights information contained elsewhere in this proxy statement. This is only a summary, and we encourage you to review the entire proxy statement, as well as our 2018 Annual Report.

A Notice of Internet Availability of Proxy Materials, our 2018 Annual Report and a form of proxy or voting instruction card are first being made available to shareholders on or about March 22, 2019.

### Annual Meeting of Shareholders

<b>Time and Date:</b>	10:30 a.m., Eastern Time, on Wednesday, May 1, 2019
<b>Location:</b>	Infinity Hall 32 Front Street Hartford, Connecticut 06103
<b>Record Date:</b>	March 5, 2019

## 2018 Performance Highlights

In 2018, we continued to achieve very positive financial and operational performance results. The following are brief summaries of some of our most important accomplishments in 2018. Please refer to "Summary of 2018 Accomplishments" found on page 31 of this proxy statement.

Financial	Operational	ESG
2018 earnings were \$3.25 per share, a 4.5% increase from 2017.	On average, 2018 customer power interruptions were 17.2 months apart, and average service restoration time was 77.5 minutes; this performance ranks us in the first quartile of the industry.	The energy efficiency, offshore wind, large scale solar, battery storage and electric vehicle infrastructure programs and initiatives we describe in this proxy statement have significantly advanced our long-term strategy of being a clean energy leader.
Our Board of Trustees increased the annual dividend rate by 6.3% for 2018 to \$2.02 per share, exceeding the Edison Electric Institute (EEI) Index companies median dividend growth rate of 5.1%.	We achieved our 2018 established targets in safety performance and response to gas service calls.	We continue to be an industry leader in SF6 emission reductions.
Our Total Shareholder Return in 2018 was 6.4%, compared to 3.7% for the EEI Index companies.	We achieved several constructive regulatory outcomes in all states where we provide service.	Our 2019 Trustee nominees include seven who have served on the Board for seven or fewer years and five who are women and/or persons of color.
We significantly advanced our clean energy leadership through the expansion of our offshore wind energy partnership with		

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Ørsted.

Our Standard & Poor's (S&P) Credit Rating remained at A+, two notches higher than any other utility holding company.

We responded extremely well to major weather events affecting our natural gas, electric and water systems, as well as a series of major gas explosions which occurred in another company's service territory, and at the request of the Governor of Massachusetts, we successfully led the initial phase of the incident response.

We were recognized by a significant number of organizations for our leadership in energy efficiency, workplace diversity, investor relations, sustainability and ESG.

We are making a difference in our communities through our corporate philanthropy and employee volunteer programs.

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**INFORMATION SUMMARY**

**Corporate Governance Highlights**

We maintain effective corporate governance standards:

All Trustees are elected annually and by a majority vote of the common shares issued and outstanding.

All of the nominees are independent other than the Chief Executive Officer.

We adopted a proxy access provision in 2018.

Each of our Trustees attended at least 75% of the aggregate number of Board and Committee meetings during 2018.

Our Corporate Governance Guidelines require that Trustees retire at the Annual Meeting following the Trustee's 75<sup>th</sup> birthday.

We conduct annual Board and Committee self-assessments and other Board refreshment actions.

We have a Lead Trustee and hold at least three Independent Trustee meetings every year.

We have an ongoing, mature shareholder engagement program.

Our Shareholders have the right to call a special meeting upon the request of holders of 10% of the Company's outstanding shares.

**Executive Compensation Highlights**

*What we DO:*

Pay for Performance.

Share ownership and holding guidelines.

Broad clawback policy relating to incentive compensation.

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Double-trigger change in control vesting provisions.

100% of long-term incentive compensation paid in stock.

Independent compensation consultant.

Annual Say-on-Pay vote.

Payout limitations on incentive awards.

Limited executive and Trustee trading window.

### ***What we DON'T do:***

No tax gross-ups in any new or materially amended executive compensation agreements.

No hedging, pledging or similar transactions by executives and Trustees.

No liberal share recycling.

No dividends on equity awards before vesting.

No discounts or repricing of options or SARs.

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Table of Contents**INFORMATION SUMMARY****Items to be Voted on and Board Voting Recommendations****2019 Business Items**

The Board of Trustees of Eversource Energy is asking you to vote on three items:

**Item 1 Election of Trustees**

The Board has nominated ten Trustees, nine of whom are independent, for reelection to our Board of Trustees. Linda Dorcena Forry was elected to the Board by the Trustees effective May 2, 2018. Each of the other

nominees was elected to the Board by at least 92% of the shares voted at the 2018 Annual Meeting. The following table provides summary information about each nominee:

Trustee	Age	Trustee		Independent	Audit	Compensation	Board Committees		
		Since					Corporate	Governance	Executive
Cotton M. Cleveland	66	1992		Y			M		M
Sanford Cloud, Jr. *	74	2000		Y		M	C	M	
James S. DiStasio	71	2012		Y		M		M	C
Francis A. Doyle	70	2012		Y	C		M	M	
Linda Dorcena Forry	45	2018		Y			M		M
James J. Judge	63	2016		N				C	
John Y. Kim	58	2018		Y	M	M			
Kenneth R. Leibler	70	2006		Y	M				M
William C. Van Faasen	70	2012		Y	M	C		M	
Frederica M. Williams	60	2012		Y	M				M

C:  
Committee Chair

M:  
Committee Member

\*  
Lead Trustee

**Board Composition**

Of our ten nominees, nine are independent, seven have served on the Board for seven or fewer years and five are women and/or persons of color. Please see the sections marked "Election of Trustees," "Selection of Trustees,"

"Trustee Qualifications, Skills and Experience" and "Evaluation of Board and Board Refreshment" beginning on page 6.

**Item 2 Advisory Vote to Approve the Compensation of our Named Executive Officers**

We are asking shareholders to approve the compensation of the Company's Named Executive Officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission (SEC). As noted in the 2018 Performance Highlights, we achieved excellent financial and operating performance results in 2018, and our total shareholder return has consistently outperformed the utility industry

over both the short and long term. Our Board is committed to executive compensation programs that reflect market-based incentive compensation and that align the interests of our executives with those of our shareholders, and we believe that the compensation paid to our Named Executive Officers in 2018 reflects that alignment between pay and performance. Please see pages 60 - 61.

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**INFORMATION SUMMARY**

**Item 3 Ratify the Selection of the Independent Registered Public Accounting Firm for 2019**

Our Audit Committee has selected Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2019. The Board is seeking shareholder ratification of this selection. Please see pages 62 - 64.

**The Board of Trustees recommends that shareholders vote FOR Items 1, 2, and 3.**

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## Proxy Statement

# Annual Meeting of Shareholders May 1, 2019

### Introduction

We are furnishing this proxy statement in connection with the solicitation of proxies by the Board of Trustees of Eversource Energy for use at the Annual Meeting of Shareholders (the Annual Meeting). We are holding the Annual Meeting on Wednesday, May 1, 2019, at 10:30 a.m., at the Infinity Hall, 32 Front Street, Hartford, Connecticut 06103.

We have provided to our shareholders a Notice of Internet Availability of our proxy materials or paper copy with instructions on how to access our proxy materials online and how to vote. We will continue to provide printed materials to those shareholders who have requested them. If you would like to change the method of delivery of your proxy materials, please contact our transfer agent, Computershare Investor Services, P. O. Box 43078, Providence, Rhode Island 02940-3078; Toll free: 800-999-7269; or at [www.computershare.com/investors](http://www.computershare.com/investors). You may do the same as a beneficial owner by contacting the bank, broker, or other nominee where your shares are held.

We are making this proxy statement available to solicit your proxy to vote on the matters presented at the Annual Meeting. Our Board requests that you submit your proxy by the Internet, telephone, or mail so that your shares will be represented and voted at our Annual Meeting. The proxies will vote your common shares as you direct. For each item, you may vote "FOR" or

"AGAINST" the item, or you may abstain from voting on the item.

If you submit a signed proxy card without any instructions, the proxies will vote your common shares consistent with the recommendations of our Board of Trustees as stated in this proxy statement and in the Notice of Internet Availability of Proxy Materials. If any other matters are properly presented at the Annual Meeting for consideration, the proxies will have discretion to vote your common shares on those matters. As of the date of this proxy statement, we did not know of any other matters to be presented at the Annual Meeting.

Only holders of common shares of record at the close of business on March 5, 2019 (the record date) are entitled to receive notice of and to vote at the Annual Meeting or any adjournment thereof. On the record date, there were 35,729 holders of record and 317,302,260 common shares outstanding and entitled to vote. You are entitled to one vote on each matter to be voted on at the Annual Meeting for each common share that you held on the record date.

The principal office of Eversource Energy is located at 300 Cadwell Drive, Springfield, Massachusetts 01104. The general offices of Eversource Energy are located at 800 Boylston Street, Boston, Massachusetts 02199 and 56 Prospect Street, Hartford, Connecticut 06103-2818.

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## Item 1: Election of Trustees

Our Board of Trustees oversees the business affairs and management of Eversource Energy. The Board currently consists of eleven Trustees, only one of whom, James J. Judge, our Chairman, President and Chief Executive Officer, is a member of management.

The Board has nominated ten Trustees for reelection at the Annual Meeting to hold office until the next Annual Meeting or otherwise until the succeeding Board of Trustees has been elected and until at least a majority of the succeeding Board is qualified to act. Dennis R. Wraase is retiring from the Board effective on the date of the Annual Meeting. The number of Trustees was last set at 14; this provides the Board with flexibility to add Trustees when appropriate. Shareholders may vote for up to ten nominees. Unless you specify otherwise, we will vote the enclosed proxy to elect the ten nominees named on pages 7 - 11 as Trustees.

We describe below and on the following pages each nominee's name, age, and date first elected as a Trustee, Committees served on, and a brief summary of the nominee's business experience, including the nominee's particular qualifications, skills and experience that led the Board to conclude that the nominee should continue

to serve as a Trustee. Please see the Trustees' biographies below and the sections captioned "Selection of Trustees," "Trustee Qualifications, Skills and Experience" and "Evaluation of the Board and Board Refreshment" beginning on page 12. Each nominee has indicated to our Lead Trustee that they will stand for election and will serve as a Trustee if elected. The affirmative vote of the holders of a majority of the common shares outstanding as of the record date will be required to elect each nominee. This means that each nominee must receive the affirmative vote of the holders of more than 50% of the total common shares outstanding. You may either vote "FOR" or "AGAINST" all, some, or none of the Trustees, or you may abstain from voting. Broker non-votes and abstentions will be counted in the determination of a quorum and will have the same effect as a vote against a nominee.

**The Board of Trustees recommends that shareholders vote FOR the election of the nominees listed below.**

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**ITEM 1: ELECTION OF TRUSTEES**

***Cotton M. Cleveland***

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*Age: 66*

*Trustee since 1992*

*Committees: Finance and Corporate Governance*

**BACKGROUND**

Ms. Cleveland is President of Mather Associates, a firm specializing in leadership and organizational development for business, public and nonprofit organizations. She is a director of Main Street America Holdings, Inc. and Ledyard National Bank, and was the founding Executive Director of the state-wide Leadership New Hampshire program. She served on the Board of Directors of the Bank of Ireland from 1986 to 1996, and as Interim President and Chief Executive Officer of the New Hampshire Women's Foundation for 2016. She was elected and served as the Moderator of the Town of New London, New Hampshire and The New London/Springfield Water Precinct from 2000 to 2010. Ms. Cleveland has also served as Chair, Vice Chair and a member of the Board of Trustees of the University System of New Hampshire, as Co-Chair of the Governor's Commission on New Hampshire in the 21<sup>st</sup> Century, and as an incorporator for the New Hampshire Charitable Foundation. Ms. Cleveland received a B.S. degree magna cum laude from the University of New Hampshire, Whittemore School of Business and Economics. She is a certified and practicing Court Appointed Special Advocate/Guardian ad Litem (CASA/GAL) volunteer for abused and neglected children.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

Ms. Cleveland founded and serves as President of her own consulting firm. She has experience serving on the boards of directors of numerous companies. She also benefits from her policy-making level experience in education at the university level as the Chair, Vice Chair and member of the Board of Trustees of the University System of New Hampshire. In addition, she has policy-making level experience in financial and capital markets as a result of her service as a director of Ledyard National Bank and Bank of Ireland. Her ties to the State of New Hampshire also provide the Board with valuable perspective. Based on these qualifications, skills and experience, the Board of Trustees determined that Ms. Cleveland should continue to serve as a Trustee.

***Sanford Cloud, Jr.***

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*Age: 74*

*Lead Trustee since 2012*

*Trustee since 2000*

*Committees: Compensation, Corporate Governance and Executive*

**BACKGROUND**

Mr. Cloud has been Chairman and Chief Executive Officer of The Cloud Company, LLC, a real estate development and business investment firm, since 2005. Mr. Cloud served as past President and Chief Executive Officer of the National Conference for Community and Justice from 1994 to 2004, was a former partner at the law firm of Robinson and Cole from 1993 to 1994, and served two terms as a state senator of Connecticut. He was Vice President of Corporate Public Involvement and Executive Director of the Aetna Foundation from 1986 to 1992, has served as Chairman of the Connecticut Health Foundation and continues as a member of its Board. Mr. Cloud served as a director of The Phoenix Companies, Inc. from 2001 to 2016 and is currently a director of Ironwood Mezzanine Fund, L.P. He is also a director of the MetroHartford Alliance, Inc. and the University of Connecticut Health Center. Mr. Cloud is also a member of the Board of Trustees of the University of Connecticut and serves as director of its Thomas J. Dodd Center for Human Rights. Mr. Cloud received a B.A. degree from Howard University, a J.D. degree cum laude from the Howard University Law School, and an M.A. degree in Religious Studies from the Hartford Seminary.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

Mr. Cloud has significant policy-making level experience in business and financial affairs as a business executive and as a director of several publicly-traded and privately-held companies. He provides the Board with great benefits from his experience as a law firm partner and Connecticut state senator and through his significant ties and service to the City of Hartford and the State of Connecticut. His service as Lead Trustee has significantly helped advance the Company's strategy. Based on these qualifications, skills and experience, the Board of Trustees determined that Mr. Cloud should continue to serve as a Trustee.

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**ITEM 1: ELECTION OF TRUSTEES**

***James S. DiStasio***

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*Age: 71*

*Trustee since 2012*

*Committees: Compensation, Executive and Finance*

**BACKGROUND**

Mr. DiStasio served as Senior Vice Chairman and Americas Chief Operating Officer at Ernst & Young, a registered public accounting firm, from 2003 until his retirement in 2007. Mr. DiStasio joined Ernst & Young in 1969 and became a partner in 1977. He served as a director of EMC Corporation from 2010 until its sale to Dell Technologies, Inc. in 2016. He served as a trustee of NSTAR from 2009 until NSTAR's merger with the Company in 2012. He has served as a director of the United Way of Massachusetts Bay and Merrimack Valley and as trustee of each of Catholic Charities of Boston, the Boston Public Library Foundation and the Wang Center for the Performing Arts. Mr. DiStasio received a B.S. degree in Accounting from the University of Illinois at Chicago.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

Mr. DiStasio has significant experience overseeing the accounting and financial reporting processes of major public companies, derived from his service as a senior executive at one of the largest public accounting firms in the world. In his position as Senior Vice Chairman and Americas Chief Operating Officer, Mr. DiStasio also acquired important management and leadership skills that provide additional value and support to the Board. He has served on several boards of for-profit and non-profit companies and their committees. Based on these qualifications, skills and experience, the Board of Trustees determined that Mr. DiStasio should continue to serve as a Trustee.

***Francis A. Doyle***

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*Age: 70*

*Trustee since 2012*

*Committees: Audit, Corporate Governance and Executive*

**BACKGROUND**

Mr. Doyle has served as President and Chief Executive Officer of Connell Limited Partnership, whose businesses have produced components and related supplies for the automotive, power, mining, appliance, farm equipment, warehouse automation, and medical and food packaging industries, since 2001. Prior to that, he was Vice Chairman of PricewaterhouseCoopers LLP, where he was Global Technology Leader and a member of the firm's Global Leadership Team, having served in various capacities during his 29 years with the firm, including Geographic Office and Regional Managing Partner, Mergers & Acquisition Managing Partner and Engagement Partner on significant publicly listed companies. Since leaving PricewaterhouseCoopers, he has served as lead director and chairman of the audit committee and a member of the executive and compensation committees of Tempur Sealy International, Inc. and as chairman of the audit committee and a member of the executive committee, nominating and governance committee and investment committee of Liberty Mutual Holding Company, Inc. (policyholder owned) since 2003. Mr. Doyle has served as a director of Citizens Financial Group, where he was a member of the executive committee and chaired the compensation committee, as a trustee of the Joslin Diabetes Center, where he chaired the finance committee, and as a trustee of Boston College. Mr. Doyle is a certified public accountant and holds a B.S. degree and an M.B.A. degree from Boston College.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

Mr. Doyle has significant merger and acquisition, financial, accounting, financial reporting and technology risk management experience and an in-depth understanding of finance and capital markets through his years at PricewaterhouseCoopers LLP. He also has extensive senior management experience as the President and Chief Executive Officer of a global manufacturer. Mr. Doyle has served on the boards of directors of several public and private companies and on various committees of those boards. Based on these qualifications, skills and experience, the Board of Trustees determined that Mr. Doyle should continue to serve as a Trustee.

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**ITEM 1: ELECTION OF TRUSTEES**

***Linda Dorcena Forry***

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*Age: 45*

*Trustee since 2018*

*Committees: Corporate Governance and Finance*

**BACKGROUND**

Ms. Forry has served as the Vice President of Diversity, Inclusion and Community Relations, Northeast Region, of Suffolk Construction since 2018. Ms. Forry served in the Massachusetts State Senate from 2005 to 2018, where she was appointed Assistant Majority Whip in 2017. She served as Acting Chief of Staff and Executive Staff of the Neighborhood Development for the City of Boston from 1999 to 2005 and was a Legislative Assistant for the Massachusetts State Legislature from 1997 to 1999. Ms. Forry serves on numerous boards and civic organizations, including the John F. Kennedy Library Advisory Board, the Rappaport Institute for Greater Boston at the Harvard Kennedy School of Government, the Boys and Girls Club of Dorchester and the Institute of Justice and Democracy in Haiti. Ms. Forry received her bachelor's degree from Boston College Carroll School of Management in 1998 and her Masters of Public Administration from Harvard University's Kennedy School of Government in 2014.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

As Vice President of Diversity, Inclusion and Community Relations at Suffolk Construction, Ms. Forry provides her company with tools by which it can increase diversity and inclusion and maintain excellent relations between Suffolk Construction and the Northeast community. Ms. Forry also has significant policy-making level experience from her tenure in state and local government in Massachusetts. She also has experience serving on the boards of directors of several non-profit boards. Her experience and expertise provide the Board and the Company with insight into how Eversource can continue its important work in furthering diversity and inclusion in Eversource's workplace and maintaining a close relationship with our customer communities. Based on these qualifications, skills and experience, the Board of Trustees determined that Ms. Forry should continue to serve as a Trustee.

***James J. Judge***

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*Age: 63*

*Trustee since 2016*

*Committee: Executive*

**BACKGROUND**

Mr. Judge is Chairman, President and Chief Executive Officer of Eversource Energy. He also is Chairman and a director of The Connecticut Light and Power Company, NSTAR Electric Company, NSTAR Gas Company, Public Service Company of New Hampshire, Yankee Gas Services Company and Eversource Aquarion Holdings, Inc. Previously, Mr. Judge was Executive Vice President and Chief Financial Officer of Eversource Energy, and Executive Vice President, Chief Financial Officer and a director of The Connecticut Light and Power Company, NSTAR Electric Company, NSTAR Gas Company, Public Service Company of New Hampshire and Yankee Gas Services Company from April 2012 until May 2016. Mr. Judge served as a director of Analogic Corporation since 2005 and as chairman of its audit committee until Analogic Corporation's sale in 2018. He serves on the Board of Directors of the Edison Electric Institute, the Massachusetts Competitive Partnership and the J. F. Kennedy Library Foundation. He has also served on the Board of Directors of the United Way of Massachusetts Bay and Merrimack Valley. Mr. Judge received both a B.S. degree magna cum laude and an M.B.A. degree magna cum laude from Babson College.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

Mr. Judge is Chairman, President and Chief Executive Officer. His extensive experience in the energy industry and diverse financial and management skills provide the necessary background to lead the Company. He is an experienced public company director and audit committee chair. He also serves our customer community through his service on and work with many non-profit boards. Mr. Judge represents management on the Board as the sole management Trustee. Since becoming Chief Executive Officer and then Chairman, he has continued the Company's financial and operational success and has positioned Eversource as a national clean energy leader. Based on these qualifications, skills and experience, the Board of Trustees determined that Mr. Judge should continue to serve as a Trustee.



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**ITEM 1: ELECTION OF TRUSTEES**

***John Y. Kim***

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*Age: 58*

*Trustee since 2018*

*Committees: Audit and Compensation*

**BACKGROUND**

Mr. Kim served as President of New York Life Insurance Company from 2015 until his retirement in 2018 and also served in a variety of other management positions at New York Life, including as the company's Chief Investment Officer, since 2008. Mr. Kim served as President of Prudential Retirement and its predecessor CIGNA Retirement and Investment Services from 2002 to 2007 and served as the Chief Executive Officer of Aeltus Investment Management, a subsidiary of Aetna, Inc., from 2001 to 2004. Mr. Kim serves as a director of Fiserv, Inc. and is a member of its audit committee. He has served as the vice chair of the Connecticut Business and Industry Association, as a member of the MetroHartford Alliance, Inc. and as chairman of the University of Connecticut Foundation. He has also been active with the Greater Hartford Arts Council, The Hartford Stage Company, and the Connecticut Opera Association. Mr. Kim received his B.A. degree from the University of Michigan in 1983 and his M.B.A. degree from the University of Connecticut in 1987.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

Mr. Kim has more than 30 years of experience in the financial services area. His varied and comprehensive accounting, financial, technology risk and financial reporting experience acquired at several nationally known insurance companies, including New York Life Insurance Company, Prudential Retirement, CIGNA Retirement and Investment Services and Aetna, and provides the Board and its Committees with valuable insight and perspective. He also is closely associated with several important Connecticut business and non-profit groups and is an experienced public company director. Based on these qualifications, skills and experience, the Board of Trustees determined that Mr. Kim should continue to serve as a Trustee.

***Kenneth R. Leibler***

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*Age: 70*

*Trustee since 2006*

*Committees: Audit and Finance*

**BACKGROUND**

Mr. Leibler currently serves as Chairman of the Board of The Putnam Mutual Funds. He has served as a trustee of The Putnam Mutual Funds since 2006 and served as Vice Chairman from 2016 - 2018. He serves as Trustee Emeritus of Beth Israel Deaconess Medical Center and served as both a trustee and as vice chairman of Beth Israel Medical Center from 2009 to 2012. He is a founding partner of the Boston Options Exchange and served as its chairman from 2004 to February 2007. He is a past vice chairman of the Board of Directors of ISO New England, Inc., the independent operator of New England's bulk electric transmission system, where he served until 2006. He also served as a director of The Ruder Finn Group from 2005 to 2010. Mr. Leibler received a B.A. degree magna cum laude from Syracuse University.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

Mr. Leibler has considerable senior executive level experience in business and management, including experience in financial markets and risk assessment, as the former Chairman of the Boston Options Exchange, former Chairman and CEO of the Boston Stock Exchange, and former President, Chief Operating Officer and Chief Financial Officer of the American Stock Exchange, as well as through his current service as Chairman of The Putnam Mutual Funds, where he serves on the contract, executive, nominating and investment oversight committees. He also has policy-making level experience in the electric utility industry through his service as the Vice Chairman of ISO New England. Based on these qualifications, skills and experience, the Board of Trustees determined that Mr. Leibler should continue to serve as a Trustee.

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**ITEM 1: ELECTION OF TRUSTEES**

***William C. Van Faasen***

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*Age: 70*

*Trustee since 2012*

*Committees: Audit and Compensation*

**BACKGROUND**

Mr. Van Faasen served as Chief Executive Officer of Blue Cross Blue Shield of Massachusetts, Inc. (BCBSMA), a health care services provider, from 1992 until his retirement in 2007. He is Chairman Emeritus of BCBSMA and also served as interim Chief Executive Officer in 2010. He has served as a director of Liberty Mutual Holding Company, Inc. (policyholder owned) since 2002 and as Lead Director since April 2012, and has served as a Director of Acreage Holdings, Inc. since 2018. He served as a director of IMS Health, Inc. from 1996 to 2010 and as Lead Director from 2006 to 2010. He also served as a director of PolyMedica Corporation from 2005 to 2008 and served as a trustee of NSTAR from 2002 until NSTAR's merger with the Company in 2012. He is an honorary director of the Greater Boston Chamber of Commerce and previously served as a director of the United Way of Massachusetts Bay and Merrimack Valley. Mr. Van Faasen received a B.A. degree from Hope College and an M.B.A. degree from Michigan State University.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

Mr. Van Faasen brings to the Board extensive management, leadership, and financial experience derived from leading a large company in a regulated industry. He also brings in-depth experience and insight as a director of several public companies, including service as a lead director and on board committees, and has also served on area non-profit boards. Based on these qualifications, skills and experience, the Board of Trustees determined that Mr. Van Faasen should continue to serve as a Trustee.

***Frederica M. Williams***

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*Age: 60*

*Trustee since 2012*

*Committees: Audit and Finance*

**BACKGROUND**

Ms. Williams has served as President and Chief Executive Officer of Whittier Street Health Center in Boston, an urban community health care facility serving residents of Boston and surrounding communities, since 2002. Prior to joining Whittier Street Health Center, she served as the Senior Vice President of Administration and Finance and Chief Financial Officer of the Dimock Center, a large health care and human services facility in Boston. She was elected as a trustee of NSTAR in March 2012 and served as a trustee until NSTAR's merger with the Company in April 2012. Ms. Williams is a member of the Board of Trustees of Dana Farber Cancer Institute, the Massachusetts League of Community Health Centers and Boston Health Net. She is a Fellow of the National Association of Corporate Directors, a member of the Massachusetts Women's Forum, International Women's Forum, and Women Business Leaders of the U.S. Health Care Industry Foundation. Ms. Williams attended the London School of Accountancy, passed the examinations of the Institute of Chartered Secretaries and Financial Administrators, (United Kingdom) (ICSA) and of the Institute of Administrative Management (United Kingdom), with distinction, and was elected a Fellow of the ICSA in 2000. She obtained a graduate certificate in Administration and Management from the Harvard University Extension School and an M.B.A. degree with a concentration in Finance from Anna Maria College in Paxton, Massachusetts.

**QUALIFICATIONS, SKILLS AND EXPERIENCE**

Ms. Williams has more than 20 years of experience in a regulated industry, and has served as the President and Chief Executive Officer of Whittier Street Health Center, a national model for providing equitable access to high quality and cost effective health care, for more than fifteen years. This service has provided her with a broad base of financial, leadership, management and community experience and skills. She also has significant experience serving on several non-profit boards. Based on these qualifications, skills and experience, the Board of Trustees determined that Ms. Williams should continue to serve as a Trustee.

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## Governance of Eversource Energy

### Board's Leadership Structure

James J. Judge is our Chairman, President and Chief Executive Officer. Sanford Cloud, Jr. serves as our Lead Trustee.

As Lead Trustee, Mr. Cloud presides at executive sessions of the independent Trustees; facilitates communication between the Chief Executive Officer and

the Board members; participates with the Compensation Committee in its evaluation of the Chief Executive Officer; and provides ongoing information to the Chief Executive Officer about his or her performance. He also attends all Committee meetings.

### Selection of Trustees

This section and the next two sections discuss how we select individuals to become Trustees and how we continually ensure that we have a fully-qualified, effective and diverse Board.

As set forth in its charter, it is the responsibility of the Corporate Governance Committee to identify individuals qualified to become a Trustee and to recommend to the Board a slate of Trustee candidates to be submitted to a vote of our shareholders at the Annual Meeting of Shareholders. The Committee has from time to time retained the services of a third party executive search firm to assist it in identifying and evaluating such individuals.

As provided in our Corporate Governance Guidelines, the Corporate Governance Committee seeks nominees with the following qualifications:

Trustees should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of our shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. The Board should represent diverse experience at policy-making levels in business, government, education, community and charitable organizations, as well as areas that are relevant to our business activities. The Corporate Governance Committee also seeks diversity in gender, ethnicity and personal background when considering Trustee candidates.

Applying these criteria and those noted elsewhere in this proxy statement, the Corporate Governance Committee considers Trustee candidates suggested by its members as well as by management and shareholders. In anticipation of Trustee retirements in 2018, and acting on the recommendation of the Corporate Governance Committee, the Board of Trustees elected Linda

Dorcena Forry to the Board effective May 2, 2018, having elected John Y. Kim as a Trustee effective January 1, 2018.

As part of the annual nomination process for re-election, the Corporate Governance Committee reviews the independence, qualifications, skills and experience of each nominee for Trustee and reports its findings to the Board. At its February 6, 2019 meeting, the Corporate Governance Committee and the Board of Trustees determined that each Trustee (except for our Chief Executive Officer) is independent, that each Trustee possesses the highest personal and professional ethics, integrity and values, and that each Trustee remains committed to representing the long-term interests of our shareholders. The Committee's review also focused on each Trustee's experience at policy-making levels in business, government, education, community and charitable organizations, and other areas relevant to our business activities, as described below. Based on this review, the Committee advised the Board on February 6, 2019 that each of the Trustees was qualified to serve on the Board under the Corporate Governance Guidelines.

The Corporate Governance Committee and the Board annually review the skills and qualifications that they determine are necessary for the proper oversight of the Company by the Trustees in furtherance of their fiduciary duties. The Committee and the Board remain focused on ensuring that the individual and collective abilities of the Trustees continue to meet the changing needs of the Company and its constituencies. The Board is committed to nominating individuals who satisfy the applicable criteria for outstanding service to our Company and who together comprise the appropriate Board composition in light of evolving business demands. The Board evaluates the effectiveness of each Trustee in contributing to the Board's work and the potential contributions of each new nominee.



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**GOVERNANCE OF EVERSOURCE ENERGY**

**Trustee Qualifications, Skills and Experience**

Eversource Energy is a holding company with electric, gas and water utility subsidiaries that provide service to customers in Connecticut, Massachusetts and New Hampshire. The Company is a leader in enabling the development of clean energy. Combined with our successful and effective energy efficiency programs, the Company is positioned at the forefront in the fight against climate change. We stress great reliability and customer service for our customers, solid financial performance for our shareholders, a safe, respectful workplace for our employees that provides good wages and benefits, and continuous involvement with and support of our communities. Our Chairman, President and Chief Executive Officer has set a very clear goal for the Company: to be known as the best energy company in the nation. To help us accomplish this, we seek Trustees with both overall skills and experience and some that are specialized. We describe here and elsewhere the qualifications, skills and experience that we feel are necessary and that our Trustees possess.

Set forth below is a list of the qualifications, skills and experience we seek, followed by a description noting how these qualifications, skills and experience are particularly important to our Board:

Regulatory Experience

Accounting Experience

Senior Executive and Director Experience

Diversity

Risk Management Expertise

Finance Experience

Community and Charitable Organization Involvement

**Regulatory Experience.** Each of our utility subsidiaries is regulated in virtually all aspects of its business by various federal and state agencies, including the SEC, the Federal Energy Regulatory Commission, and various state and/or local regulatory authorities with jurisdiction over the industry and the service areas in which each subsidiary operates. Accordingly, the Board values the policy-making level experience in a heavily regulated industry that several of our Trustees possess.

**Accounting Experience.** As a publicly-traded electric, gas and water holding company whose companies are subject to substantial federal, state and accounting industry rules, it is especially important that the Board have significant accounting experience. Several of our Trustees are career accounting and financial executives

and provide us with superior strength in the Board's oversight of this important element of the Board's responsibilities.

**Senior Executive and Director Experience.** Many of our Trustees serve or have served as senior executives or directors of other companies, providing us with unique insights. These individuals possess extraordinary leadership qualities as well as the ability to identify and develop those qualities in others. They demonstrate a practical understanding of organizations, processes, long-term strategic planning, risk management and corporate governance, and know how to drive change and growth.

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**Diversity.** The Corporate Governance Committee and the Board of Trustees seek diversity in gender, ethnicity and personal background when considering Trustee candidates. Diverse thoughts and views emanating from different backgrounds, life experiences, gender and race, career experiences and skills are critical to a well-functioning Board and essential to embracing opportunities and confronting challenges in the future. To ensure the success of our business strategy, the Board of Trustees strives to identify and pursue Trustee candidates with diverse skills, knowledge, background and experience that complement the skills, knowledge and experience of our current Trustees. Our refreshed Board is now one of the most diverse in the industry. Of the ten nominees, three are women, three are African-American, and one is Asian-American.

**Risk Management Experience.** Assessing and managing risk in a rapidly changing clean energy environment is critical to our success. Several of our Trustees have served in leadership positions and have the experience to understand and evaluate the most significant risks we face and the experience and leadership to provide effective oversight of risk management processes.

**Finance Experience.** The vast majority of our ongoing capital program is expected to be funded through cash flows provided by operating activities, as well as new debt issuances and, less frequently, equity issuances. As a result, the Board highly values the policy-making level experience and understanding of capital and financial markets, accounting and financial reporting, and credit markets, that many of our Trustees have acquired.

**Community and Charitable Organization Involvement.** Public utility companies have a unique position and role in the communities they serve beyond that of most corporations. The Board supports and encourages



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**GOVERNANCE OF EVERSOURCE ENERGY**

community involvement and development, and philanthropic goals and activities. The Eversource Energy Foundation, Inc. was established in 1998 to focus on our community investments and to provide grants to our nonprofit community partners. Consistent with our business strategy and core values, the Foundation invests primarily in projects that address issues of economic and community development and the environment. Each Trustee has experience in one or more community or charitable organizations. We operate New England's largest energy delivery system in three different states. Because a majority of our Trustees also reside in our service territory, they not only have ties to local communities, but they understand our customers' needs.

**Our Board's Qualifications, Skills and Experience**

**Independence, Tenure and Diversity**

Of our ten nominees, nine are independent, seven have served on the Board for seven or fewer years, and five are women and/or persons of color.

**Independence**

**Tenure**

**Diversity**

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**GOVERNANCE OF EVERSOURCE ENERGY**

**Evaluation of Board and Board Refreshment**

The Corporate Governance Committee annually reviews and evaluates the performance of the Board of Trustees, Board Committees and individual Board Members. The Committee periodically assesses the Board's contribution as a whole and identifies areas in which the Board or senior management believes a better contribution may be made. The Committee also reviews the attributes and skills of the Board Members as a way to refresh and continually ensure that the Board has the proper mix of skills. The Board and each of the Committees, other than the Executive Committee, also conduct annual performance self-evaluations to increase the effectiveness of the Board and its Committees; the results of these are reviewed and discussed with the Board. Our self-evaluation program includes the completion of Board and Committee questionnaires, interviews by the Lead Trustee with each Board member, and discussions by the Board and each Committee of any issues raised by our Board Members during the self-evaluation process. In addition to the Committee reviews and the annual self-evaluations conducted by the Committee and the Board, the Committee and the

Board also annually review the independence, performance and qualifications of each Trustee prior to nominations being made for an additional term. These reviews are discussed by the Committee, following which it makes recommendations to the Board regarding nominees for election as Trustees.

Our Board has an average tenure of nine years. We believe that the mix of longer tenured Trustees and recently elected Trustees provides for the kind of balance that contributes to the overall effectiveness of the Board.

Shareholders who desire to suggest potential candidates for membership on the Board of Trustees may address such information, in writing, to our Secretary at the mailing address set forth on page 65 of this proxy statement. The communication must identify the writer as a shareholder of the Company and provide sufficient detail about the nominee for the Corporate Governance Committee to consider the individual's qualifications. Our Declaration of Trust also provides for proxy access.

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**GOVERNANCE OF EVERSOURCE ENERGY**

**Board Committees and Responsibilities**

The Board of Trustees has five standing committees, described below. The Board has adopted charters for each of these committees. These charters can be found

at [www.eversource.com/content/ema-c/about/investors/corporate-governance/board-committee-charters](http://www.eversource.com/content/ema-c/about/investors/corporate-governance/board-committee-charters).

**Audit Committee**

**Members:**

Francis A. Doyle, Chair  
John Y. Kim  
Kenneth R. Leibler  
William C. Van Faasen  
Frederica M. Williams

The Audit Committee is responsible for oversight of the Company's financial statements, the internal audit function, and compliance by the Company with legal and regulatory requirements. The Committee also oversees:

The appointment, compensation, retention and oversight of our independent registered public accounting firm.

The independent registered public accounting firm's qualifications, performance and independence, as well as the performance of our internal audit function.

The review of guidelines and policies that govern management's processes in assessing, monitoring and mitigating major financial risk exposures.

Financial reporting and review of accounting standards and systems of internal control.

Significant accounting policies, management judgments and accounting estimates, earnings releases.

The Audit Committee has sole authority to appoint or replace the independent registered public accounting firm (for which it seeks shareholder ratification), and to approve all audit engagement fees and terms.

The Committee meets independently with the internal audit staff, the independent registered public accounting firm, management, and then solely as a Committee, at least quarterly. Following each Committee meeting, the Audit Committee reports to the full Board. The Audit Committee met six times during 2018, including the annual joint meeting with the Finance Committee.

Additional information regarding the Audit Committee is contained in Item 3 of this

proxy statement beginning on page 62.

**Financial Expertise:** Each member of the Audit Committee meets the financial literacy requirements of the New York Stock Exchange (NYSE), the SEC and our Corporate Governance Guidelines. The Board has affirmatively determined that Mr. Doyle is an "audit committee financial expert," as defined by the SEC.

**Independence:** The Board has determined that each member of the Audit Committee meets the independence requirements of the NYSE, SEC and our Corporate Governance Guidelines.

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**GOVERNANCE OF EVERSOURCE ENERGY**

**Compensation Committee**

**Members:**

William C. Van Faasen, Chair  
Sanford Cloud, Jr.  
James S. DiStasio  
John Y. Kim  
Dennis R. Wraase

The Compensation Committee is responsible for the compensation and benefit programs for all executive officers of Eversource Energy and has overall authority to establish and interpret our executive compensation programs. The Compensation Committee also:

Reviews our executive compensation strategy, evaluates components of total compensation, and assesses performance against goals, market competitive data and other appropriate factors, and makes compensation-related decisions based upon Company and executive performance.

Reviews and recommends to the Board of Trustees the compensation of the non-employee members of the Board.

Reviews and approves corporate goals and objectives relevant to the Chief Executive Officer's compensation and, with the participation of the Lead Trustee and subject to the further review and approval of the independent Trustees, evaluates the performance of the Chief Executive Officer in light of those goals and objectives.

In collaboration with the Chief Executive Officer, oversees the evaluation of executive officers and engages in the succession planning process for the Chief Executive Officer and other executives.

Has the sole authority to select and retain experts and consultants in the field of executive compensation to provide advice to the Committee with respect to market data, competitive information, and executive compensation trends.

Retains an independent compensation consulting firm to provide compensation consulting services solely to the Compensation Committee.

Following each Committee meeting, the Compensation Committee reports to the full Board. The Compensation Committee met four times during 2018.

For additional information regarding the Compensation Committee, including the Committee's processes for determining executive compensation, see the CD&A beginning on page 31.

**Independence:** The Board has affirmatively determined that each member of the Compensation Committee meets the independence requirements of the NYSE, the SEC, and our Corporate Governance Guidelines.



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**GOVERNANCE OF EVERSOURCE ENERGY**

**Corporate Governance Committee**

**Members:**

Sanford Cloud, Jr., Chair  
Cotton M. Cleveland  
Francis A. Doyle  
Linda Dorcena Forry  
Dennis R. Wraase

The Corporate Governance Committee is responsible for developing, overseeing and regularly reviewing Governance Guidelines and related policies. The Corporate Governance Committee also:

Serves as a nominating committee, establishing criteria for new Trustees and identifying and recommending prospective Board candidates and the appointment of Trustees to Board Committees.

Annually reviews the independence and qualifications of the Trustees and recommends to the Board appointments of the Committee Members, of the Lead Trustee, and the Chairman of the Board and the election of officers of the Company.

Annually evaluates the performance of the Board and its Committees.

Annually reviews the charters of the Board Committees.

Following each Committee meeting, the Corporate Governance Committee reports to the full Board. The Corporate Governance Committee met four times in 2018.

**Independence:** The Board has affirmatively determined that each member of the Corporate Governance Committee meets the independence requirements of the NYSE, the SEC, and our Corporate Governance Guidelines.

**Executive Committee**

**Members:**

James J. Judge, Chair  
Sanford Cloud, Jr.  
James S. DiStasio  
Francis A. Doyle  
William C. Van Faasen

The Executive Committee is empowered to exercise all the authority of the Board, subject to certain limitations set forth in our Declaration of Trust, during the intervals between meetings of the Board.

Following each Committee meeting, the Executive Committee reports to the full Board. The Executive Committee did not meet in 2018.

**Independence:** Except for Mr. Judge, who is the Company's Chairman, President and Chief Executive Officer, each member of the Executive Committee is independent.





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**GOVERNANCE OF EVERSOURCE ENERGY**

**Finance Committee**

**Members:**

James S. DiStasio, Chair  
Cotton M. Cleveland  
Linda Dorcena Forry  
Kenneth R. Leibler  
Frederica M. Williams

The Finance Committee assists the Board in fulfilling its oversight responsibilities relating to financial plans, policies and programs for Eversource Energy and its subsidiaries. The Finance Committee also:

Reviews the Company's plans and actions to assure liquidity; financial goals and proposed financing programs; operating plans, budgets, capital expenditure forecasts; plans and recommendations regarding common share repurchase programs; early extinguishment and refunding of debt and preferred stock obligations; and other proposals that modify the Company's capital structure.

Reviews the Company's Enterprise Risk Management (ERM) program, including practices to monitor and mitigate cyber, physical security and other risk exposures.

Reviews and recommends the Company's dividend policy, as well as new business ventures and initiatives which may result in substantial expenditures, commitments and exposures.

Conducts an annual review of counter-party credit policy, insurance coverages and pension plan performance.

Following each Committee meeting, the Finance Committee reports to the full Board. The Finance Committee met four times during 2018, including the annual joint meeting with the Audit Committee.

**Independence:** Each member of the Finance Committee is independent, and while the Committee is not specifically subject to NYSE or SEC independence regulations, each member meets the independence criteria set forth in the NYSE and SEC regulations and our Corporate Governance Guidelines.

**Compensation Committee Interlocks and Insider Participation**

No member of the Compensation Committee is employed by Eversource Energy or any of its subsidiaries. No executive officer of Eversource Energy serves as a member of the compensation committee or

on the board of directors of any company at which a Member of the Eversource Energy Compensation Committee or Board of Trustees serves as an executive officer.

**Meetings of the Board and its Committees**

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In 2018, the Board of Trustees held seven meetings, three of which included executive sessions attended only by the independent Trustees, and the Board and the Committees held a total of 24 meetings. In 2018, each Trustee attended at least 75% of the aggregate number

of the Board and Committee meetings, and all Trustees attended the Annual Meeting of Shareholders held on May 2, 2018. Our Trustees are expected to attend our Annual Meetings of Shareholders, but we do not have a formal policy addressing this subject.

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**GOVERNANCE OF EVERSOURCE ENERGY**

**Board's Oversight of Risk**

The Board of Trustees, both as a whole and through its Committees, is responsible for the oversight of the Company's risk management processes and programs. The Board believes that this approach is appropriate to carry out its risk oversight responsibilities and is in the best interests of the Company and its shareholders. Each year, the Board evaluates its risk assessment function as part of its Board evaluation process.

As set forth below, each Committee reviews management's assessment of risk for that Committee's respective area of responsibility. Each Committee member has expertise on risks relative to the nature of the Committee on which he or she sits. With each Committee Chair reporting to the Board following each Committee meeting, the entire Board is able to discuss risk related issues, assess their implications and provide oversight on appropriate actions for management to take. All Board Committees meet periodically with members of senior management to discuss the relevant risks and challenges facing the Company.

The Board of Trustees oversees the Company's comprehensive operating and strategic planning. The operating plan, which is reviewed and formally approved by the Board in February following review by the Finance Committee, consists of the goals and objectives for the year, key performance indicators, and financial forecasts. The strategic planning process consists of long-term corporate objectives, specific strategies to achieve those goals, and plans designed to implement each strategy. The ERM program is integrated with the annual operating and strategic planning processes. The top enterprise-wide financial risks are identified during the development of the annual operating plan and are tracked throughout the year. These risks are presented to the Board of Trustees during development of the annual operating plan and at the Board's annual strategic planning session. Detailed risk mitigation plans for the principal enterprise-wide risks are updated periodically and presented to the Finance Committee.

The Finance Committee is responsible for oversight of the Company's ERM program and enterprise-wide risks, as well as specific risks associated with insurance, credit, financing and pension investments. Our ERM program involves the application of a well-defined, enterprise-wide methodology designed to allow our executives to identify, categorize, prioritize, and mitigate the principal risks to the Company. The ERM program is integrated with other assurance functions throughout the Company, including compliance, auditing, and insurance to ensure appropriate coverage of risks that

could impact the Company. In addition to known risks, the ERM program identifies emerging risks to the Company, through participation in industry groups, discussions with management, and in consultation with outside advisors. Our management then analyzes risks to determine materiality, likelihood and impact, and develops mitigation strategies. Management broadly considers our business model, the utility industry, the global economy and the current environment to identify risks. The findings of this process are discussed with the Finance Committee and the full Board, including reporting on an individual risk-by-risk basis on how these issues are being measured and managed. The ERM Program was recognized as a mature program for the second year in a row by the Risk Management Society.

In addition to the regularly scheduled reports by ERM of all of the Company's enterprise-wide risks and the results of the ERM program, management reports periodically to both the Board of Trustees and the Finance Committee in depth on specific top enterprise risks at the Company. ERM also reports regularly to the Finance Committee on the activities of the Company's Risk Committee. The Company's Risk Committee consists of senior officers of the Company, and is responsible for ensuring that the Company is managing its principal enterprise-wide risks, as well as other key risk areas such as operations, environmental, information technology, compliance and business continuity.

The Audit Committee is responsible for the oversight of the integrity of the Company's financial statements, including oversight of the guidelines, policies and controls that govern management's processes for assessing, monitoring and mitigating major financial risk exposures. The Corporate Governance Committee is responsible for the oversight of compliance with various governance regulations as required by the SEC, the NYSE and other regulators. The Executive Vice President and General Counsel reports on any changes in regulations and best practices as part of the annual review of Committee charters and the Board's Corporate Governance Guidelines and also at Committee and Board meetings. The Board of Trustees administers its compensation risk oversight function primarily through its Compensation Committee. The process by which the Board and the Compensation Committee oversee executive compensation risk is described in greater detail within the Compensation Discussion and Analysis beginning on page 31.



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**GOVERNANCE OF EVERSOURCE ENERGY**

**Cyber and Physical Security Risk**

The Company continues to devote substantial resources to protecting its cyber and operational assets. Simultaneously, the Board and its Committees continue to provide substantial and focused attention to cyber and system security. At the Board and Committee level, comprehensive cyber security reports are provided and discussed at each meeting of the Finance Committee, which has primary responsibility for cyber and system security oversight at the Committee level. These reports are provided to all members of the Board and discussed by the Board at the time the Finance Committee Chair reports on the Committee's meetings. The reports focus on the Company's most critical assets, describe cyber security drills and exercises, any attempted breaches, and mitigation strategies, including insurance. In addition, assessments by third-party experts of cyber and

physical security risks to the utility industry and the Company in particular are provided periodically. The Company regularly reviews and updates its cyber and system security programs and the Board and its Committees continue to enhance their strong oversight activities, including joint meetings of the Audit and Finance Committees, at which cyber and system security programs and issues that might affect the Company's financial statements and operational systems are discussed by both Committees with financial, information technology, legal and accounting management, other members of the Board, representatives of the Company's independent registered public accounting firm, and outside advisors and expert speakers.

**Eversource Sustainability/ESG**

At Eversource, sustainability is embedded into how we conduct our business today and for future generations, with environmental, social and governance (ESG) initiatives integrated into the policies and principles that govern our Company. Our vision is to be recognized as the best energy company in the nation by serving the needs and expectations of our shareholders, customers, employees and the communities we serve. We are committed to top-tier reliability, superior customer service, effective corporate governance, expanding energy options for our region, environmental stewardship, and providing transparency and clarity about our position and our performance on these and other topics.

In 2017, we released Eversource's Commitment to Environmental Sustainability, which underscores our environmental priorities and highlights our role as a key catalyst for clean energy development in New England. This statement is a critical component of our vision for how we conduct our business today. We have been a leader within our trade groups, the Edison Electric Institute and the American Gas Association, in standardizing ESG disclosures. In 2017, the nation's electric companies became the first industry in the country to adopt a common set of ESG disclosures. In December 2018, natural gas companies similarly adopted a common set of ESG disclosures. Eversource Energy was one of the first companies to post such disclosures for both our electric and gas operations; they can be found on our website at [www.eversource.com](http://www.eversource.com). We are also active in the Electric Utility Sustainability Supply Chain Alliance, working to embed sustainability

throughout the transmission and distribution supply chain.

Set forth below is a list of the considerations and topics that we feel are important to our comprehensive sustainability and ESG policies and practices, followed by a description of each and how we integrate them into everything that we do:

Sustainability Governance

Electric Transmission

Natural Gas

Water

Energy Efficiency

Corporate and Compensation Governance

Diversity and Human Capital

Our Communities

Environmental Stewardship

Climate Leadership

Transparency and Accountability

**Sustainability Governance.** Sustainability is embedded into our governance processes, and Board level oversight of ESG is reflected in many of the financial, operational and sustainability/ESG accomplishments outlined in the Compensation Discussion and Analysis section of this proxy statement. Key metrics that are reported to the Board periodically and at management presentations focus directly on ESG, including financial performance,

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**GOVERNANCE OF EVERSOURCE ENERGY**

reliability, safety, diversity and inclusion, customer experience, and strategic projects. Additionally, in February 2019, our Compensation Committee added an executive sustainability/ESG performance goal that will be reported on monthly and assessed in February 2020 by the Committee.

Our Sustainability Steering Committee, comprised of executive level management from key ESG areas, oversees a team of employees who engage with operational and business partners to develop and manage strategic priorities, set sustainability goals and coordinate sustainability reporting. The sustainability team meets regularly throughout the year to assess current practices and identify improvement opportunities.

Eversource regularly partners with like-minded companies and stakeholders to conduct our business in a responsible and sustainable way, providing the best solutions for our customers and the communities we serve.

**Electric Transmission.** Eversource has sited and built complex and varied projects in densely populated, congested areas in our service territory. These projects have enhanced the reliability of the electric grid, eased congestion, accelerated retirement of older, higher emission coal and oil-fueled power plants, and helped to provide greater access to new, clean renewable power sources. Over the next five years, Eversource plans to invest approximately \$3.3 billion in projects and upgrades to modernize our electric transmission system and meet the region's renewable energy needs. A more reliable, more efficient electric grid will provide New England with the infrastructure that is critical to help the region meet its aggressive greenhouse gas reduction goals.

**Natural Gas.** Our Distribution Integrity Management Programs are designed to improve service for our customers by identifying and prioritizing operational and infrastructure enhancements. Replacement of aging natural gas infrastructure is an example of a top priority to enhance safety and minimize the potential for natural gas emissions, thereby preventing the release of greenhouse gases into the atmosphere.

**Water.** Eversource is committed to the protection of water resources through conservation and water quality management. Aquarion Water Company provides water services to residential, commercial, industrial, fire protection and other customers in Connecticut, Massachusetts and New Hampshire. Our water utilities obtain their water supplies from wholly-owned surface water sources and groundwater supplies, as well as water purchased from other water suppliers. Approximately 98 percent of our annual production is self-supplied and processed at ten surface water treatment plants and

numerous well stations, all wholly-owned and located in Connecticut, Massachusetts and New Hampshire.

Aquarion conservation programs ensure that local water supplies remain sufficient for critical needs such as human consumption and fire protection. Recent actions include the completion of a Water Data Analysis Study and implementation of programs that encourage customers to reduce water usage, a survey of all water mains in our service territory to reduce unaccounted for water, identifying and addressing energy efficiency opportunities at our large water treatment plants, and utilizing EPA software tools to identify infrastructure vulnerabilities for Connecticut coastal water systems due to environmental risks.

Aquarion's reservoirs are surrounded by more than 15,000 acres of forest, which serve as both a critical safeguard and an invaluable resource. Sustainably managing the land and natural resources is critical to protecting and enhancing water quality. Environmental review of proposed developer projects, property inspections, and investigation activities are utilized for the protection of our numerous sources of water supply and increased land development pressures, construction proposals, and active construction projects within Aquarion source water areas. Also, long-range initiatives are utilized to preserve and protect our sources of supply into the future. Aquarion's commitment to providing the highest quality water is evidenced by the efforts it makes to protect its reservoir and groundwater supply from contamination. Aquarion continually conducts site inspections and monitors land use activities and water quality at hundreds of locations throughout our watershed and aquifer areas.

**Energy Efficiency.** Being efficient with our country's limited energy and water resources is one of our primary goals. We work with our customers to improve their energy efficiency. We invested approximately \$500 million a year on average over the past three years on energy efficiency and consider these investments to be the most economical way to reduce our region's emissions and improve its competitiveness. Eversource's recent rankings confirm the success of our programs. Eversource was ranked first for incremental energy efficiency as a percentage of overall sales in the last study performed by the Coalition for Environmentally Responsible Economies (Ceres), a leading sustainability advocacy organization. The design and deployment of our energy-saving programs and services has contributed substantially to consistent top tier state Energy Efficiency Scorecard rankings for Massachusetts and Connecticut by the American Council for an Energy-Efficient Economy



(ACEEE), with Massachusetts retaining the top spot for the past eight years.

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**GOVERNANCE OF EVERSOURCE ENERGY**

Connecticut ranked fifth in 2018 and consistently ranks in the top ten.

Our nationally recognized energy efficiency portfolio of services provides energy solutions for all Eversource customers – residential (including low-income), municipal, commercial and industrial. These solutions address energy-efficient new construction, weatherization, lighting, appliances, heating, cooling, mechanical and process equipment replacement that go beyond code compliance and are transforming the marketplace. Combined with online customer engagement tools and on-site education, green-job training and community outreach services, energy efficiency is generating savings that enhance our region's economy. These investments are expected to continue to reduce carbon emissions by millions of tons per year.

**Corporate and Compensation Governance.** We remain committed to effective corporate governance and executive compensation standards. Our Board of Trustees is "super independent" (90% of this year's Trustee nominees). Our standards include: majority of outstanding shares Trustee election requirement, board and committee self-assessment and refreshment mechanisms, proxy access, mandatory trustee retirement age, and a vigorous shareholder engagement program. Our executive compensation governance program includes share ownership and holding requirements for Trustees and executives, an expanded clawback policy, broad hedging and pledging prohibition, and double trigger change in control agreements. Please see the Corporate Governance and Executive Compensation Highlights on page 2 of this proxy statement for further discussion of these standards and others.

**Diversity and Human Capital.** D&I are a part of our core values, with focus areas that result in true business outcomes. Our Chief Executive Officer, who has signed the CEO Action for D&I letter, drives accountability for progress throughout our organization. Our D&I Councils and Business Resource Groups actively contribute to the integration of D&I practices across all three states that we provide service in and within all business areas, and our D&I Employee Engagement score increased from 2016 to 2018 by 7 percent. Eversource is proud to be one of 230 companies selected for the 2019 Bloomberg Gender-Equality Index (GEI), which distinguishes companies committed to transparency in gender reporting and advancing women's equality, and to have received recognition by Associated Industries of Massachusetts for diversity leadership. In addition, our Board of Trustees was recognized in 2018 by the National Association of Corporate Directors (NACD) as one of only eight large cap finalists for NACD's first Board Diversity Award.

This recognition represents Eversource's broader commitment to D&I both in the workplace and in the boardroom.

We are dedicated to ensuring that all of our employees are given the tools to perform their jobs effectively and safely, and that for their efforts they receive competitive compensation, quality healthcare, retirement savings plans, and other benefits. To help ensure that we develop and maintain a skilled workforce, we partner with educational institutions in the region, offer internship and co-op experiences, and provide employees training opportunities and tuition assistance.

**Our Communities.** Eversource is committed to the health and economic well-being of the residents, businesses and institutions of Connecticut, Massachusetts and New Hampshire. We recognize and value our role as a corporate citizen in the cities and towns across our service territory. We are helping to build healthier, stronger communities through strategic charitable partnerships, employee volunteerism and economic development opportunities. We have a dedicated team responsible for all philanthropy, working to ensure our continued commitment to community outreach and corporate giving.

We have a long history of partnering with local and regional community organizations. Through grants, we support economic and community development, the environment, and initiatives that address local, high-priority concerns and needs. We provided nearly \$18 million in grants and other local support to nonprofit organizations and worthwhile regional activities across our tri-state service area in 2018. We devoted 30,000 employee hours in 2018 to volunteerism and have strong partnerships with key community organizations across New England, including our continued support of the Eversource Walk for Boston Children's Hospital, the Eversource Everyday Amazing Race for Massachusetts General Hospital, the Eversource Hartford Marathon, the Eversource Walk and 5K Run for Easter Seals New Hampshire, the United Way, and the Special Olympics.

**Environmental Stewardship.** We take great care to promote conservation and responsibly manage natural and cultural resources. We dedicate professional expertise to maintain the integrity and long-term vitality of the land we manage. We created the Eversource Land Trust to protect open space and critical resource areas and wildlife habitat. Our focus on environmentally sensitive rights-of-way maintenance practices is designed to minimize impacts to important resource areas and promote critical diverse habitats. Our vegetation management program is an

industry best-practice plan to balance the needs of our customers and communities

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**GOVERNANCE OF EVERSOURCE ENERGY**

with the goal of providing safe, reliable electric service for our customers, while monitoring growth of trees around power lines. We partner with state Historic Preservation and Tribal Historic Preservation offices to identify and protect cultural resources of significance during construction projects.

**Climate Leadership.** We have developed meaningful strategies to reduce our carbon footprint and are proud to be one of the greenest utilities in the nation. We have committed to specific targets to reduce fugitive emissions from our natural gas system. We collaborate with other utilities and industry partners across the country to better understand storm hazards and develop green solutions to improve our system reliability. Our employees are committed to ensuring that our comprehensive emergency preparedness and resiliency plans will keep our communities safe. We lead by example, operating Eversource facilities and fleet in a sustainable, responsible manner. We also have partnered with the world's leader in off-shore wind development to build at least 4,000 megawatts of off-shore wind turbines southeast of the Massachusetts coast. Also, in 2018, we completed construction of an additional 62 megawatts of solar generation in Massachusetts to bring our total installed capacity of solar energy to 70 megawatts.

Eversource continues to be an industry leader in reducing emissions of SF6 (a greenhouse gas); our SF6 emission rate is estimated to be less than one percent (almost 50 percent below the industry average of 1.9 percent) due to effective operational controls,

including the careful management, handling and recordkeeping of SF6 and SF6 containing equipment.

**Transparency and Accountability.** We hold ourselves accountable for the impact our business might have on the environment, meeting, and in many cases exceeding, all environmental laws and regulatory commitments and requirements. We actively work with customers, community members, environmental groups, regulatory agencies, and civic and business partners to promote transparent operations. Our employees, as well as vendors, suppliers, and contractors, are expected to adhere to all environmental laws as stated in our Code of Business Conduct, Supplier Code of Conduct and procurement process. We are committed to tracking and monitoring our progress via a set of metrics, which receive regular executive leadership review. We work every day to ensure that our operations have minimal impact on the environment, including project permitting, spill response, and emissions reporting.

For additional information on these initiatives and our progress to date, you can access the Company's comprehensive sustainability report, which describes in greater detail our commitment to safety, reliability, expanding energy options for our region, environmental stewardship, a sustainable supply chain, our investments in our workforce, our communities and other objectives, through the Company's website at [www.eversource.com/content/ema-c/about/investors-relations/sustainability-the-environment/sustainability](http://www.eversource.com/content/ema-c/about/investors-relations/sustainability-the-environment/sustainability).

## **Shareholder Engagement**

In 2018, we continued with our mature shareholder engagement program, whereby we engage throughout the year with our shareholders, participating in meetings or calls with both our investors' financial teams and their corporate governance specialists. We reach out initially to shareholders representing more than a majority of our total outstanding shares, and over the course of 2018 we engaged at in-person or telephonic meetings with all shareholders who accepted our invitation, which totaled approximately 35% of our outstanding shares. At most of the meetings held with the corporate governance teams of our issuers, we provide a short overview of our corporate governance, executive compensation and enterprise risk oversight programs, along with a general description of the sustainability and ESG practices noted

in this proxy statement. We also discuss issues such as Board member refreshment, Board self-assessments, stock incentive plan metrics, and Board and workplace diversity. At other meetings, the greater part of the discussions center around ESG and climate change, including our Company's multi-faceted clean energy initiatives and carbon reduction efforts, which we disclose in detail within this proxy statement. We also continued our active year-round program, which in 2018 included approximately 250 in-person meetings with our shareholders, led by our Company's senior Investor Relations executive. These meetings focus more on financial issues and provide information showing why Eversource is an especially attractive socially responsible investment.



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## Trustee Independence

We have adopted Corporate Governance Guidelines incorporating independence standards that meet the listing standards of the NYSE. The Corporate Governance Guidelines are available on our website at [www.eversource.com/Content/general/about/investors/corporate-governance/guidelines](http://www.eversource.com/Content/general/about/investors/corporate-governance/guidelines). In addition, we have adopted an additional standard under which a charitable relationship will not be considered to be a material relationship that would impair a Trustee's independence if a Trustee serves as an officer or director of a charitable organization, and our discretionary charitable contributions to the organization, in the aggregate, do not exceed the greater of \$200,000 or two percent of the organization's total annual charitable receipts or latest publicly available operating budget. The Trustee Independence Guidelines are available on our website at [www.eversource.com/Content/general/about/investors/corporate-governance/board-independence-guidelines](http://www.eversource.com/Content/general/about/investors/corporate-governance/board-independence-guidelines).

The Corporate Governance Committee conducts an annual review of the independence of the members of the Board, including all nominees, and reports its findings to the full Board. Applying the Corporate Governance Guidelines, the Committee, assisted by legal counsel, reviews and considers relationships and transactions between Eversource Energy, its affiliates and subsidiaries, and each Trustee, entities affiliated with him or her, and/or any member of his or her immediate family. The Committee also reviews Eversource Energy's charitable donations to organizations in which the Trustees or their immediate family members serve as officers or directors. Similarly, the Committee examines relationships and transactions between each Trustee and our independent registered public accounting firm as well as entities associated with our senior management. The Committee determined on February 6, 2019 that none of these relationships was material to the nominees for Trustee or likely to impair the independence of any of the nominees for Trustee.

The Board of Trustees separately considered that the utility operating company subsidiaries of Eversource Energy provide electric service, natural gas service or water service to the residences of Trustees and/or companies with which some of the Trustees are associated. These utility services are provided in the ordinary course of business, on an arm's length basis and pursuant to rates determined by the applicable public utility commission and available to all similar customers of the utility. The Board has determined that relationships that exist solely due to an individual or entity purchasing electric service, natural gas service or water service from any of the utility operating company

subsidiaries of Eversource Energy in the ordinary course of business, on an arm's length basis and pursuant to rates determined by the applicable public utility commission, are immaterial to the independence of the Trustees.

On February 6, 2019, based on the recommendation of the Corporate Governance Committee following its review, the Board of Trustees affirmatively determined that each of the Trustees, with the exception of Mr. Judge, our Chairman, President and Chief Executive Officer, satisfied the independence criteria (including the enhanced criteria with respect to members of the Audit and Compensation Committees) set forth in the current listing standards and rules of the NYSE and the SEC and under our Corporate Governance Guidelines.

## Related Person Transactions

The Board of Trustees has adopted a Related Person Transactions Policy, which is administered by the Corporate Governance Committee. The Policy generally defines a Related Person Transaction as any transaction or series of transactions in which (i) Eversource Energy or a subsidiary is a participant, (ii) the aggregate amount involved exceeds \$120,000 and (iii) any Related Person has a direct or indirect material interest. A Related Person is defined as any Trustee or nominee for Trustee, any executive officer, any shareholder owning more than 5% of our total outstanding shares, and any immediate family member of any such person. The Board has determined that the provision of utility services noted in the previous section does not constitute a Related Person Transaction for reasons similar to those reviewed in the previous section's discussion of independence. Management submits to the Corporate Governance Committee for consideration any proposed Related Person Transaction. The Corporate Governance Committee recommends to the Board of Trustees for approval only those transactions that are in our best interests. Related Person Transactions are considered in light of the requirements set forth in our Code of Business Conduct, including the Conflicts of Interest Policy, and our Code of Ethics for Senior Financial Officers. If management causes us to enter into a Related Person Transaction prior to approval by the Committee, the transaction will be subject to ratification by the Board of Trustees. If the Board determines not to ratify the transaction, then management will make all reasonable efforts to cancel or annul such transaction. On February 6, 2019, based on facts of which we are aware, as reported on the Trustees questionnaires completed by each Trustee and on reviews of all

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**TRUSTEE INDEPENDENCE**

transactions involving the Company and all Related Persons conducted by both management and our independent registered public accounting firm, and after applying the NYSE Listing Standards and the Trustee Independence Guidelines, the Board of Trustees

determined that none of the Eversource Related Persons, including the Trustees, has a direct or indirect material interest in any transaction involving the Company or its subsidiaries.

**The Code of Ethics and the Code of Business Conduct**

We have adopted a Code of Ethics for Senior Financial Officers (Chief Executive Officer, Chief Financial Officer and Controller) and a Code of Business Conduct which include requirements applicable in whole or in part to all of the Trustees, directors, officers, employees, contractors and agents of Eversource Energy and its subsidiaries. The Code of Ethics is available on our website at [www.eversource.com/Content/general/about/investors/corporate-governance/code-of-ethics-for-senior-financial-officers](http://www.eversource.com/Content/general/about/investors/corporate-governance/code-of-ethics-for-senior-financial-officers), and our

Code of Business Conduct is available on our website at [www.eversource.com/Content/docs/default-source/Investors/Code\\_of\\_business\\_conduct](http://www.eversource.com/Content/docs/default-source/Investors/Code_of_business_conduct). You may obtain a printed copy of the Code of Ethics and the Code of Business Conduct, without charge, by contacting our Secretary at the address set forth on page 65 of this proxy statement. Any amendments to or waivers under the Code of Ethics or the Code of Business Conduct will be posted to our website at [www.eversource.com/Content/general/about/investors/corporate-governance](http://www.eversource.com/Content/general/about/investors/corporate-governance).

**Communications from Shareholders and Other Interested Parties**

Interested parties, including shareholders, who desire to communicate directly with the Board of Trustees, the non-management Trustees as a group, or individual Trustees, including the Lead Trustee, Mr. Cloud, should send written communications in care of our Secretary at the mailing address set forth on page 65 of this proxy

statement. The Secretary will review each communication and forward all communications that properly identify the sender to the intended recipient or recipients, other than those relating to billing and service issues, which are forwarded directly to a specialized team for resolution.

Table of Contents**Securities Ownership of Certain Beneficial Owners**

The following table provides information as to persons who are known to us to beneficially own more than five percent of the common shares of Eversource Energy. We do not have any other class of voting securities.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, Pennsylvania 19355	35,253,280 <sup>(1)</sup>	11.29% <sup>(1)</sup>
BlackRock, Inc. 55 East 52nd Street New York, New York 10055	28,130,030 <sup>(2)</sup>	8.9% <sup>(2)</sup>
State Street Corporation State Street Financial Center One Lincoln Street Boston, MA 02111	15,847,306 <sup>(3)</sup>	5.0% <sup>(3)</sup>

- (1) Based solely on a Schedule 13G/A filed with the SEC on February 11, 2019, reporting that as of December 31, 2018, The Vanguard Group, Inc. had the sole power to vote or direct the vote of 426,467 common shares, the shared power to vote or direct the vote of 182,052 common shares, the sole power to dispose of or to direct the disposition of 35,253,280 common shares, and the shared power to dispose of or to direct the disposition of 546,435 common shares.
- (2) Based solely on a Schedule 13G/A filed with the SEC on February 4, 2019, reporting that as of December 31, 2018, BlackRock, Inc. and certain subsidiaries beneficially owned and had the sole power to dispose of or direct the disposition of all of these common shares, and the sole power to vote or direct the vote of 24,662,744 of these common shares.
- (3) Based solely on a Schedule 13G/A filed with the SEC on February 14, 2019, reporting that as of December 31, 2018, State Street Corporation and certain subsidiaries had the shared power to vote 14,488,387 common shares and the shared power to dispose of 15,837,306 common shares.



Table of Contents**Common Share Ownership of Trustees and Management**

The table below shows the number of our common shares beneficially owned as of March 1, 2019, by each of our Trustees and Named Executive Officers, as well as the number of common shares beneficially owned by all of our Trustees and executive officers as a group. We do not have any other class of voting securities. Together, these individuals beneficially own less than one percent of our outstanding common shares. The table also includes information about restricted share units and deferred shares credited to the accounts of our Trustees and executive officers under certain compensation and benefit plans. The address for the shareholders listed below is c/o Eversource Energy, 300 Cadwell Drive, Springfield, Massachusetts 01104.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership <sup>(1)(2)</sup>
Gregory B. Butler	96,570 <sup>(3)</sup>
Cotton M. Cleveland	71,262
Sanford Cloud, Jr.	57,413 <sup>(4)</sup>
James S. DiStasio	29,089
Francis A. Doyle	24,482 <sup>(5)</sup>
Linda Dorcena Forry	3,689
James J. Judge	214,310 <sup>(3)</sup>
John Y. Kim	4,333
Kenneth R. Leibler	38,098
Philip J. Lembo	49,222 <sup>(3)(6)</sup>
Leon J. Olivier	100,338 <sup>(3)</sup>
Werner J. Schweiger	225,966 <sup>(3)(7)</sup>
William C. Van Faasen	49,440
Frederica M. Williams	18,092
Dennis R. Wraase	33,553 <sup>(8)</sup>
All Trustees and Executive Officers as a group (20 persons)	1,165,769 <sup>(9)</sup>

- (1) The persons named in the table have sole voting and investment power with respect to all shares beneficially owned by each of them, except as noted below.
- (2) Includes restricted share units, deferred restricted share units and/or deferred shares, including dividend equivalents, as to which none of the individuals has voting or investment power, as follows: Mr. Butler: 17,574 shares; Ms. Cleveland: 61,744 shares; Mr. Cloud: 37,111 shares; Mr. DiStasio: 27,630 shares; Mr. Doyle: 17,866 shares; Ms. Forry: 3,689 shares; Mr. Judge: 187,891 shares; Mr. Kim: 4,333 shares; Mr. Leibler: 17,866 shares; Mr. Lembo: 25,580 shares; Mr. Olivier: 27,190 shares; Mr. Schweiger: 157,829 shares; Mr. Van Faasen: 49,440 shares; Ms. Williams: 18,092 shares; and Mr. Wraase: 29,553 shares.
- (3) Includes common shares held as units in the 401k Plan invested in the Eversource Energy Common Shares Fund over which the holder has sole voting and investment power (Mr. Butler: 6,063 shares; Mr. Judge: 26,417 shares; Mr. Lembo: 3,055 shares; Mr. Olivier: 4,875 shares; and Mr. Schweiger: 500 shares).
- (4) Includes 8,200 common shares held by Mr. Cloud's spouse. Mr. Cloud disclaims beneficial ownership of the common shares held by his spouse.
- (5) Includes 333 common shares held by Mr. Doyle's spouse. Mr. Doyle disclaims beneficial ownership of the common shares held by his spouse.
- (6) Includes 524 common shares held by Mr. Lembo in a custodial account over which Mr. Lembo has sole voting and investment power.
- (7) Includes 433 common shares held by Mr. Schweiger's spouse in a custodial account and 5,470 common shares held in two trusts. Mr. and Mrs. Schweiger are trustees and beneficiaries of these trusts.
- (8)

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Includes 4,000 common shares owned jointly by Mr. Wraase and his spouse, with whom he shares voting and investment power.

(9)

Includes 779,663 unissued common shares. See note 2.

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Table of Contents**Trustee Compensation**

The Compensation Committee periodically reviews the compensation of our non-employee Trustees and, when it deems appropriate and upon consultation with the Committee's independent compensation consultant, recommends adjustments to be approved by the Board of Trustees. The Compensation Committee recommends to the Board compensation for the Trustees based on competitive market practices for both the total value of compensation and the allocation of cash and equity. The Committee uses data obtained from similarly sized utility and general industry companies as guidelines for setting Trustee compensation. The level of Trustee compensation recommended by the Committee and approved by the Board enables us to attract Trustees who have a broad range of backgrounds and experiences.

Each non-employee Trustee serving on January 1 receives a grant under the Company's Incentive Plan, generally effective on the tenth business day of each such year, consisting of the number of restricted stock units (RSUs) resulting from dividing \$135,000 by the average closing price of our common shares as reported on the NYSE for the 10 trading days immediately preceding

such date and rounding the resulting amount to the nearest whole RSU. RSUs generally vest on the next business day following the grant. In 2018, these RSU grants were made subject to shareholder approval of the Company's 2018 Incentive Plan, which was approved on May 2, 2018. As a result, RSUs granted in January 2018 vested on May 2, 2018. Beginning with grants made in 2019, each non-employee Trustee was entitled to elect distribution of up to 50 percent of the common shares issuable in respect of such RSUs immediately upon vesting of their RSU grant, subject to satisfaction of the Board's share ownership guidelines noted here. The distribution of all common shares entitled to be received upon vesting, but not distributed immediately, will be deferred until the tenth business day of January of the year following retirement from Board service. Any individual who is elected to serve as a Trustee after January 1 of any calendar year receives an RSU grant prorated from the date of such election and granted on the first business day of the month following such election.

**2018 Trustee Compensation**

<b>Compensation Element</b>	<b>Amount</b>
Annual Cash Retainer	\$115,000
Annual Stock Retainer	\$135,000
Board and Committee Attendance Fees	None
Annual Lead Trustee Retainer	\$30,000
Annual Committee Chair Retainer	\$20,000 Audit Committee
	\$15,000 Compensation Committee
	\$15,000 Corporate Governance Committee
	\$15,000 Finance Committee

Annual cash retainers of \$115,000 per Trustee, additional Committee Chair and Lead Trustee cash retainers and annual RSU grants for service on the Board for 2018 based on the amounts above were paid as described in this section.

The share ownership guidelines set forth in the Company's Corporate Governance Guidelines require each Trustee to attain and hold 7,500 common shares and/or RSUs of the Company within five years from January 1 of the year succeeding their date of election to the Board. All of the current Trustees exceed the required share ownership threshold except for Mr. Kim and Ms. Forry, who were each elected to the Board in 2018.

Prior to the year earned, each Trustee may irrevocably elect to defer receipt of all or a portion of their cash

compensation. Deferred funds are credited with deemed earnings on various deemed investments as permitted by the Company's Deferred Compensation Plan. Deferred cash compensation is payable either in a lump sum or in installments in accordance with the Trustee's prior election. There were no above-market earnings in deferred compensation value during 2018, as the terms of the Deferred Compensation Plan provide for market-based investments, including Company common shares.

Our Incentive Plan places a limit on the amount of total annual compensation that can be paid to any Trustee. When applicable, we pay travel-related expenses for spouses of Trustees who attend Board functions, but we do not pay tax gross-up payments in connection with any

taxes on such expenses, nor do we pay pension benefits to our non-employee Trustees.

Table of Contents**TRUSTEE COMPENSATION**

The table below sets forth all compensation paid to or accrued by each non-employee Trustee in 2018.

Trustee	Fees Earned Or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)</sup>	Total (\$)
John S. Clarkeson <sup>(3)</sup>	57,500	132,566.25	190,066.25
Cotton M. Cleveland	115,000	132,566.25	247,566.25
Sanford Cloud, Jr.	160,000	132,566.25	292,566.25
James S. DiStasio	130,000	132,566.25	262,566.25
Francis A. Doyle	135,000	132,566.25	267,566.25
Linda Dorcena Forry	86,250	132,566.25	218,816.25
Charles K. Gifford <sup>(3)</sup>	65,000	132,566.25	197,566.25
John Y. Kim	115,000	132,566.25	247,566.25
Paul A. La Camera <sup>(3)</sup>	57,500	132,566.25	190,066.25
Kenneth R. Leibler	115,000	132,566.25	247,566.25
William C. Van Faasen	126,500	132,566.25	259,066.25
Frederica M. Williams	115,000	132,566.25	247,566.25
Dennis R. Wraase	115,000	132,566.25	247,566.25

(1) Represents the aggregate dollar amount of all fees earned or paid in cash, including annual retainer fees and committee chair fees. Also includes the amount of cash compensation deferred at the election of the Trustee. For the fiscal year ended December 31, 2018, Mr. Doyle and Mr. Kim each deferred 100% of his cash compensation.

(2) Reflects the grant date market value, based on a closing price of \$60.95 per share on January 16, 2018, of 2,175 RSUs, determined in accordance with the provisions set forth on the preceding page, which were granted on January 16, 2018, and which vested on May 2, 2018. The current non-employee Trustees held the following aggregate number of RSUs received as stock compensation, including dividend equivalents, at December 31, 2018: Ms. Cleveland: 54,839; Mr. Cloud: 36,069; Mr. DiStasio: 15,782; Mr. Doyle: 15,782; Ms. Forry: 1,604; Mr. Leibler: 15,782; Mr. Van Faasen: 15,782; Ms. Williams: 15,782; and Mr. Wraase: 27,469.

(3) Mr. Clarkeson, Mr. Gifford and Mr. La Camera retired effective May 2, 2018.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Trustees and executive officers of Eversource Energy and persons who beneficially own more than ten percent of our outstanding common shares to file reports of ownership and changes in ownership with the SEC and the NYSE. We assist our Trustees and executive officers by monitoring

transactions and completing and filing Section 16 reports on their behalf. Based on such reports and the written representations of our Trustees and executive officers, we believe that for the year ended December 31, 2018, all such reporting requirements were complied with in a timely manner.

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## Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) provides information about the principles behind our compensation objectives, plans, policies and actions for our Named Executive Officers. The discussion describes the specific components of our compensation programs, how Eversource Energy measures performance, and how our compensation principles were applied to compensation awards and decisions that were made by the Compensation Committee for our Named Executive Officers, as presented in the tables and narratives that

follow. While this discussion focuses primarily on 2018 information, it also addresses decisions that were made in prior periods to the extent that these decisions are relevant to the full understanding of our compensation programs and the specific awards that were made for performance through 2018. The CD&A also contains an assessment of performance measured against the established 2018 goals, the compensation awards made by the Compensation Committee, and other information relating to our compensation programs, including:

- Summary of 2018 Accomplishments
- Pay for Performance Philosophy
- Executive Compensation Governance
- Named Executive Officers
- Overview of our Compensation Program
- Market Analysis
- Elements of 2018 Compensation
- 2018 Annual Incentive Program
- 2018 Assessment of Financial and Operational Goals
- Performance Goal Assessment Matrix
- Description of our Long-Term Incentive Program, Grants and Performance Plan Results
- Disclosure of our:
  -
- Clawbacks and No Hedging and No Pledging Policies
  -
- Share Ownership Guidelines
  -
- Other Benefits
- Contractual Agreements
- Tax and Accounting Considerations
- Equity Grant Practices

## Summary of 2018 Accomplishments

In 2018, we achieved very positive overall financial, operational and related results. The following is a summary of some of our most important accomplishments in 2018:

### 2018 Financial Accomplishments

We expanded our 50-50 partnership with Ørsted, the world's leading offshore wind developer, by purchasing, along with Ørsted, the Northeast assets of Deepwater Wind, which include the Revolution Wind and South Fork Wind Farm projects, as well as a 257 square mile lease tract off the New England coast. The two existing projects will deliver 830 MW of contracted clean power to Rhode Island, Connecticut and Long Island, and the newly acquired tract, combined with the existing lease area previously purchased by the partnership's Bay State Wind project, could eventually host approximately 4,000 MW of offshore wind power. The completion of this acquisition, which the partnership began negotiating in 2018 and which was finalized in February 2019, is a significant step in fulfilling our vision of being a key catalyst for clean energy in our region.

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Through effective management of our corporate operating plan, our 2018 earnings exceeded the established goal. 2018 earnings were \$3.25 per share.

### Earnings per Share

The Board of Trustees increased the annual dividend rate by 6.3% for 2018 to \$2.02 per share, which exceeds the EEI index companies' median dividend growth rate of 5.1%. The dividend growth rate for the period 2016 - 2018 has averaged 6.5%, well ahead of the utility industry.

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**COMPENSATION DISCUSSION AND ANALYSIS**

Dividends Paid

Our Total Shareholder Return in 2018 was 6.4%, compared to the 3.7% growth of the EEI Index companies and a 4.4% decline for the S&P 500. We have outperformed the EEI Index companies and the S&P 500 over one-, three-, five- and 10-year periods. An investment of \$1,000 in our common shares for the five-year period beginning January 1, 2014 was worth \$1,804 on December 31, 2018. The following chart represents the comparative one- and five-year total shareholder returns for the periods ending December 31, 2018, respectively:

<b>Total Shareholder Return</b>	<b>2018</b>	<b>5-Year</b>
<b>Eversource</b>	<b>6.4%</b>	<b>80.4%</b>
EEI Index	3.7%	68.5%
S&P 500	4.4%	50.3%

Our S&P Credit Rating remained at A+, the highest utility holding company S&P credit rating in the industry, two notches higher than any other company.

**2018 Operational Accomplishments**

Electric System Reliability, measured by months between interruptions and average outage minutes per customer, was in the first quartile of our industry. Our overall electric system reliability performance in 2018 continued to outpace the industry; on average, customer power interruptions were 17.2 months apart,

and average system outage duration per customer was 77.5 minutes.

Reliability Performance

Months Between Interruptions



Restoration Performance

Average Time of Resolution In Minutes

Safety performance, measured by days away, restricted or transferred ("DART") per 100 workers, has improved significantly since 2016 and continued to outperform the industry.

Safety Performance

DART

Our Massachusetts electric and gas distribution companies each met or exceeded Service Quality Index performance targets established by regulators in Massachusetts, which is the only state in our service territory that has such targets, and we exceeded our response time for gas service calls goal.



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**COMPENSATION DISCUSSION AND ANALYSIS**

We exceeded the goal of having 37% of new hires and promotions within the supervisor and above management group be women or persons of color by achieving 42% of these positions.

We achieved very constructive regulatory outcomes, including rate reviews of Yankee Gas Services Company, The Connecticut Light and Power Company and Aquarion Water Company of Massachusetts; completed the sale of our remaining PSNH generation assets; and implemented a constructive rate order for NSTAR Electric Company.

We led the response to a series of catastrophic natural gas explosions that occurred in another company's service territory at the request of the Massachusetts Governor and successfully completed initial phase of the incident response.

Our program of transforming the customer experience achieved significant milestones, including the introduction of a new customer outage map, further increases in timely estimates for service restoration, and increased online customer engagement.

**2018 Clean Energy/ESG Accomplishments**

We continue to be recognized as the leading energy efficiency program provider in the nation and were recognized by the American Council for an Energy-Efficient Economy with two awards in January of 2019, and by the U. S. Environmental Protection Agency in April of 2018 with the Partner of the Year Sustained Excellence Award.

As previously noted, we completed, with our offshore wind partner Ørsted, the acquisition of offshore wind

assets that are currently contracted to deliver 830 MW of clean energy, along with offshore lease tracts that in the future may host some 4,000 MW of clean, low cost energy.

NSTAR Electric is investing \$55 million in battery storage initiatives and \$45 million in electric vehicle infrastructure.

We completed construction of 62 MW of solar generation across 19 sites, bringing our total solar ownership to 70 MW.

Independent sustainability rating agencies consistently rank Eversource in the top quartile or top decile of our industry.

Our commitment to Diversity and Inclusion and our programs and practices were recognized as exemplary by the Associated Industries of Massachusetts and the Bloomberg Gender Equality Index.

We continued to make a significant impact in our communities through our corporate philanthropy programs and extensive employee community volunteer programs, with 30,000 employee hours devoted to volunteerism in 2018.

Achievement of the 2018 performance goals, additional accomplishments and the Compensation Committee's assessment of Company and executive performance are more fully described in the section below titled "2018 Annual Incentive Program." Specific decisions regarding executive compensation based upon the Committee's assessment of Company and executive performance and market data are also described below.

### **Pay for Performance Philosophy**

The Committee links the compensation of our executive officers, including the Named Executive Officers, to performance that will ultimately benefit our customers and shareholders. Our compensation program is intended to attract and retain the best executive talent in the industry, motivate our executives to meet or exceed specific stretch financial and operational goals each year,

and compensate our executives in a manner that aligns compensation directly with performance. We strive to provide executives with base salary, performance-based annual incentive compensation, and performance-based long-term incentive compensation opportunities that are competitive with market practices and that reward excellent performance.

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**COMPENSATION DISCUSSION AND ANALYSIS**

*Executive Compensation Governance*

**What we DO:**

- Pay for Performance
- Share ownership and holding guidelines
- Broad clawback policy relating to incentive compensation
- Double-trigger change in control vesting provisions
- 100% of long-term incentive compensation paid in stock
- Independent compensation consultant
- Annual Say-on-Pay vote
- Payout limitations on incentive awards
- Limited executive trading window

**What we DON'T do:**

- No tax gross-ups in any new or materially amended executive compensation agreements
- No hedging, pledging or similar transactions by executives and Trustees
- No liberal share recycling
- No dividends on equity awards before vesting
- No discounts or repricing of options or SARs

The executive share ownership and holding guidelines noted in this CD&A emphasize the importance of aligning management with shareholders. Under the share ownership guidelines, which require our Chief Executive Officer to hold shares equal to six times base salary, we require our executives to hold 100% of the shares awarded under the Company's stock compensation program until the share ownership guidelines have been met.

Our 2018 Incentive Plan includes a clawback provision that requires our executives and other participants to reimburse the Company for incentive compensation

received, not only if earnings are subsequently required to be restated as a result of noncompliance with accounting rules caused by fraud or misconduct, but also for a material violation of our Code of Business Conduct or material breach of a covenant in an employment agreement. The Plan also imposes limits on awards and on Trustee compensation, and prohibits repricing of awards and liberal share recycling.

The Company prohibits gross-ups in all new or materially amended executive compensation agreements.

The Company has a "no hedging and no pledging" policy that prohibits all Trustees and executives from purchasing financial instruments or otherwise entering into any transactions that are designed to have the effect of hedging or offsetting any decrease in the market value of our common shares. This policy also prohibits all pledges, derivative transactions or short sales involving our common shares or the holding of any Company common shares in a margin account by Trustees and executives. This policy is under review and will be supplemented as appropriate to comply with the SEC's new rules governing disclosure of hedging policies affecting all employees.

Our employment agreements and incentive plan provide for "double-trigger" change in control acceleration of compensation.

The Compensation Committee annually assesses the independence of its compensation consultant, Pay Governance LLC (Pay Governance), which is retained directly by the Committee. Pay Governance performs no other consulting nor provides services for the Company and has no relationship with the Company that could result in a conflict of interest. At its February 6, 2019 meeting, the Committee concluded that Pay Governance is independent and that no conflict of interest exists between Pay Governance and the Company.

## **Named Executive Officers**

The executive officers listed in the Summary Compensation Table and whose compensation is discussed in this CD&A are referred to as the "Named Executive Officers" under SEC regulations. For 2018, the Named Executive Officers were:

**James J. Judge**, Chairman, President and Chief Executive Officer

**Philip J. Lembo**, Executive Vice President and Chief Financial Officer

**Leon J. Olivier**, Executive Vice President, Enterprise Energy Strategy and Business Development

**Werner J. Schweiger**, Executive Vice President and Chief Operating Officer

**Gregory B. Butler**, Executive Vice President and General Counsel

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Overview of Our Compensation Program**

**The Role of the Compensation Committee.** The Board of Trustees has delegated to the Compensation Committee overall responsibility for establishing the compensation program for those senior executive officers, whom we refer to in this CD&A as "executives" and whom are deemed to be "officers" under the SEC's regulations that determine the persons whose compensation is subject to disclosure. In this role, the Committee sets compensation policy and compensation levels, reviews and approves performance goals and evaluates executive performance. Although this discussion and analysis refers principally to compensation for the Named Executive Officers, the same compensation principles and practices apply to all executives. The compensation of the Chief Executive Officer is subject to the further review and approval of all of the independent Trustees.

**Elements of Compensation.** Total direct compensation consists of three elements: base salary, annual cash incentive awards and long-term equity-based incentive awards. Indirect compensation is provided through certain retirement, perquisite, severance, and health and welfare benefit programs.

**Our Compensation Objectives.** The objectives of our compensation program are to attract and retain superior executive talent, motivate our executives to achieve annual and long-term performance goals set each year, and provide total compensation opportunities that are competitive with market practices. With respect to incentive compensation, the Committee believes it is important to balance short-term goals, such as producing earnings, with longer-term goals, such as long-term value creation for shareholders and maintaining a strong balance sheet. The Committee also places great emphasis on system reliability and customer service. Our compensation program utilizes performance-based incentive compensation to reward individual and corporate performance and to align the interests of executives with Eversource Energy's customers and shareholders. The Committee continually increases expectations to motivate our executives and employees to achieve continuous improvement in carrying out their responsibilities to our customers to deliver energy reliably, safely, with respect for the environment and our employees, and at a reasonable cost, while providing an above-average total return to our shareholders.

**Setting Compensation Levels.** To ensure that the Company achieves its goal of providing market-based compensation levels to attract and retain top quality management, the Committee provides our executives with target compensation opportunities approximately equal to median compensation levels for executive

officers of companies in the utility industry comparable to us in size. To achieve that goal, the Committee and its independent compensation consultant work together to determine the market values of executive direct compensation elements (base salaries, annual incentives and long-term incentives), as well as total compensation, by using competitive market compensation data. The Committee reviews competitive compensation data obtained from utility and general industry surveys and a specific group of peer utility companies. Levels may be lower than median for those executives who are new to their roles, while long-tenured, high performing executives may be compensated above median. The review by Pay Governance performed in late 2018 indicated that the Company's aggregate executive compensation levels were aligned with median market rates.

**Role of the Compensation Consultant.** The Committee has retained Pay Governance as its independent compensation consultant. Pay Governance reports directly to the Committee and does not provide any other services to the Company. With the consent of the Committee, Pay Governance works cooperatively with the Company's management to develop analyses and proposals for presentation to the Committee. The Committee generally relies on Pay Governance for peer group market data and information as to market practices and trends to assess the competitiveness of the compensation we pay to our executives and to review the Committee's proposed compensation decisions.

**Pay Governance Independence.** In February 2019, the Committee assessed the independence of Pay Governance pursuant to SEC and NYSE rules, and concluded that it is independent and that no conflict of interest exists that would prevent Pay Governance from independently advising the Committee. In making this assessment, the Committee considered the independence factors enumerated in Rule 10C-1(b) under the Securities Exchange Act of 1934, as well as the written representations of Pay Governance that Pay Governance does not provide any other services to the Company, the level of fees received from the Company as a percentage of Pay Governance's total revenues, the policies and procedures employed by Pay Governance to prevent conflicts of interest, and whether the individual Pay Governance advisers with whom the Committee consulted own any Eversource Energy common shares or have any business or personal relationships with members of the Committee or our executives.

**Role of Management.** Management's roles, and specifically the roles of the Chief Executive Officer and



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**COMPENSATION DISCUSSION AND ANALYSIS**

the Executive Vice President of Human Resources and Information Technology, are to provide current compensation information to the compensation consultant and analyses and recommendations on executive compensation to the Committee based on the market value of the position, individual performance,

experience and internal pay equity. The Chief Executive Officer also provides recommendations on the compensation for the other Named Executive Officers. None of the executives makes recommendations that affect his or her individual compensation.

**Market Analysis**

The Compensation Committee seeks to provide our executives with target compensation opportunities using a range that is approximately equal to the median compensation levels for executive officers of utility companies comparable to the Company. Set forth below is a description of the sources of the compensation data used by the Committee when reviewing 2018 compensation:

**Competitive Compensation Survey Data.** The Committee reviews compensation information obtained from surveys of diverse groups of utility and general industry companies that represent our market for executive officer talent. Utility industry data serve as the primary reference point for benchmarking officer compensation and are based on a defined peer set, as discussed below, while general industry data is derived from compensation consultant surveys and serves as a secondary reference point. General industry data are used for staff positions and are size-adjusted to ensure

a close correlation between the market data and the Company's scope of operations. The Committee references this information, which it obtains from Pay Governance, to evaluate and determine base salaries and incentive opportunities.

**Peer Group Data.** In support of our executive pay decisions during 2018 and early 2019, the Committee consulted with Pay Governance, which provided the Committee with a competitive assessment analysis of the Company's executive compensation levels as compared to the 20 peer group companies listed in the table below. This peer group was chosen because these companies are and continue to be similar to Eversource Energy in terms of size, business model and long-term strategies. The group was reduced in January 2019 upon the merger of SCANA and Dominion Energy, and will be reviewed by the Committee again in 2019.

Alliant Energy Corporation	DTE Energy Company	PPL Corporation
Ameren Corporation	Edison International	Public Service Enterprise Group, Inc.
American Electric Power Co., Inc.	Entergy Corporation	SCANA (2018)
CenterPoint Energy, Inc.	FirstEnergy Corp.	Sempra Energy
CMS Energy Corp.	NiSource Inc.	WEC Energy Group, Inc.
Consolidated Edison, Inc.	PG&E Corporation	Xcel Energy Inc.
Dominion Energy, Inc.	Pinnacle West Capital Corporation	

The Committee reviews the appropriateness of the peer group periodically and adjusts the target percentages of annual and long-term incentives based on the survey data and recommendations from the CEO, after discussion with the compensation consultant, to ensure that they are approximately equal to competitive median levels.

The Committee also determines perquisites to the extent they serve business purposes and sets supplemental benefits at levels that provide appropriate compensation opportunities to the executives. The Committee periodically reviews the general market for supplemental benefits and perquisites using utility and general industry survey data, including data obtained from companies in the peer group.



Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****Mix of Compensation Elements**

We target the mix of compensation for our Chief Executive Officer and the other Named Executive Officers so that the percentages of each compensation element are approximately equal to the competitive median market mix. The mix is heavily weighted toward incentive compensation, and incentive compensation is heavily weighted toward long-term compensation. Since our most senior positions have the greatest responsibility for implementing our long-term business plans and strategies, a greater proportion of total compensation is based on performance with a long-term focus.

The Committee determines the compensation for each executive based on the relative authority, duties and responsibilities of the executive. Our Chief Executive Officer's responsibilities for the strategic direction and daily operations and management of Eversource are greater than the duties and responsibilities of our other executives. As a result, our Chief Executive Officer's compensation is higher than the compensation of our other executives. Assisted by the compensation consultant, the Committee regularly reviews market compensation data for executive officer positions similar to those held by our executives, including our Chief Executive Officer.

The following table sets forth the contribution to 2018 Total Direct Compensation (TDC) of each element of compensation at target, reflected as a percentage of TDC, for the Named Executive Officers. The percentages shown in this table are at target and therefore do not correspond to the amounts appearing in the Summary Compensation Table.

Named Executive Officer (NEO)	Percentage of TDC at Target				
	Base Salary	Annual Incentive <sup>(1)</sup>	Long-Term Incentives Performance		TDC
			Shares <sup>(1)</sup>	RSUs <sup>(2)</sup>	
James J. Judge	15%	17%	34%	34%	100%
Philip J. Lembo	26%	20%	27%	27%	100%
Leon J. Olivier	26%	20%	27%	27%	100%
Werner J. Schweiger	26%	20%	27%	27%	100%
Gregory B. Butler	30%	20%	25%	25%	100%
<b>NEO average, excluding CEO</b>	<b>27%</b>	<b>20%</b>	<b>26.5%</b>	<b>26.5%</b>	<b>100%</b>

(1) The annual incentive compensation element and performance shares under the long-term incentive compensation element are performance-based.

(2) Restricted Share Units (RSUs) vest over three years contingent upon continued employment.

**Total Direct Compensation - CEO**

**Total Direct Compensation - All other NEO's**

## **Risk Analysis of Executive Compensation Program**

The overall compensation program includes a mix of compensation elements ranging from a fixed base salary that is not at risk to annual and long-term incentive compensation programs intended to motivate executives

and eligible employees to achieve individual and corporate performance goals that reflect an appropriate level of risk. The fundamental objective of the compensation program is to foster the continued growth

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**COMPENSATION DISCUSSION AND ANALYSIS**

and success of our business. The design and implementation of the overall compensation program provides the Committee with opportunities throughout the year to assess risks within the compensation program that may have a material effect on the Company and our shareholders.

The Compensation Committee assesses the risks associated with the executive compensation program on an on-going basis by reviewing the various elements of incentive compensation. The annual incentive program was designed to ensure an appropriate balance between individual and corporate goals, which were deemed appropriate and supportive of the Company's annual business plan. Similarly, the long-term incentive program was designed to ensure that the performance metrics were properly weighted and supportive of the Company's strategy. The Committee reviewed the overall compensation program in the context of risks identified in the annual operating plan. The annual and long-term incentive programs were designed to include mechanisms to mitigate risk. These mechanisms include realistic goal setting and discretion with respect to actual payments, in addition to:

A mix of annual and long-term performance awards to provide an appropriate balance of short- and long-term risk and reward horizon;

A variety of performance metrics, including financial, operational, customer service, diversity and safety goals and other strategic initiatives for annual performance awards to avoid excessive focus on a single measure of performance;

Metrics in the Company's long-term incentive compensation program that use earnings per share growth and relative total shareholder return, which are both robust measures of shareholder value and which reduce the risk that employees might be encouraged to pursue other objectives that increase risk or reduce financial performance;

The provisions of our annual and long-term incentive programs, which cap awards at 200% of target;

Our expansive clawback provisions on incentive compensation, including clawback for material violations of our Code of Conduct; and

Stock ownership requirements for all executives, including our Named Executive Officers, and prohibitions on hedging, pledging and other derivative transactions related to our shares.

Based on these factors, the Compensation Committee and the Board of Trustees believe the overall compensation program risks are mitigated to reduce overall compensation risk.

## **Results of Our 2018 Say-on-Pay Vote**

We are requesting that shareholders cast the annual advisory vote on executive compensation (a Say-on-Pay proposal). At the Company's Annual Meeting of Shareholders held on May 2, 2018, 90% of the votes cast on the Say-on-Pay proposal were voted to approve the 2017 compensation of the Named Executive Officers, as described in our 2018 proxy statement. Say-on-Pay results of the Company, along with utility and general

industry peers, are reviewed by the Committee annually to help assess whether our shareholders continue to deem our executives' compensation to be appropriate. The Committee has and will continue to consider the outcome of the Company's Say-on-Pay votes when making future compensation decisions for the Named Executive Officers. Please see Item 2 in this proxy statement.

## Elements of 2018 Compensation

### Base Salary

Base salary is designed to attract and retain key executives by providing an element of total compensation at levels competitive with those of other executives employed by companies of similar size and complexity in the utility and general industries. In establishing base salary, the Compensation Committee relies on compensation data obtained from independent third-party surveys of companies and from an industry peer group to ensure that the compensation opportunities we offer are capable of attracting and

retaining executives with the experience and talent required to achieve our strategic objectives. Adjustments to base salaries are made on an annual basis except in instances of promotions.

When setting or adjusting base salaries, the Committee considers annual executive performance appraisals; market pay movement across industries (determined through market analysis); targeted market pay positioning for each executive; individual experience; strategic importance of a position; recommendations of the Chief Executive Officer; and internal pay equity.

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Incentive Compensation**

Annual incentive and long-term incentive compensation are provided under the Company's 2018 Incentive Plan. The annual incentive program provides cash compensation intended to reward performance under our annual operating plan. The long-term stock-based incentive program is designed to reward demonstrated performance and leadership, motivate future performance, align the interests of the executives with those of our shareholders, and retain the executives

during the term of grants. The annual and long-term programs are designed to strike a balance between the Company's short- and long-term objectives so that the programs work in tandem.

In addition to the specific performance goals, the Committee assesses other factors, as well as the executives' roles and individual performance and then makes annual incentive program awards at the levels and amounts disclosed in this proxy statement.

**2018 Annual Incentive Program**

In February 2018, the Committee established the terms of the 2018 Annual Incentive Program. As part of the overall program, and after consulting with Pay Governance, the Committee set target award levels for each of the Named Executive Officers that ranged from 65% to 120% of base salary.

At the February 2018 meeting, the Committee determined that for 2018 it would continue to base 70% of the annual incentive performance goals on the Company's overall financial performance and 30% of the annual performance goals on the Company's overall operational performance. The Committee also determined the specific goals that would be used to

assess performance, with potential ratings on each goal ranging from 0% to 200% of target. The Committee assigned weightings to each of these specific goals. For the financial component, the following goals were used: earnings per share, weighted at 60%, dividend growth, weighted at 10%, and advancement of strategic growth initiatives, weighted at 30%. For the operational component, the Committee used the following goals: combined service reliability and restoration goals, weighted at 60%, and combined safety ratings, gas service response, diversity promotions and hires of leadership employee positions goals and key initiatives, weighted at 40%.

**2018 Performance Goals**

**Financial (70%)**

**Operational (30%)**

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At the December 2018 meeting of the Committee, management provided an initial review of the Company's 2018 performance, followed in February 2019 by a full assessment of the performance goals, the additional accomplishments noted below under the caption "Additional Factors" and the overall performance of the Company and the executives. In addition to these meetings, the Committee and the Board were continuously provided updates during 2018 on corporate performance. At the February 6, 2019 meeting, the Committee determined, based on its assessment of the financial and operational performance goals, to set the level of achievement of combined

financial and operational performance goals results at 157% of target, reflecting the overall strong performance of the Company and the executive team. In arriving at this determination, the Committee determined that the financial performance goals result was 151% of target and the operational performance goals result was 171% of target. In particular, the Committee discussed its assessment of the Strategic Growth Initiative goal, and in determining the assessment of 150% of a possible 200%, it considered the success of the Company in establishing itself as a leader in clean energy through the greatly expanded Ørsted offshore wind partnership; its best in industry ranking in energy efficiency; the

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**COMPENSATION DISCUSSION AND ANALYSIS**

completed construction of 62 MW in utility scale solar; and the advancement of the Company's battery storage and electric vehicle infrastructure initiatives. The Chief Executive Officer recommended to the Committee awards for the executives (other than himself) based on his assessment of each executive's individual performance towards achievement of the performance goals and the additional accomplishments of the Company, together with each executive's contributions to the overall performance of the Company. The actual awards determined by the Committee were also based on the same criteria.

**Financial Performance Goals Assessment**

Our earnings per share in 2018 increased by 4.5% over 2017 and exceeded the established goal of 3.5%; 2018 earnings equaled \$3.25 per share. We accomplished this by effectively managing our Operating Plan, overcoming several challenges. The Committee determined the earnings per share goal to have attained a 150% performance result.

We increased our dividend to \$2.02 per share, a 6.3% increase from the prior year, significantly above the utility industry's median dividend growth of 5.1%. The Committee determined this goal to have attained a 155% performance.

We significantly advanced our clean energy leadership through the expansion of our offshore wind energy partnership with Ørsted. Completing a project in February 2019 that commenced in 2018, the partnership purchased two projects that have contract commitments of 830 MW, along with a 257 square mile lease tract off the New England coast. We also completed the construction of 62 MW of large scale solar in Massachusetts, and achieved solid progress on our grid modernization projects, including battery storage and electric vehicle infrastructure. In addition, the Committee also recognized advancements made to continue to expand solar and electric vehicle infrastructure in other jurisdictions. Our appeal of the denial of the single final permit for the Northern Pass hydro power transmission project was accepted by the New Hampshire Supreme Court. The totality of these strategic accomplishments was considered by the Committee to have significantly advanced the Company's long-term strategy of being a clean energy leader. The Committee determined this goal to have attained a 150% performance.

**Operational Performance Goals Assessment**

The Company's total electric system reliability performance exceeded that of its peers significantly. Average months between interruptions equaled 17.2 months, near the highest end of the performance zone established by the Committee of 15.5 to 18.5 months and in the first quartile of industry peers. System average restoration duration time equaled 77.5 minutes, within the performance zone established by the Committee of 80 to 67 minutes and also exceeding peers. The Committee determined these goals to have each attained a 175% performance result.

We achieved the safety performance goal of between 0.5 - 0.9 DART per 1,000 employees; DART equaled 0.7 in 2018, within the established performance zone and better than peers. The Committee determined this goal to have attained a 130% performance result.

On-time response to gas customer emergency calls was 99.5%, which was at the high end of the performance zone of 99.2% - 99.6%. The Committee determined this goal to have attained a 150% performance result.

In 2018, 42% of new hires and promotions into leadership roles were women or people of color, substantially exceeding the goal of 37%. The Committee determined this goal to have attained a 200% performance result.

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The Company successfully completed important efforts to improve the customer experience, including enhanced web/digital capabilities with a new web-based outage map and improved outage communications. Key customer metrics finished above target. Estimated Time to Restoration calls were well-managed 89% of the time, exceeding the goal of 85%, and digital customer engagement finished above target at 83.2%. In addition, we maintained our best in industry ranking in energy efficiency program effectiveness. The Committee determined this goal to have attained a 150% performance result.

The Company achieved several constructive regulatory outcomes. These included the settlement agreement approved by the Connecticut Public Utilities Regulatory Authority (PURA) for The Connecticut Light and Power Company, a settlement agreement also approved by the PURA on Yankee Gas Services Company's rate review, a positive rate outcome for Aquarion Water Company of Massachusetts, and a settlement with FERC in an important docket on transparency, along with progress on the critical docket relating to return on equity for transmission assets. The Committee determined this goal to have attained a 200% performance result.

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## COMPENSATION DISCUSSION AND ANALYSIS

**2018 Annual Incentive Program Performance Assessments****Financial Performance Goals**

Category	2018 Goal	Company Performance	Assessment
Earnings Per Share	Increase earnings by 3.5%	Exceeded: \$3.25 per share, a 4.5% increase over 2017 and exceeding goal	150%
Dividend Growth	Increase dividend beyond industry average	Exceeded: Increased to \$2.02 per share, a \$0.12 increase and 6.3% growth, exceeding the industry median of 5.1%	155%
Strategic Growth Initiatives	Advancement of Key Strategic Projects	Achieved: Significantly advanced the Company's status as a clean energy leader through the major expansion of our offshore wind partnership with Ørsted; our Northern Pass project appeal was accepted by New Hampshire Supreme Court; and we completed construction of 62MW of solar in Massachusetts and advanced battery storage and electric vehicle infrastructure initiatives	150%

Weightings = Earnings Per Share 60%; Dividend Growth 10%; Strategic Growth Initiatives 30%

**Operational Performance Goals**

Category	2018 Goal	Company Performance	Assessment
Reliability Average Months Between Interruptions (MBI)	Achieve MBI of within 15.5 to 18.5 months	Exceeded: MBI = 17.2 months. At upper level of targeted performance zone, exceeding industry peers	175%
Average Restoration Duration (SAIDI)	Achieve SAIDI of 80 to 67 minutes	Exceeded: SAIDI = 77.5 minutes. Within targeted performance and significantly exceeding industry peers	175%
Safety Rate	0.5 - 0.9 days away/restricted	Achieved: 0.7 DART Within targeted performance and exceeding industry peers	130%
Gas Service Response	99.2% - 99.6%	Achieved: 99.5%; Upper level of performance range and ahead of industry average. Exceeded all internal and regulatory pipeline safety requirements	150%
Diverse Leadership	37% hires or promotions of leadership level to be women or people of color	Exceeded: 42% Performed well above target, with 83 of 200 leadership positions filled with diverse candidates. Recognized by industry organizations for diversity leadership	200%
Transform the Customer Experience	Successfully complete new customer outage map, increase accuracy of estimate time to restoration of 85% and achieve digital customer engagement participation at 83%	Achieved: Enhanced web/digital capabilities with new outage map and improved outage communications. Key customer metrics finished above target. Estimated Times for Restoration given to customers were well managed 89% of the time and digital customer engagement finished above target at 83.2%	150%
Positive Regulatory Outcomes	Obtain constructive rate case outcomes	Exceeded: Successfully completed constructive settlements on CL&P and Yankee Gas with PURA. Constructive rate outcome in MA for Aquarion. Reached settlement on FERC Transparency docket with 30 intervenors, and progress made on 4 open FERC ROE complaints, including dismissal of one	200%

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Weightings = Reliability and Restoration 60%; Safety, Gas Response, Diversity and Key Initiatives 40%

### Performance Goals Assessment

Financial Performance at 151% (weighted 70%)	106%
Operational Performance at 171% (weighted 30%)	51%
Overall Performance	157%

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Additional Factors**

The following key financial, strategic, environmental and customer-focused results were also considered significant by the Committee in making an assessment of overall financial and operational performance, but were not given specific weightings or assigned a specific performance assessment score:

At the request of the Massachusetts Governor, we led the emergency response effort to a major natural gas incident that occurred in another company's franchise territory and received widespread recognition for leadership in the major restoration efforts that followed.

We responded extremely well to major weather events affecting our natural gas, electric and water systems, including three back-to-back major March blizzards, May tornadoes and July heatwaves, and were awarded two industry awards for very effective storm response and recovery from EEI.

We received awards from industry groups for performance in ERM, Sustainability, Diversity, Energy Efficiency, and Investor Relations. Our ESG ratings for sustainability are top quartile by several major sustainability ratings providers.

We maintained our standing of having the best credit rating in the industry of "A+", completing \$2 billion of long-term debt issuances at very competitive rates.

We completed the sale of our remaining New Hampshire generation assets.

Our employee engagement initiatives delivered positive results in many areas; the results of our Company-wide employee engagement survey showed significantly higher overall favorability; our training programs and online employee community have helped us to deliver better customer service; we advanced Diversity & Inclusion through leadership commitment and active D&I councils and business resource groups; and we continued to foster positive union management relationships, including reaching early contract agreements with two of our largest unions in Massachusetts and Connecticut.

**Individual Executives' Performance Factors Considered by the Committee**

It is the Committee's philosophy to provide incentives for Company executives to work together as a highly

effective, integrated team to achieve or exceed the financial, operational, safety, customer, strategic and diversity goals and objectives. The Committee also reviews and assesses individual executive performance. The Committee based the annual incentive payments on team performance and also on the Committee's assessment of each executive's individual performance in supporting the performance goals, additional achievements and overall Company performance. With respect to the Chief Executive Officer, the Committee and all other independent Trustees assessed the performance of our Chief Executive Officer and, based on the recommendations of the Chief Executive Officer as to executives other than himself, the Committee assessed the performance of the Named Executive Officers to determine the individual incentive payments as disclosed in the Summary Compensation Table. Based on the Committee's review, which included its assessment of the performance goals, the significant other accomplishments of the Company and the Named Executive Officers, and the overall performance of the Company and each of the Named Executive Officers, considered in its totality by the Committee to have been excellent, the Committee approved annual incentive program payments for the Named Executive Officers at levels that ranged from 151% to 163% of target. These payments reflected the individual and team contributions of the Named Executive Officers in achieving the goals and the additional accomplishments and the overall performance of the Company.

In determining Mr. Judge's annual incentive payment of \$2,430,000, which was 157% of target and which reflects his and the Company's continued strong performance, the Committee and the Board considered the totality of the Company's success in accomplishing the goals set by the Committee, the additional accomplishments of the Company, and the superior leadership of Mr. Judge in every part of the business.

## 2018 Annual Incentive Program Awards

Named Executive Officer	Award
James J. Judge	\$ 2,430,000
Philip J. Lembo	765,000
Leon J. Olivier	800,000
Werner J. Schweiger	815,000
Gregory B. Butler	645,000

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**COMPENSATION DISCUSSION AND ANALYSIS**

## **Long-Term Incentive Program**

### **General**

Our long-term incentive program is intended to focus on the Company's longer-term strategic goals and to help retain our executives. A new three-year program commences every year. For the three programs described below, each executive's target long-term incentive opportunity consisted of 50% Performance Shares and 50% RSUs. Performance Shares are designed to reward long-term achievements as measured against pre-established performance measures. RSUs are designed to provide executives with an incentive to increase the value of Company common shares in alignment with shareholder interests, while also serving as a retention component for executive talent. We believe these compensation elements create a focus on continued Company and share price growth to further align the interests of our executives with the interests of our shareholders.

## **Performance Share Grants**

### **General**

Performance Shares are designed to reward future financial performance, measured by long-term earnings growth and shareholder returns over a three-year performance period, therefore aligning management compensation with performance. Performance Shares are granted as a target number of Eversource common shares. The number of Performance Shares is determined by dividing the target grant value in dollars by the average daily closing prices of Eversource common shares on the New York Stock Exchange for the ten business days preceding the grant date and rounding to the nearest whole share. Until the end of the performance period, the value of dividends that would have been paid with respect to the Performance Shares had the Performance Shares been actual common shares will be deemed to be invested in additional Performance Shares, which remain at risk and do not vest until actual performance for the period is determined.

### **Performance Shares under the 2017 2019 and 2018 2020 Programs**

For the 2018 - 2020 Program, the Committee determined it would continue to measure performance using: (i) average diluted earnings per share growth (EPSG); and (ii) relative total shareholder return (TSR) measured against the performance of companies that

comprise the EEI Index. As in 2017 and 2016, the Committee selected EPSG and TSR as performance measures because the Committee continues to believe that they are generally recognized as the best indicators of overall corporate performance. Further, the Committee considers it a best practice to use a combination of relative and absolute metrics, with EPS growth serving as a key input to shareholder value and TSR serving as the output.

The number of Performance Shares awarded at the end of the three-year period ranges from 0% to 200% of target, depending on EPSG and relative TSR performance as set forth in the performance matrix below. Performance Share grants are based on a percentage of annualized base salary at the time of the grant and measured in dollars. The target number of shares under the 2018 - 2020 Program ranged from 35% to 233% of base salary. For the 2018 - 2020 Program, EPSG ranges from 0% to 9%, while TSR ranges from below the 10th percentile to above the 90th percentile. The award target is 100%, which the Committee determined is challenging but achievable. As a result, vesting at 100% of target occurs at various combinations of EPSG and TSR performance. In addition, the value of any performance shares that actually vest may increase or decrease over the vesting period based on the Company's share price performance. The number of performance shares granted at target were approved as set forth in the table below. The Committee and the independent Members of the Board determined the Performance Share grants for the Chief Executive Officer. Based on input from the Chief Executive Officer, the Committee determined the Performance Share grants for each of the other executive officers, including the other Named Executive Officers.

For the 2017 - 2019 Program, the Committee used the same performance measures of EPSG and TSR and the same criteria used in the 2018 - 2020 Program described above.

The performance matrix set forth below describes how the Performance Share payout will be determined under the 2017 - 2019 and 2018 - 2020 Long-Term Incentive Programs and how the Performance Share payout was determined under the 2016 - 2018 Program. Three-year average EPSG is cross-referenced with the actual three-year TSR percentile to determine actual performance share payout as a percentage of target.





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## COMPENSATION DISCUSSION AND ANALYSIS

**2016 2018, 2017 2019 and 2018 2020 Long-Term Incentive Programs Performance Share Potential Payout**

Three-Year Average EPS Growth	Three-Year Relative Total Shareholder Return Percentiles									
	Below 10th	20th	30th	40th	50th	60th	70th	80th	90th	Above 90th
9%	110%	120%	130%	140%	150%	160%	170%	180%	190%	200%
8%	100%	110%	120%	130%	140%	150%	160%	170%	180%	190%
7%	90%	100%	110%	120%	130%	140%	150%	160%	170%	180%
6%	80%	90%	100%	110%	120%	130%	140%	150%	160%	170%
5%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%
4%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%
3%	40%	50%	70%	80%	90%	100%	110%	120%	130%	140%
2%	20%	40%	60%	70%	80%	90%	100%	110%	120%	130%
1%		10%	40%	60%	70%	80%	90%	100%	110%	120%
0%			20%	30%	50%	70%	80%	90%	100%	110%
Below 0%					10%	20%	30%	40%	50%	60%

**Long-Term Incentive Program Performance  
Share Grants at Target**

Named Executive Officer	2017	2019	2018	2020
	Performance	Performance	Performance	Performance
	Share Grant	Share Grant	Share Grant	Share Grant
James J. Judge		48,259		48,912
Philip J. Lembo		11,520		10,682
Leon J. Olivier		12,526		11,498
Werner J. Schweiger		11,703		10,845
Gregory B. Butler		9,052		8,410

**Results of the 2016 2018 Performance Share Program**

The 2016 - 2018 Program, which used the same criteria used in the 2018 - 2020 Program described above, was completed on December 31, 2018. The actual performance level achieved under the Program was a three-year average adjusted EPS growth of 5.0% and a three-year total shareholder return at the 34<sup>th</sup> percentile, which when interpolated in accordance with the criteria established by the Committee in 2016 resulted in vesting performance share units at 94% of target. At its February 6, 2019 meeting, the Committee confirmed that the actual results achieved were calculated in accordance with established performance criteria. The

number of Performance Shares awarded to the Named Executive Officers were approved as set forth in the table below.

**2016 2018 Long-Term Incentive Program  
Performance Share Awards**

Named Executive Officer	Performance Share Award
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James J. Judge	13,206
Philip J. Lembo*	2,029
Leon J. Olivier	13,869
Werner J. Schweiger	12,987
Gregory B. Butler	8,571

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\*  
Reflects award in 2016 to Mr. Lembo made prior to his election as Chief Financial Officer.

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Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****Restricted Share Units (RSUs)****General**

Each RSU granted under the long-term incentive program entitles the holder to receive one Company common share at the time of vesting. All RSUs granted under the long-term incentive program vest in equal annual installments over three years. RSU holders are eligible to receive reinvested dividend units on outstanding RSUs held by them to the same extent that dividends are declared and paid on our common shares. Reinvested dividend equivalents are accounted for as additional RSUs that accrue and are distributed with the common shares issued upon vesting of the underlying RSUs. Common shares, including any additional common shares in respect of reinvested dividend equivalents, are not issued for any RSUs that do not vest.

The Committee determined RSU grants for each executive officer participating in the long-term incentive program. RSU grants are based on a percentage of

annualized base salary at the time of the grant and measured in dollars. In 2018, the percentage used for each executive officer was based on the executive officer's position in the Company and ranged from 35% to 233% of base salary. The Committee reserves the right to increase or decrease the RSU grant from target for each officer under special circumstances. The Committee and all other independent members of the Board determined the RSU grants for the Chief Executive Officer. Based on input from our Chief Executive Officer, the Committee determined the RSU grants for each of the other executive officers, including the other Named Executive Officers.

All RSUs are granted on the date of the Committee meeting at which they are approved. RSU grants are subsequently converted from dollars into common share equivalents by dividing the value of each grant by the average closing price for our common shares over the ten trading days prior to the date of the grant. RSU grants at 100% of target were approved as set forth in the table below.

Named Executive Officer	RSUs Granted		
	2016	2017	2018
James J. Judge	12,004	48,259	48,912
Philip J. Lembo	1,844*	11,520	10,682
Leon J. Olivier	12,607	12,526	11,498
Werner J. Schweiger	11,805	11,703	10,845
Gregory B. Butler	7,791	9,052	8,410

\*

Reflects grant to Mr. Lembo made prior to his election as Chief Financial Officer.

**Clawbacks**

If our earnings were to be restated as a result of noncompliance with accounting rules caused by fraud or misconduct, or if a plan participant engages in a willful material violation of our Code of Business Conduct or material corporate policy, or the breach of a material covenant in an employment agreement, as

determined by the Board of Trustees, the participant will be required by our 2018 Incentive Plan to reimburse us for incentive compensation awards received by them just for that year.

**No Hedging and No Pledging Policy**

We have adopted a policy prohibiting the purchase of financial instruments or otherwise entering into transactions designed to have the effect of hedging or offsetting any decrease in the value of our common shares by our Trustees and executives. This policy also prohibits all pledging,

forward sale contracts, zero cost

collars, short sales, the holding of any Company common shares in a margin account, or otherwise pledging the Company's common shares. This policy will be reviewed and amended as appropriate to comply with the SEC's new rules governing disclosure of hedging policies affecting all employees.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****Share Ownership Guidelines and Retention Requirements**

The Committee has approved share ownership guidelines to further emphasize the importance of share ownership by our officers. As indicated in the table below, the guidelines call for the Chief Executive Officer to own common shares equal to six times base salary, executive vice presidents to own a number of common shares equal to three times base salary, senior vice presidents to own common shares equal to two times base salary, and all other officers to own a number of common shares equal to one to one and one half times base salary. Officers and Trustees may only transact in Eversource Energy common shares during approved trading windows and subject to continuing compliance with our share ownership guidelines.

<b>Executive Officer</b>	<b>Base Salary Multiple</b>
Chief Executive Officer	6
Executive Vice Presidents	3
Operating Company Presidents/Senior Vice Presidents	2
Vice Presidents	1-1.5

We require that our officers attain these ownership levels within five years. All of our officers, including the Named Executive Officers, have satisfied the share ownership guidelines or are expected to satisfy them within the applicable timeframe. Common shares, whether held of record, in street name, or in individual 401(k) accounts, and RSUs satisfy the guideline requirements to hold 100% of the net shares. Unvested performance shares do not count toward the ownership guidelines. In addition to the share ownership guidelines noted above, all officers must hold all the shares awarded under the Company's incentive compensation plan until the share ownership guidelines have been met.

**Other Benefits****Retirement Benefits**

The Company provides a qualified defined benefit pension program for certain officers, which is a final average pay program subject to tax code limits. Because of such limits, we also maintain a supplemental non-qualified pension program. Benefits are based on base salary and certain incentive payments, which is consistent with the goal of providing a retirement benefit that replaces a percentage of pre-retirement income. The supplemental program compensates for benefits barred by tax code limits, and generally provides (together with the qualified pension program) benefits equal to approximately 60% of pre-retirement compensation (subject to certain reductions) for Messrs. Judge, Lembo and Schweiger, and approximately 50% of such compensation for Mr. Butler. The supplemental program has been discontinued for newly-elected officers.

As set forth on page 49 in footnote (2) of the Summary Compensation Table, Mr. Judge and Mr. Lembo were elected to the positions of President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, respectively, in 2016, such that 2017 was the first year that each served in his new position. Each had a resulting substantial increase in the actuarial,

formula-based present values of their pension benefit due to the increase in their base pay and annual bonus. These increases are disclosed in the Change in Pension Value and Non-Qualified Deferred Earnings column of the Summary Compensation Table. These accounting-based increases for Mr. Judge and Mr. Lembo, while representing a substantial portion of their 2017 and 2018 total compensation disclosed in the SEC Total column of the Summary Compensation Table, resulted in no actual 2017 or 2018 W-2 earnings for either of them.

For certain participants, the benefits payable under the Supplemental Non-Qualified Pension Program differ from those described above. Mr. Olivier's employment agreement provides retirement benefits similar to those of a previous employer instead of the supplemental program benefits described above. Under this agreement, he will receive a pension based on a prescribed formula if he meets certain eligibility requirements. The program benefit payable to Mr. Schweiger is fully vested and is further reduced by benefits he is entitled to receive under previous employers' retirement plans.

Also see the narrative accompanying the "Pension Benefits" table and accompanying notes for more detail on the above program.



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**COMPENSATION DISCUSSION AND ANALYSIS**

**401(k) Benefits**

The Company offers a qualified 401(k) program for all employees, including executives, subject to tax code limits. After applying these limits, the program provides a match of 50% of the first 8% of eligible base salary, up to a maximum of \$11,000 per year for Messrs. Judge, Lembo and Schweiger. For Messrs. Olivier and Butler, we provide a match of 100% of the first 3% of eligible base salary, up to a maximum of \$8,250 per year.

**Deferred Compensation**

The Company offers a non-qualified deferred compensation program for our executives. In 2018, the program allowed deferral of up to 100% of base salary,

annual incentives and long-term incentive awards. The program allows participants to select investment measures for deferrals based on an array of deemed investment options (including certain mutual funds and publicly traded securities).

See the Non-Qualified Deferred Compensation Table and accompanying notes for additional details on the above program.

**Perquisites**

The Company provides executives with limited financial planning benefits, vehicle leasing and access to tickets to sporting events. The current level of perquisites does not factor into decisions on total compensation.

**Contractual Agreements**

We maintain contractual agreements with all of our Named Executive Officers that provide for potential compensation in the event of certain terminations, including termination following a Change in Control. We believe these agreements are necessary to attract and retain high quality executives and to ensure executive focus on Company business during the period leading up to a potential Change in Control. The agreements are "double-trigger" agreements that provide executives with compensation in the event of a Change in Control followed by termination of employment due to one or

more of the events set forth in the agreements, while still providing an incentive to remain employed with the Company for the transition period that follows.

Under the agreements, certain compensation is generally payable if, during the applicable change in control period, the executive is involuntarily terminated (other than for cause) or terminates employment for "good reason." These agreements are described more fully in the Tables following this CD&A under "Payments Upon Termination."

**Tax and Accounting Considerations**

Section 162(m) of the Internal Revenue Code precludes a public corporation from taking an income tax deduction in any one year for compensation in excess of \$1 million payable to its named executive officers who are employed on the last day of the fiscal year, unless certain specific performance goals are satisfied. Until January 1, 2018, there was an exception to the \$1 million limitation for performance-based compensation meeting certain requirements. This exception was repealed, effective for taxable years beginning after December 31, 2017 and the limitation on deductibility generally was expanded to include all Named Executive Officers. As a result, compensation paid to the Named Executive Officers in excess of \$1 million per officer will not be deductible unless it qualifies for transition relief applicable to certain arrangements in place as of and not modified after November 2, 2017.

The Committee believes that the availability of a tax deduction for forms of compensation should be one of many factors taken into consideration of providing market-based compensation to attract and retain highly qualified executives. The Committee believes it is in the Company's best interests to retain discretion to make compensation awards, whether or not deductible.

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The Company has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, *Compensation - Stock Compensation*. In general, the Company and the Committee do not consider accounting considerations in structuring compensation arrangements.

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Equity Grant Practices**

Equity awards noted in the compensation tables are made annually at the February meeting of the Compensation Committee (subject to further approval by all of the independent members of the Board of Trustees of the Chief Executive Officer's award) when the Committee also determines base salary, annual and

long-term incentive compensation targets and annual incentive awards. The date of this meeting is chosen at least a year in advance, and therefore awards are not coordinated with the release of material non-public information.

**Compensation Committee Report**

The Compensation Committee of the Board of Trustees has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on this review and discussion, the Compensation Committee has recommended to the Board of Trustees that the Compensation Discussion and Analysis be included in

the 2019 proxy statement and our 2018 Annual Report on Form 10-K.

The Compensation Committee

William C. Van Faasen, Chair  
Sanford Cloud, Jr.  
James S. DiStasio  
John Y. Kim  
Dennis R. Wraase

February 20, 2019

Table of Contents**EXECUTIVE COMPENSATION****SUMMARY COMPENSATION TABLE**

The table below summarizes the total compensation paid or earned by our principal executive officer (Mr. Judge), principal financial officer (Mr. Lembo) and the three other most highly compensated executive officers in 2018, determined in accordance with the applicable SEC disclosure rules (collectively, the Named Executive Officers). As explained in the tables and footnotes below, the amounts reflect the economic benefit to each

Named Executive Officer of the compensation item paid or accrued on behalf of the Named Executive Officers for the fiscal year ended December 31, 2018 in accordance with such rules. All salaries, annual incentive amounts and long-term incentive amounts shown for each Named Executive Officer were paid for all services rendered to the Company and its subsidiaries, in all capacities.

Name and Principal Position	Year	Salary <sup>(1)</sup>	Stock Awards <sup>(2)</sup>	Non-Equity Incentive Plan <sup>(3)</sup>	Change in	All Other Compensation <sup>(5)</sup>	SEC Total	Adjusted SEC Total <sup>(6)</sup>
					Non-Qualified Deferred Earnings <sup>(4)</sup>			
<b>James J. Judge</b> Chairman, President and Chief Executive Officer	2018	\$ 1,277,078	\$ 5,632,217	\$ 2,430,000	\$ 5,560,877	\$ 25,209	\$ 14,925,381	\$ 9,364,504
	2017	1,230,694	5,504,904	2,285,000	6,869,854	25,009	15,915,461	9,045,607
	2016	959,690	1,382,021	2,200,000	1,616,742	24,809	6,183,262	4,566,520
<b>Philip J. Lembo</b> Executive Vice President and Chief Financial Officer	2018	648,271	1,230,032	765,000	1,535,216	21,685	4,200,204	2,664,988
	2017	613,847	1,314,086	700,000	1,246,325	21,485	3,895,743	2,649,418
	2016	439,208	212,300	600,000	543,133	21,285	1,815,926	1,272,793
<b>Leon J. Olivier</b> Executive Vice President-Enterprise Energy Strategy and Business Development	2018	699,617	1,323,995	800,000	0	14,778	2,838,389	2,838,389
	2017	678,270	1,428,841	775,000	397,791	14,464	3,294,366	2,896,575
	2016	654,832	1,451,444	725,000	389,011	14,034	3,234,320	2,522,361
<b>Werner J. Schweiger</b> Executive Vice President and Chief Operating Officer	2018	658,271	1,248,802	815,000	538,978	53,896	3,314,947	2,775,969
	2017	634,078	1,334,961	775,000	1,225,581	21,418	3,991,038	2,765,457
	2016	592,108	1,359,110	700,000	1,156,328	21,135	3,828,681	2,672,353
<b>Gregory B. Butler</b> Executive Vice President and General Counsel	2018	618,271	968,412	645,000	634,394	15,143	2,881,220	2,246,826
	2017	597,886	1,032,562	625,000	1,670,745	15,361	3,941,554	2,270,809
	2016	514,494	896,978	575,000	539,638	12,886	2,538,996	1,999,358

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- (1) Includes amounts deferred in 2018 under the deferred compensation program for Mr. Olivier of \$135,654. For more information, see the Executive Contributions in the last Fiscal Year column of the Non-Qualified Deferred Compensation Plans Table.
- (2) Reflects the aggregate grant date fair value of restricted share units (RSUs) and performance shares granted in each fiscal year, calculated in accordance with FASB ASC Topic 718.

RSUs were granted to each Named Executive Officer in 2018 as long-term compensation, which vest in equal annual installments over three years. In 2018, each of the Named Executive Officers was also granted performance shares as long-term incentive compensation. These performance shares will vest based on the extent to which the two performance conditions described in the CD&A are achieved as of December 31, 2020. The grant date fair values for the performance shares, assuming achievement of the highest level of both performance conditions, are as follows: Mr. Judge: \$4,309,636; Mr. Lembo: \$941,191; Mr. Olivier: \$1,013,089; Mr. Schweiger: \$955,553; and Mr. Butler: \$741,005.

Holders of RSUs and performance shares are eligible to receive dividend equivalent units on outstanding awards to the same extent that dividends are declared and paid on our common shares. Dividend equivalent units are accounted for as additional common shares that accrue and are distributed simultaneously with those common shares that are issued upon vesting of the underlying RSUs and performance shares.

Mr. Judge was elected President and Chief Executive Officer of the Company on April 6, 2016 upon the retirement of Thomas J. May. Mr. Judge had previously served as Executive Vice President and Chief Financial Officer of the Company until his election as President and Chief Executive Officer. Mr. Lembo was elected Executive Vice President and Chief Financial Officer of the Company on May 4, 2016, having previously served as Vice President and Treasurer. Thus, 2017 was the first year during which the Committee made long-term incentive program stock awards to Mr. Judge and Mr. Lembo in their then-new positions of President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, respectively.

- (3) Includes payments to the Named Executive Officers under the 2018 Annual Incentive Program: Mr. Judge: \$2,430,000; Mr. Lembo: \$765,000; Mr. Olivier: \$800,000; Mr. Schweiger: \$815,000; and Mr. Butler: \$645,000.
- (4) Includes the actuarial increase in the present value from December 31, 2017 to December 31, 2018 of the Named Executive Officers' accumulated benefits under all of our defined benefit pension program and agreements, determined using interest rate and mortality rate assumptions consistent with those appearing in the footnotes to our Annual Report on Form 10-K for the fiscal year ended December 31, 2018. The Named Executive Officer may not be fully vested in such amounts. More information on this topic is set forth in the Pension Benefits table. There were no above-market earnings in deferred compensation value during 2018, as the terms of the Deferred Compensation Plan provide for market-based investments, including Eversource common shares. Mr. Judge and Mr. Lembo were elected to the positions of President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, respectively, in 2016, such that 2017 was the first year that each served in his new position. Each had a resulting

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**EXECUTIVE COMPENSATION**

substantial increase in the actuarial, formula-based present value of his pension benefit due to the increase in their base pay and annual bonus and the effect of interest rates. These accounting-based increases, while representing for Mr. Judge and Mr. Lembo a substantial portion of their 2017 and 2018 total compensation disclosed in the SEC Total above, resulted in no actual 2017 W-2 earnings for either of them. Mr. Olivier's pension value decreased by \$243,000 from December 31, 2017 to December 31, 2018.

- (5) Includes matching contributions allocated by us to the accounts of Named Executive Officers under the 401k Plan as follows: \$11,000 for each of Messrs. Judge, Lembo and Schweiger, and \$8,250 for each of Messrs. Olivier and Butler. For Mr. Judge, the value shown includes financial planning services valued at \$5,000 and \$9,209 paid by the Company for a Company-leased vehicle. For Mr. Lembo, the value shown includes financial planning services valued at \$5,000 and \$5,685 paid by the Company for a Company-leased vehicle. For Mr. Schweiger, the value shown includes financial planning services valued at \$5,000 and \$5,646 paid by the Company for a Company-leased vehicle, together with additional compensation of \$32,250 for his efforts in leading the initial response, as directed by the Massachusetts Department of Public Utilities, to a very substantial series of natural gas explosions that occurred in September 2018 in a non-Eversource natural gas company's service territory. None of the other Named Executive Officers received perquisites valued in the aggregate in excess of \$10,000.
- (6) The amounts in the Adjusted SEC Total column reflect an adjustment to the total compensation reported in the column marked SEC Total. The Adjusted SEC Total subtracts the actuarial change in pension value disclosed in the column titled "Change in Pension Value and Non-Qualified Deferred Earnings" as further described in footnote 4 above in order to reflect compensation earned during the year by the executive without consideration of pension benefit impacts. The amounts in this column differ substantially from, and are not a substitute for, the amounts noted in the SEC Total.

Table of Contents**EXECUTIVE COMPENSATION****GRANTS OF PLAN-BASED AWARDS DURING 2018**

The Grants of Plan-Based Awards Table provides information on the range of potential payouts under all incentive plan awards during the fiscal year ended December 31, 2018. The table also discloses the

underlying equity awards and the grant date for equity-based awards. We have not granted any stock options since 2002.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(1)</sup>			All Other Stock Awards: Number of Shares of Stock or Units <sup>(2)</sup>	Grant Date Fair Value of Stock and Option Awards <sup>(3)</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (\$)	Target (#)	Maximum (#)		
<b>James J. Judge</b>									
Annual Incentive <sup>(4)</sup>	02/07/18	\$ 774,000	\$ 1,548,000	\$ 3,096,000	\$			\$	
Long-Term Incentive <sup>(5)</sup>	02/07/18				48,912	97,824	48,912	5,632,217	
<b>Philip J. Lembo</b>									
Annual Incentive <sup>(4)</sup>	02/07/18	245,500	491,000	982,000					
Long-Term Incentive <sup>(5)</sup>	02/07/18				10,682	21,364	10,682	1,230,032	
<b>Leon J. Olivier</b>									
Annual Incentive <sup>(4)</sup>	02/07/18	264,500	529,000	1,058,000					
Long-Term Incentive <sup>(5)</sup>	02/07/18				11,498	22,996	11,498	1,323,995	
<b>Werner J. Schweiger</b>									
Annual Incentive <sup>(4)</sup>	02/07/18	249,500	499,000	998,000					
Long-Term Incentive <sup>(5)</sup>	02/07/18				10,845	21,690	10,845	1,248,802	
<b>Gregory B. Butler</b>									
Annual Incentive <sup>(4)</sup>	02/07/18	203,000	406,000	812,000					
Long-Term Incentive <sup>(5)</sup>	02/07/18				8,410	16,820	8,410	968,412	

(1) Reflects the number of performance shares granted to each of the Named Executive Officers on February 7, 2018 under the 2018 - 2020 Long-Term Incentive Program. Performance shares were granted subject to a three-year Performance Period that ends on December 31, 2020. At the end of the Performance Period, common shares will be awarded based on actual performance results as a percentage of target, subject to reduction for applicable payroll withholding taxes. Holders of performance shares are eligible to receive dividend equivalent units on outstanding performance shares awarded to them to the same extent that dividends are declared and paid on our common shares. Dividend equivalent units are accounted for as additional common shares that accrue and are distributed simultaneously with the number of common shares underlying the performance shares that are actually awarded. The Annual Incentive Program did not include an equity component.

(2)

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Reflects the number of RSUs granted to each of the Named Executive Officers on February 7, 2018 under the 2018 - 2020 Long-Term Incentive Program. RSUs vest in equal installments on February 7, 2019, 2020 and 2021. We will distribute common shares with respect to vested RSUs on a one-for-one basis following vesting, after reduction for applicable payroll withholding taxes. Holders of RSUs are eligible to receive dividend equivalent units on outstanding RSUs awarded to them to the same extent that dividends are declared and paid on our common shares. Dividend equivalent units are accounted for as additional common shares that accrue and are distributed simultaneously with those common shares actually distributed in respect of the underlying RSUs.

- (3) Reflects the grant date fair value, determined in accordance with FASB ASC Topic 718, of RSUs and performance shares granted to the Named Executive Officers on February 7, 2018 under the 2018 - 2020 Long-Term Incentive Program.
- (4) The threshold payment under the Annual Incentive Program is 50% of target. The actual payments in 2019 for performance in 2018 are set forth in the Non-Equity Incentive Plan column of the Summary Compensation Table.
- (5) Reflects the range of potential payouts, if any, pursuant to performance share awards under the 2018 - 2020 Long-Term Incentive Program, as described in the CD&A.

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## EXECUTIVE COMPENSATION

**OUTSTANDING EQUITY GRANTS AT DECEMBER 31, 2018**

The following table sets forth RSU and performance share grants outstanding at the end of our fiscal year

ended December 31, 2018 for each of the Named Executive Officers. There are no outstanding options.

Name	Stock Awards <sup>(1)</sup>			
	Number of Shares or Units of Stock That Have Not Vested <sup>(2)</sup>	Market Value of Shares or Units of Stock That Have Not Vested <sup>(3)</sup>	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested <sup>(4)</sup>	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested <sup>(5)</sup>
<b>James J. Judge</b>	89,263	5,805,692	115,219	7,493,837
<b>Philip J. Lembo</b>	19,907	1,294,719	25,353	1,648,967
<b>Leon J. Olivier</b>	25,413	1,652,833	39,110	2,543,687
<b>Werner J. Schweiger</b>	23,857	1,551,685	36,675	2,385,329
<b>Gregory B. Butler</b>	17,985	1,169,714	26,915	1,750,582

(1) Awards and market values of awards appearing in the table and the accompanying notes have been rounded to whole units.

(2) A total of 81,093 unvested RSUs will vest on February 7, 2019 (Mr. Judge: 38,407; Mr. Lembo: 8,451; Mr. Olivier: 13,038; Mr. Schweiger: 12,225; and Mr. Butler: 8,972). A total of 64,204 unvested RSUs will vest on February 7, 2020 (Mr. Judge: 34,004; Mr. Lembo: 7,775; Mr. Olivier: 8,414; Mr. Schweiger: 7,896; and Mr. Butler: 6,115). A total of 31,126 unvested RSUs will vest on February 8, 2021 (Mr. Judge: 16,852; Mr. Lembo: 3,680; Mr. Olivier: 3,961; Mr. Schweiger: 3,736; and Mr. Butler: 2,897).

(3) The market value of RSUs is determined by multiplying the number of RSUs by \$65.04, the closing price per common share on December 31, 2018, the last trading day of the year.

(4) Reflects the target payout level for performance shares granted under the 2016 - 2018 Program, the 2017 - 2019 Program and the 2018 - 2020 Program.

The performance period for the 2016 - 2018 Program ended on December 31, 2018. Awards under that program are set forth in the CD&A under the "Results of the 2016 - 2018 Performance Share Program."

The performance share award for 2017 - 2019 Program and the 2018 - 2020 Program will be based on actual performance results as a percentage of target, subject to reduction for applicable payroll withholding taxes. As described more fully under "Performance Shares" in the CD&A and footnote (1) to the Grants of Plan-Based Awards table, performance shares will vest following a three-year performance period based on the extent to which the two performance conditions are achieved. Under the 2017 - 2019 Program, a total of 99,230 unearned performance shares (including accrued dividend equivalents) will vest based on the extent to which the two performance conditions described in the CD&A are achieved as of December 31, 2019, assuming achievement of these conditions at a target level of performance: Mr. Judge: 51,459; Mr. Lembo: 12,284; Mr. Olivier: 13,356; Mr. Schweiger: 12,479; and Mr. Butler: 9,652. Under the 2018 - 2020 Program, a total of 93,381 unearned performance shares (including accrued

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dividend equivalents) will vest based on the extent to which the two performance conditions described in the CD&A are achieved as of December 31, 2020. Assuming achievement of these conditions at a target level of performance, the amount of the awards would be as follows: Mr. Judge: 50,555; Mr. Lembo: 11,041; Mr. Olivier: 11,884; Mr. Schweiger: 11,209; and Mr. Butler: 8,692.

(5)

The market value is determined by multiplying the number of performance shares in the adjacent column by \$65.04, the closing price of Eversource Energy common shares on December 31, 2018, the last trading day of the year.

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Table of Contents**EXECUTIVE COMPENSATION****OPTION EXERCISES AND STOCK VESTED IN 2018**

The following table reports amounts realized on equity compensation during the fiscal year ended December 31, 2018. The Stock Awards columns report the vesting of

RSU and performance share grants to the Named Executive Officers in 2018.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#) <sup>(1)</sup>	Value Realized on Vesting <sup>(2)</sup>
<b>James J. Judge</b>	35,886	\$ 2,073,063
<b>Philip J. Lembo</b>	7,225	417,186
<b>Leon J. Olivier</b>	24,578	1,422,292
<b>Werner J. Schweiger</b>	23,091	1,336,258
<b>Gregory B. Butler</b>	16,460	952,517

(1) Includes RSUs and performance shares granted to our Named Executive Officers under our long-term incentive programs, including dividend reinvestments, as follows:

Name	2015 Program	2016 Program	2017 Program	2018 Program
<b>James J. Judge</b>	15,033	4,258	16,595	
<b>Philip J. Lembo</b>	2,608	655	3,962	
<b>Leon J. Olivier</b>	15,799	4,472	4,307	
<b>Werner J. Schweiger</b>	14,879	4,188	4,024	
<b>Gregory B. Butler</b>	10,584	2,764	3,112	

In all cases, we reduce the distribution of common shares by that number of shares valued in an amount sufficient to satisfy payroll tax withholding obligations.

(2) Values realized on vesting of RSUs granted under the 2015 - 2017, 2016 - 2018 and 2017 - 2019 Programs were based on \$57.58 per share, the closing price of Eversource Energy common shares on February 14, 2018. Values realized on vesting of performance shares granted under the 2015 - 2017 Program were based on \$58.17 per share, the closing price of Eversource Energy common shares on February 20, 2018.

**PENSION BENEFITS IN 2018**

The Pension Benefits Table shows the estimated present value of accumulated retirement benefits payable to each Named Executive Officer upon retirement based on the assumptions described below. The table distinguishes between benefits available under the qualified pension program, the supplemental pension program, and any additional benefits available under contractual agreements. See the narrative above in the CD&A under the caption "Other- Retirement Benefits" and "Contractual Agreements" for more detail on benefits under these plans and our agreements.

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The values shown in the Pension Benefits Table for Messrs. Judge, Lembo and Schweiger were calculated as of December 31, 2018 based on benefit payments in the form of a lump sum. For Mr. Olivier, we assumed a lump sum payment of his special retirement benefits under his agreement, and payment of his qualified pension program benefit as a life annuity with a one-third spousal contingent annuitant option (the typical

payment form under that Plan). For Mr. Butler, we assumed a payment of benefits in the form of a contingent annuitant option. Such earned pension program benefit value could otherwise have changed because of the reduction in mortality factors and potentially rising interest rates.

The values shown in this Table for the Named Executive Officers were based on benefit payments on the actual ages or the earliest possible ages for retirement with unreduced benefits for the Named Executive Officers: Mr. Judge: age 60, Mr. Lembo, age 62, Mr. Olivier: age 65, Mr. Schweiger: age 55 and Mr. Butler: age 62.

In addition, we determined benefits under the qualified pension program using tax code limits in effect on December 31, 2018. For Messrs. Judge, Lembo, and Schweiger, the values shown reflect actual 2018 salary and annual incentives earned in 2017 but paid in 2018 (per applicable supplemental program rules). For

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Mr. Butler, the values shown reflect actual 2018 salary and annual incentives earned in 2018 but paid in 2019 (per applicable supplemental program rules). Mr. Olivier's benefit was calculated as is set forth in footnote (1) below.

We determined the present value of benefits at retirement age using the discount rate within a range of 4.20% to 4.37% under ACS 715-30 pension accounting for the 2018 fiscal year end measurement as of December 31, 2018. This present value assumes no pre-retirement mortality, turnover or disability. However, for postretirement period beginning at

retirement age, we used the 2018 IRS lump sum mortality table for Mr. Judge, Mr. Lembo and Mr. Schweiger. We used the RP2014 Employee Table Projected Generationally with Scale MP2018 for Mr. Butler, (the unisex 1983 Group Annuity Mortality Table for Mr. Olivier per his agreement). This new mortality table (as published by the Society of Actuaries in 2014) and projection scale were used by the Eversource Pension Plan for year-end 2018 financial disclosure. Additional assumptions appear in the footnotes to our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

**Pension Benefits**

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefits	During Last Fiscal Year
<b>James J. Judge</b>	Retirement Plan	41.33	\$ 2,714,417	\$
	Supplemental Plan	21.00	9,738,848	
	Supplemental Plan	41.33	12,150,475	
<b>Philip J. Lembo</b>	Retirement Plan	9.75	1,263,600	
	Supplemental Plan	9.75	3,962,402	
<b>Leon J. Olivier (1)</b>	Retirement Plan	19.83	824,976	
	Supplemental Plan	17.33	6,304,390	
	Supplemental Plan	31.27	1,109,789	105,966
<b>Werner J. Schweiger</b>	Retirement Plan	16.83	547,641	
	Supplemental Plan	16.83	2,209,494	
	Supplemental Plan	16.00	6,267,490	
<b>Gregory B. Butler</b>	Retirement Plan	22.00	1,135,545	
	Supplemental Plan	22.00	4,239,418	
	Target	22.00	3,335,777	

- (1) Mr. Olivier was employed with Northeast Nuclear Energy Company, one of our subsidiaries, from October of 1998 through March of 2001. In connection with this employment, he received a retirement benefit that provided credit for service with his previous employer, Boston Edison Company. The benefit, which commenced upon Mr. Olivier's 55th birthday, provides an annuity of \$105,966 per year. The present value of future payments under this benefit was calculated using the actuarial assumptions currently used by the pension program. Mr. Olivier was rehired by us in September 2001. Mr. Olivier's current employment agreement provides for certain supplemental pension benefits in lieu of benefits under the supplemental program equal to three percent of final average compensation for each of his first 15 years of service since September 10, 2001, plus one percent of final average compensation for each of the second 15 years of service. Alternatively, if Mr. Olivier voluntarily terminates his employment with us, he is eligible to receive upon retirement a lump sum payment of \$2,050,000. These benefits will be offset by the value of any benefits he receives from the pension program. Amounts reported in the table assume the termination of his employment with our consent on December 31, 2018, and payment of the lump sum benefit of \$6,304,390 offset by pension program benefits.



Table of Contents**EXECUTIVE COMPENSATION****NONQUALIFIED DEFERRED COMPENSATION IN 2018**

The following table reports amounts contributed in 2018, together with aggregate earnings on contributions and withdrawals or distributions on contributions in 2018, under the Company's deferred compensation program, along with aggregate balances on

contributions. See the narrative above in the CD&A under the caption "Elements of 2018 Compensation Other Deferred Compensation" for more detail on our non-qualified deferred compensation program.

Name	Executive Contributions in Last FY <sup>(1)</sup>	Registrant Contributions in Last FY	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE <sup>(2)</sup>
<b>James J. Judge</b>	\$	\$	\$ 350,351	\$	\$ 6,043,699
<b>Philip J. Lembo</b>			(61,055)		1,309,411
<b>Leon J. Olivier</b>	174,904		(246,570)		4,812,823
<b>Werner J. Schweiger</b>			(1,036,872)		16,191,292
<b>Gregory B. Butler</b>			586		21,193

(1) Includes deferrals in 2018 under our deferred compensation program by Mr. Olivier of \$174,904. Named Executive Officers who participate in this program are provided with a variety of investment opportunities, which the individual can modify and reallocate under the program terms. Contributions by the Named Executive Officer are vested at all times. The amounts reported in this column for each Named Executive Officer are reflected as compensation to such Named Executive Officer in the Summary Compensation Table.

(2) Includes the total market value of deferred compensation program balances at December 31, 2018, plus the value of vested RSUs or other awards for which the distribution of common shares is currently deferred, based on \$65.04, the closing price of our common shares on December 31, 2018, the last trading day of the year. The aggregate balances reflect a significant level of earnings on previously earned and deferred compensation.

**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

The discussion and tables below show compensation payable to each Named Executive Officer who is still an employee of the Company, in the event of: (i) voluntary termination; (ii) involuntary not-for-cause termination; (iii) termination in the event of death or disability; and (iv) termination following a change in control. No amounts are payable in the event of a termination for cause. The amounts shown assume that each termination was effective as of December 31, 2018, the last business day of the fiscal year.

Generally, a "change in control" means a change in ownership or control effected through (i) the acquisition of 30% or more of the combined voting power of common shares or other voting securities (20% for Messrs. Butler and Olivier, excluding certain defined transactions); (ii) the acquisition of more than 50% of our common shares, excluding certain defined transactions (for Messrs. Judge, Lembo and Schweiger); (iii) a change in the majority of the Board of Trustees, unless approved by a majority of the incumbent Trustees; (iv) certain reorganizations, mergers or consolidations where substantially all of the persons who were the beneficial owners of the outstanding common shares immediately prior to such business combination do not beneficially own more than 50% (75% for Mr. Olivier) of the voting power of the resulting business entity (excluding in certain cases defined transactions); and

(v) complete liquidation or dissolution of the Company, or a sale or disposition of all or substantially all of the assets of the Company other than, for Mr. Butler, to an entity with respect to which following completion of the transaction more than 50% (75% for Mr. Olivier) of common shares or other voting securities is then owned by all or substantially all of the persons who were the beneficial owners of common shares and other voting securities immediately prior to such transaction.

In the event of a change in control, the Named Executive Officers are generally entitled to receive compensation and benefits following either involuntary termination of employment without "cause" or voluntary termination of employment for "good reason" within the applicable period

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(generally two years following a change in control). The Compensation Committee believes that termination for good reason is conceptually the same as termination "without cause" and, in the absence of this provision, potential acquirers would have an incentive to constructively terminate executives to avoid paying severance. Termination for "cause" generally means termination due to a felony or certain other convictions; fraud, embezzlement, or theft in the course of employment; intentional, wrongful damage to Company property; gross misconduct or gross negligence in the course of employment or gross neglect of duties harmful to the Company; or a material breach

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**EXECUTIVE COMPENSATION**

of obligations under the agreement. "Good reason" for termination generally exists after assignment of duties inconsistent with executive's position, a material reduction in compensation or benefits, a transfer more than 50 miles from the executive's pre-change in control principal business location (or for Messrs. Judge, Lembo and Schweiger, an involuntary transfer outside the Greater Boston Metropolitan Area), or requiring business travel to a substantially greater extent than required prior to the change in control.

The summaries above do not purport to be complete and are qualified in their entirety by the actual terms and provisions of the agreements and plans, copies of which have been filed as exhibits to our Annual Report on Form 10-K for the year ended December 31, 2018.

**Payments Upon Termination**

Regardless of the manner in which the employment of a Named Executive Officer terminates, the executive is entitled to receive certain amounts earned during the executive's term of employment. Such amounts include:

Vested RSUs and certain other vested awards;

Amounts contributed and any vested matching contributions under the deferred compensation program;

Pay for unused vacation; and

Amounts accrued and vested under the pension/supplemental and 401k programs (except in the event of a termination for cause under the supplemental program).

The following table describes additional compensation payable to the Named Executive Officers in the event of voluntary termination, involuntary termination not for cause, termination in the event of death or disability and termination following a change in control. No benefits are provided in the event of termination for cause. See the section above captioned "Pension Benefits in 2018" for information about the pension program, supplemental program and other benefits, and the section captioned "Nonqualified Deferred Compensation in 2018."

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## EXECUTIVE COMPENSATION

## POST EMPLOYMENT COMPENSATION PAYMENTS UPON TERMINATION

	Type of Payments	Voluntary Termination	Involuntary Termination Not for Cause	Termination Upon Death or Disability	Termination Following a Change in Control	
<b>James J. Judge</b>	Annual Incentives <sup>(1)</sup>	\$	\$	\$	\$ 1,486,000	
	Performance Shares <sup>(2)</sup>	4,186,357	4,186,357	4,186,357	7,493,837	
	RSUs <sup>(3)</sup>	2,298,133	2,298,133	2,298,133	5,805,692	
	Special Retirement Benefit <sup>(4)</sup>				7,049,367	
	Health and Welfare Benefits <sup>(5)</sup>				98,441	
	Perquisites <sup>(6)</sup>				15,000	
	Excise Tax and Gross-ups <sup>(7)</sup>				8,044,238	
	Separation Payment for Liquidated Damages <sup>(8)</sup>				10,770,000	
<b>Total</b>		\$ 6,484,490	\$ 6,484,490	\$ 6,484,490	\$ 40,762,576	
<b>Philip J. Lembo</b>	Annual Incentives <sup>(1)</sup>	\$	\$	\$	\$ 491,000	
	Performance Shares <sup>(2)</sup>	904,197	904,197	904,197	1,648,967	
	RSUs <sup>(3)</sup>	505,664	505,664	505,664	1,294,719	
	Special Retirement Benefit <sup>(4)</sup>				1,779,646	
	Health and Welfare Benefits <sup>(5)</sup>				42,998	
	Perquisites <sup>(6)</sup>				10,000	
	Separation Payment for Liquidated Damages <sup>(8)</sup>				2,710,000	
	<b>Total</b>		\$ 1,409,861	\$ 1,409,861	\$ 1,409,861	\$ 7,977,330
<b>Leon J. Olivier</b>	Annual Incentives <sup>(1)</sup>	\$	\$	\$	\$ 529,000	
	Performance Shares <sup>(2)</sup>	2,543,687	2,543,687	2,543,687	2,543,687	
	RSUs <sup>(3)</sup>	1,652,833	1,652,833	1,652,833	1,652,833	
	Health and Welfare Benefits <sup>(5)</sup>				39,185	
	Separation Payments for Liquidated Damages <sup>(8)</sup>				1,234,000	
	Separation Payment for Non-Compete Agreement <sup>(9)</sup>				1,234,000	
	<b>Total</b>		\$ 4,196,520	\$ 4,196,520	\$ 4,196,520	\$ 7,232,705
	<b>Werner J. Schweiger</b>	Annual Incentives <sup>(1)</sup>	\$	\$	\$	\$ 499,000
Performance Shares <sup>(2)</sup>		1,629,030	1,629,030	1,629,030	2,385,329	
RSUs <sup>(3)</sup>		731,501	731,501	731,501	1,551,685	
Special Retirement Benefit <sup>(4)</sup>					3,009,271	
Health and Welfare Benefits <sup>(5)</sup>					87,807	
Perquisites <sup>(6)</sup>					15,000	
Separation Payments for Liquidated Damages <sup>(8)</sup>					4,320,000	
<b>Total</b>			\$ 2,360,531	\$ 2,360,531	\$ 2,360,531	\$ 11,868,092



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<b>Gregory B. Butler</b>	Annual Incentives <sup>(1)</sup>	\$		\$		\$		\$	406,000
	Performance Shares <sup>(2)</sup>		1,164,627		1,164,627		1,164,627		1,750,582
	RSUs <sup>(3)</sup>		536,803		536,803		536,803		1,169,714
	Special Retirement Benefit <sup>(4)</sup>				4,861,592				5,283,938
	Health and Welfare Benefits <sup>(5)</sup>				23,500				35,251
	Perquisites <sup>(6)</sup>				10,000				15,000
	Excise Tax and Gross-Ups <sup>(7)</sup>				1,034,102				2,223,174
	Separation Payment for Liquidated Damages <sup>(8)</sup>				1,031,250				2,062,500
	Separation Payment for Non-Compete Agreement <sup>(9)</sup>				1,031,250				1,031,250
	<b>Total</b>	\$	1,701,430	\$	9,693,124	\$	1,701,430	\$	13,977,409

(1) For Termination Following a Change in Control: Represents target 2018 annual incentive awards as described in the Grants of Plan Based Awards Table.

(2) For Voluntary Termination and Termination Not For Cause, and Termination Upon Death or Disability: Mr. Olivier, represents 100 percent of the performance share awards under each of the 2016 - 2018 Long-Term Incentive Program, the 2017 - 2019 Long-Term Incentive Program and the 2018 - 2020 Long-Term Incentive Plan. For Messrs. Judge, Lembo, Schweiger and Butler, represents 100 percent of the performance

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share awards under the 2016 - 2018 Long-Term Incentive Program, 67 percent of the performance share awards under the 2017 - 2019 Long-Term Incentive Program and 33 percent of the performance share awards under the 2018 - 2020 Long-Term Incentive Program. For all of the Named Executive Officers, the values were calculated by multiplying the number of RSUs by \$65.04, the closing price of our common shares on December 31, 2018, the last trading day of the year. For Termination Following a Change in Control: Represents 100 percent of the performance share awards under each of the three Programs noted in the previous two sentences.

- (3) For Voluntary Termination and Termination Not For Cause, and Termination Upon Death or Disability: represents values of RSUs granted under our long-term incentive programs that, at year-end 2018, were unvested under applicable vesting schedules. Under these programs, RSUs vest pro rata based on credited service years and age at termination, and time worked during the vesting period. For all, the values were calculated by multiplying the number of RSUs by \$65.04, the closing price of our common shares on December 31, 2018, the last trading day of the year. For Termination Following a Change in Control: Represents values of all RSUs granted under our long-term incentive programs that, at year-end 2018, were unvested under applicable vesting schedules, all of which vest in full.
- (4) The amount noted in the Involuntary Termination, Not for Cause column, represents for Mr. Butler actuarial present values at year-end 2018 of amounts payable (two years of service) solely under an employment agreement upon termination, which are in addition to amounts due under the pension plan. For Termination Following a Change in Control: represents actuarial present values at year-end 2018 of amounts payable solely under employment agreements upon termination (which are in addition to amounts due under the pension program). For Messrs. Butler, Judge and Schweiger, pension benefits were calculated by adding three years of service (two years for Mr. Lembo). A lump sum of this benefit value is payable to Messrs. Judge, Lembo and Schweiger. Pension amounts shown in the table are present values at year-end 2018 of benefits payable upon termination as described with respect to the Pension Benefits Table above.
- (5) The amount noted in the Involuntary Termination, Not for Cause column, represents for Mr. Butler the value of two years' employer contributions toward active health, long-term disability, and life insurance benefits, plus a payment to offset any taxes thereon. For Termination Following a Change in Control: represents estimated Company cost at year-end 2018 (estimated by our consultants) of providing post-employment health and welfare benefits beyond those available to non-executives upon involuntary termination. The amounts shown in the table for Messrs. Judge and Schweiger represent the value of three years (two years for Mr. Lembo) continued health and welfare plan participation. The amounts shown in the table for Mr. Butler represent the value of three years' employer contributions toward active health, long-term disability, and life insurance benefits, plus a payment to offset any taxes on the value of these benefits, less the value of one year of retiree health coverage at retiree rates. The amounts reported in the table for Mr. Olivier represent the value of two years' employer contributions toward active health benefits, plus a payment to offset any taxes on the value of these benefits, less the value of two years retiree health coverage at retiree rates.
- (6) The amount noted in the Involuntary Termination, Not for Cause column, represents for Mr. Butler the cost of reimbursing Mr. Butler for two years financial planning and tax preparation fees. For Termination Following a Change in Control: represents Company cost of reimbursing for financial planning and tax preparation fees for three years for Messrs. Judge, Schweiger and Butler (two years for Mr. Lembo).
- (7) For Termination Following a Change in Control: represents payments made to offset costs associated with certain excise taxes under Section 280G of the Internal Revenue Code. Executives may be subject to certain excise taxes under Section 280G if they receive payments and benefits related to a Termination Following a Change in Control that exceed specified Internal Revenue Service limits. Contractual agreements with the above executives provide for a grossed-up reimbursement of these excise taxes. The amounts in the table are based on the Section 280G excise tax rate of 20%, the statutory federal income tax withholding rate of 35%, the applicable state income tax rate, and the Medicare tax rate of 1.45%.
- (8) For Involuntary Termination, Not for Cause: represents for Mr. Butler a severance payment (two-times the sum of base salary plus relevant annual incentive award) in addition to any non-compete agreement payment described above. For Termination Following a Change in Control: represents severance payments in addition to any non-compete agreement payments described in the prior note. For Messrs. Judge and Schweiger, this payment equals three-times the sum of base salary plus relevant annual incentive award (two-times the sum for Messrs. Lembo and Butler, and one-times the sum for Mr. Olivier.) These payments do not replace, offset or otherwise affect the calculation or payment of the annual incentive awards.
- (9) For Involuntary Termination, Not For Cause and Termination Following a Change in Control: represents payments made under agreements or Company programs to Mr. Butler and Mr. Olivier (and for Mr. Butler alone, for Involuntary Termination, Not For Cause) as consideration for agreement not to compete with the Company following termination of employment, equal to the sum of base salary plus relevant annual incentive award. These payments do not replace, offset or otherwise affect the calculation or payment of the annual incentive awards.



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**EXECUTIVE COMPENSATION**

**Pay Ratio**

Our CEO to median employee pay ratio is calculated pursuant to the requirements of Item 402(u) of Regulation S-K. We identified the median employee by reviewing the 2018 total cash compensation of all full-time employees, excluding our CEO, who were employed by the Company and its subsidiaries on December 31, 2018. In our assessment of median employee compensation, we annualized pay for those employees who commenced work during 2018. Otherwise, we did not make any assumptions, adjustments, or estimates with respect to total cash compensation, and we did not annualize the compensation for any full-time employees who were not employed by the Company at the end of 2018. We believe the use of total cash compensation for all

employees is a consistently applied compensation measure, as the Company does not widely distribute annual equity awards to employees.

After identifying the median employee based on total cash compensation, we calculated the annual total compensation for such employee using the same methodology we use for our named executive officers as set forth in the 2018 Summary Compensation Table.

Mr. Judge had 2018 annual total compensation of \$14,925,381, as reflected in the Summary Compensation Table appearing on page 49. Our median employee's annual total compensation for 2018 was \$129,401. Our 2018 CEO to median employee pay ratio is 115 to 1.

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## **Item 2: Advisory Vote on Executive Compensation**

We are asking shareholders to vote on an advisory proposal to approve the compensation of our Named Executive Officers, (commonly known as Say-on-Pay), as disclosed in the CD&A, compensation tables and narrative discussion in this proxy statement. The Board of Trustees has taken and will continue to take the results of the advisory vote into consideration when making future decisions regarding the compensation of our Named Executive Officers.

The fundamental objective of our Executive Compensation Program is to motivate executives and key employees to support our strategy of investing in and operating businesses that benefit our shareholders, customers, employees, and communities. We strive to provide executives with base salary, performance-based annual incentive compensation opportunities, and long-term incentive compensation opportunities that are competitive with the market and that align pay with performance. We believe that based upon our strong financial and operating performance in 2018 that such alignment exists. Shareholders are encouraged to read the CD&A, compensation tables and narrative discussion in this proxy statement.

Our 2018 Executive Compensation Program included the following material elements:

Base Salary

Annual Incentive Program

Long-Term Incentive Programs

Nonqualified Deferred Compensation

Supplemental Executive Retirement Plan

Certain Officer perquisites

Employment Agreements

The Executive Compensation Program also features share ownership guidelines and a holding period requirement to emphasize the importance of share ownership, along with policies that call for the clawback of compensation under the circumstances described in this proxy statement and that prohibit the pledging or hedging of our common shares.

The compensation of our Named Executive Officers during 2018 was consistent with the following positive overall financial and operational performance results:

We expanded our 50-50 partnership with Ørsted, the world's leading offshore wind developer, by purchasing, along with Ørsted, the Northeast assets of Deepwater Wind, which include the Revolution Wind and South

Fork Wind Farm projects, as well as a 257 square mile lease tract off the New England coast. The two existing projects will deliver 830 MW of contracted clean power to Rhode Island, Connecticut and New York, and the newly acquired tract, combined with the existing lease area previously purchased by the partnership's Bay State Wind project, could eventually host approximately 4,000 MW of offshore wind power.

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Our 2018 earnings were \$3.25 per share, a 4.5% increase over 2017 results.

Our total shareholder return in 2018 was 6.4% and continues to outperform the industry as compared to the 3.7% return for the EEI companies and a 4.4% decline for the S&P 500.

We increased our 2018 dividend to \$2.02 per share, a 6.3% increase over 2017, exceeding the 5.1% median growth of the EEI Index companies.

We maintained our Standard & Poor's (S&P) Credit Rating of "A+"; our S&P "A+" Credit Rating remains the highest electric and gas utility holding company credit rating in the industry.

Our overall electric system reliability performance in 2018 was in the first quartile of the industry.

We achieved several constructive regulatory outcomes in the three states in which we provide service; reached a settlement with FERC in an important docket on transparency and made progress on critical dockets relating to return on equity for transmission assets; and completed divestiture of our remaining New Hampshire generation assets.

We achieved our established targets in safety performance and response to gas service calls.

We exceeded the established target by having 42% of new hires and promotions within the supervisor and above management group be women or people of color.

As a result of our very positive financial, operational and strategic results in 2018, the Compensation Committee provided base pay increases and incentive grants and awards to the executive officers, including the Named Executive Officers, reflecting our performance.

The affirmative vote of a majority of votes cast at the meeting is required to approve the advisory proposal. This means that the number of shares voted "FOR" the item must exceed the number voted "AGAINST." You may vote either "FOR" or "AGAINST" the item or you may abstain from voting. Abstentions and broker

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**ITEM 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION**

non-votes will have no effect on the outcome of the vote as they do not count as votes cast.

The Compensation Committee and the Board of Trustees believe that our Executive Compensation Program is effective in implementing our compensation

philosophy and in achieving its goals. We are requesting your non-binding vote on the following resolution:

"RESOLVED, that the compensation paid to the Company's Named Executive Officers in 2018, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and related material disclosed in this proxy statement, is hereby APPROVED."

**The Board of Trustees recommends that Shareholders vote FOR this Item.**

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## **Item 3: Ratification of the Selection of the Independent Registered Public Accounting Firm**

The Audit Committee selected the independent registered public accounting firm of Deloitte & Touche LLP to serve as the independent registered public accounting firm of Eversource Energy and its subsidiaries for fiscal year 2019. In 2018, 96% of shares voted were to approve the selection of Deloitte & Touche LLP. Pursuant to the recommendation of the Audit Committee, the Board of Trustees recommends that shareholders ratify the selection of Deloitte & Touche LLP. The Board is submitting the selection of Deloitte & Touche LLP to our shareholders for ratification as a matter of good corporate governance. The Audit Committee may, in its discretion, change the selection at any time during the year if it determines that such change would be in the best interests of the Company and its shareholders. This is consistent with the responsibilities of the Audit Committee as outlined in its charter.

The Audit Committee is solely responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit the Company's financial statements. Deloitte & Touche LLP has served as Eversource Energy's independent registered public accounting firm continuously since 2002. In order to ensure continuing independence, the Audit Committee periodically considers whether there should be a regular rotation of the firm. At its February 5, 2019 meeting, the Committee considered the issue of firm rotation and, after discussion, selected Deloitte & Touche LLP to continue to serve as the Company's independent registered public accounting firm, citing the firm's extensive experience and expertise regarding the Company and the industry,

its performance, the competitive fee structure of the relationship, and the avoidance of the substantial commitment of management and Committee resources that would be involved in onboarding a new firm. Further, in conjunction with the mandated rotation of the firm's lead engagement partner, the Audit Committee and its Chair were directly involved in the selection of Deloitte & Touche LLP's new lead engagement partner. The members of the Audit Committee and the Board believe the continued retention of Deloitte & Touche LLP to serve as the Company's independent registered public accounting firm is in the best interests of Eversource Energy and its subsidiaries.

Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting. They will have the opportunity to make a statement, if they desire to do so, and to respond to appropriate questions raised by shareholders at the meeting.

The affirmative vote of a majority of votes cast at the meeting is required to ratify the selection of Deloitte & Touche LLP. This means that the number of shares voted "FOR" the item must exceed the number voted "AGAINST." You may vote either "FOR" or "AGAINST" the item or abstain from voting. Abstentions will have no effect on the outcome of the vote because an abstention does not count as a vote cast.

**The Board of Trustees recommends that Shareholders vote FOR this Item.**

## **Relationship With Principal Independent Registered Public Accounting Firm**

### **Fees Billed by Principal Independent Registered Public Accounting Firm.**

The aggregate fees billed to the Company and its subsidiaries by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the Deloitte Entities), for the years ended December 31, 2018 and 2017 totaled \$5,076,922 and \$4,533,922, respectively. In addition, affiliates of Deloitte & Touche LLP as noted below provide other accounting services to the Company. Fees consisted of the following:

#### **1. Audit Fees**

The aggregate fees billed to the Company and its subsidiaries by Deloitte & Touche LLP for audit services rendered for the years ended December 31, 2018 and 2017 totaled \$4,464,500 and \$4,243,000, respectively. The audit fees were incurred for audits of financial statements of Eversource Energy and its subsidiaries, reviews of financial statements included in the Combined Quarterly Reports on Form 10-Q of Eversource Energy and its subsidiaries, consultations





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**Item 3: Ratification of the Selection of the Independent Registered Public Accounting Firm**

with management, regulatory and compliance filings, and out of pocket expense reimbursements. The fees also included audits of internal controls over financial reporting as of December 31, 2018 and 2017.

**2. Audit Related Fees**

The aggregate fees billed to the Company and its subsidiaries by the Deloitte Entities for audit related services rendered for the years ended December 31, 2018 and 2017 totaled \$597,500 and \$283,000, respectively. The audit related fees were incurred for procedures performed in the ordinary course of business in support of certain regulatory filings, comfort letters, consents, and other costs related to registration statements and financings.

**3. Tax Fees**

The aggregate fees billed to the Company and its subsidiaries by the Deloitte Entities for tax services rendered for the year ended December 31, 2018 totaled \$7,500. The tax service fees were incurred for procedures performed in the ordinary course of business in support of certain employee benefit plan federal filings. There were no tax fees for the year ended December 31, 2017.

**4. All Other Fees**

The aggregate fees billed to the Company and its subsidiaries by the Deloitte Entities for services

other than the services described above for the years ended December 31, 2018 and 2017 totaled \$57,422 and \$7,922, respectively. These fees were for the review of benefit payment calculations and a license for access to an accounting standards research tool.

The Audit Committee pre-approves all auditing services and permitted audit related or other services (including the fees and terms thereof) to be performed for us by our independent registered public accounting firm, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may form and delegate its authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittees to grant pre-approvals are presented to the full Audit Committee at its next scheduled meeting. During 2018, all services described above were pre-approved by the Audit Committee or its Chair.

The Audit Committee has considered whether the provision by the Deloitte Entities of the non-audit services described above was allowed under Rule 2-01(c)(4) of Regulation S-X and was compatible with maintaining the independence of the registered public accountants and has concluded that the Deloitte Entities were and are independent of us in all respects.

**Report of the Audit Committee**

The Audit Committee of the Board of Trustees is comprised of the five Trustees named below. The Board has determined that each member of the Audit Committee is independent as required by the listing standards of the NYSE and the SEC's audit committee independence rules. The primary function of the Audit Committee is to assist the Board of Trustees in its oversight responsibilities with respect to the integrity of the Company's financial statements, the performance of the Company's internal audit function, the qualifications, independence and performance of the Company's independent registered public accounting firm, the compliance by the Company with legal and regulatory requirements, the accounting and financial reporting processes and financial statement audits, the systems of disclosure controls and procedures, and the internal

controls over financial reporting. As part of its overall responsibilities, the Audit Committee also reviews the Company's significant accounting policies, management judgments and accounting estimates, financial risks, earnings releases, and financial statements. At the conclusion of its meetings, the Committee meets in executive sessions with management, representatives of the independent registered public accounting firm, and the Company's Internal Audit Department executive, following which there is a session attended only by the Committee Members. As noted, the Audit Committee is solely responsible for oversight of the relationship of the Company with our independent registered public accounting firm on behalf of the Board of Trustees. As



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**Item 3: Ratification of the Selection of the Independent Registered Public Accounting Firm**

part of these responsibilities, during 2018, the Audit Committee:

Received the written disclosures and the letter from Deloitte & Touche LLP as required by applicable requirements of the Public Company Accounting Oversight Board (PCAOB) regarding Deloitte & Touche's communications with the Audit Committee concerning independence, and discussed with Deloitte & Touche LLP the firm's independence from the Company as required by the SEC's independence rules, Rule 2-01 of Regulation S-X;

Discussed with Deloitte & Touche LLP the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees, as adopted by the PCAOB; and

Reviewed and discussed with management the audited consolidated financial statements of Eversource Energy for the years ended December 31, 2018 and 2017.

Management is responsible for the Company's financial statements, the overall reporting process and the system of internal control over financial reporting. Deloitte & Touche LLP, as our independent registered public accounting firm, is responsible for conducting annual audits and quarterly reviews of the Company's financial statements and expressing an opinion as to the conformity, in all material respects, of the annual financial statements with generally accepted accounting principles in the United States and expressing an opinion on the effectiveness of our internal control over financial reporting as of the end of the fiscal year.

In performing their oversight responsibility, the Audit Committee, whose members are all financially literate and whose Chair is an audit committee financial expert as defined by SEC rules, rely without independent verification on the information provided to them, and on the representations made by management and Deloitte & Touche LLP.

Based upon the review and discussions described in this report, the Audit Committee recommended to the Board of Trustees that the audited consolidated financial statements be included in Eversource Energy's Annual Report on Form 10-K for the year ended December 31, 2018 for filing with the SEC.

The Audit Committee has directed the preparation of this report and has approved its content and submission to the shareholders.

Respectfully submitted,

Francis A. Doyle (Chair)  
John Y. Kim  
Kenneth R. Leibler  
William C. Van Faasen  
Frederica M. Williams

February 20, 2019

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## Other Matters

The Board of Trustees knows of no matters other than those presented in this proxy statement to come before the meeting. However, if any other matters properly come before the meeting, the persons named in the enclosed proxy will vote in their discretion with respect to such other matters.

## Shareholder Proposals

If you would like us to consider including a proposal in our proxy statement for the 2020 Annual Meeting of Shareholders, your proposal must be received by the Secretary's office no later than November 25, 2019, and must satisfy the conditions established by the SEC. Written notice of proposals of shareholders to be considered at the 2020 Annual Meeting without inclusion in next year's proxy statement must be received on or before February 6, 2020. If a notice is received after February 6, 2020, then the notice will be considered untimely and the proxies held by management may provide the discretion to vote on such proposal, even though the proposal is not discussed in the proxy statement. Eversource Energy considers these dates to be reasonable deadlines for submission of proposals before we begin to print and mail our proxy materials for

the 2020 Annual Meeting of Shareholders. Proposals should be addressed to:

Richard J. Morrison  
Secretary  
Eversource Energy  
800 Boylston Street, 17<sup>th</sup> Floor  
Boston, Massachusetts 02199-7050

## 2018 Annual Report and Annual Report on Form 10-K

The Company's Annual Report for the year ended December 31, 2018, including financial statements, was mailed with this proxy statement or made available to shareholders on the Internet. We will mail a copy of the 2018 Annual Report to any shareholder upon request. We will provide shareholders with a copy of our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission on February 26, 2019, including the financial statements and schedules thereto, without charge, upon receipt of a written request sent to the Secretary at the address set forth above.

Table of Contents**Questions and Answers About the Annual Meeting and Voting**

**Q:**  
**WHAT AM I VOTING ON?**

**A:**  
The Board of Trustees of Eversource Energy is asking you to vote on three separate items, as summarized in the following table:

<b>Item</b>	<b>Board Recommendation</b>	<b>Vote Required</b>	<b>Effect of Abstentions</b>	<b>Effect of Broker Non-Votes</b>	<b>Discussion Beginning on Page</b>
Election of Trustees <b>(Item 1)</b>	FOR All Nominees	Majority of all common shares issued and outstanding	Against	Against	6
Advisory vote on executive compensation <b>(Item 2)</b>	FOR	Majority of votes cast	No effect	No effect	60
Ratify Deloitte & Touche LLP as Independent Registered Public Accounting Firm <b>(Item 3)</b>	FOR	Majority of votes cast	No effect	Not applicable	62

**Q:**  
**WHEN AND WHERE WILL THE ANNUAL MEETING BE HELD?**

**A:**  
**Time and Date:**  
10:30 a.m., Eastern Time,  
Wednesday, May 1, 2019

**Location:**  
Infinity Hall  
32 Front Street  
Hartford, Connecticut 06103

**Q:**  
**WILL ANY OTHER MATTERS BE VOTED ON AT THE ANNUAL MEETING?**

**A:**  
We do not expect any other matters to be presented at the Annual Meeting. However, if a matter not described in this proxy statement is properly brought before the Annual Meeting by a shareholder, the individuals designated as proxies will vote on the matter in accordance with their judgment of what is in the best interests of Eversource Energy.

**Q:**  
**WHO IS ENTITLED TO VOTE?**

**A:**  
You are entitled to vote at the Annual Meeting if you held common shares on the record date, March 5, 2019. As of the record date, 317,302,260 common shares were outstanding and entitled to vote. You are entitled to one vote on each Item to be voted on at the Annual Meeting for each common share that you held on the record date.

**Q:**  
**HOW DO I VOTE?**

**A:**  
If you hold common shares registered directly in your name, you are considered to be the

"Shareholder of Record," and the printed proxy materials or Notice of Internet Availability of Proxy Materials have been sent directly to you by the Company.

The Notice of Internet Availability of Proxy Materials also includes instructions for requesting printed proxy materials by mail. If you requested and received a paper proxy card, you may vote by mail by completing, signing and dating the proxy card and returning it in the pre-addressed, postage-prepaid envelope included with the proxy card. You can vote in any one of the following ways:

*You can vote using the Internet.* Follow the instructions in the Notice of Internet Availability of Proxy Materials or on the proxy card. The Internet procedures are designed to authenticate a shareholder's identity to allow shareholders to vote their shares and confirm that their instructions have been properly recorded.

*Internet voting facilities for shareholders of record are available 24 hours a day and will close at 11:59 p.m. Eastern Time on April 30, 2019. You may access this proxy statement and related materials by going to [www.envisionreports.com/ES](http://www.envisionreports.com/ES).*

*You may vote by telephone.* Follow the instructions on the Notice of Internet Availability of Proxy Materials or on the proxy card that you received in the mail. Voting by telephone is available 24 hours a day and will close at 11:59 p.m. Eastern Time on April 30, 2019.

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*You may vote by mail.* If you received a paper proxy card, you can vote by mail by completing, signing and dating the proxy card and returning it in the pre-addressed, postage-prepaid envelope accompanying the proxy card. Proxy cards submitted by mail must be received by the time of the Annual Meeting in order for your shares to be voted.

You may vote in person at the Annual Meeting by delivering your completed proxy card in person at the Annual Meeting or by completing a ballot available upon request at the meeting.

If you hold common shares through a brokerage firm, bank, other financial intermediary or nominee (known as shares held in "street name"), you should receive instructions directly from that person or entity that you must follow in order to vote your common shares. You may vote by mail by requesting a voting instruction form in accordance with the instructions received from your broker or other agent. Complete, sign and date the voting instruction form provided by the broker or other agent and return it in the pre-addressed, postage-prepaid envelope provided to you. You will also be able to vote these shares by Internet or telephone. Regardless of how you choose to vote, your vote is important, and we encourage you to vote promptly.

**Q:**  
**AS A PARTICIPANT IN THE EVERSOURCE 401(k) PLAN, HOW DO I VOTE MY SHARES HELD IN MY PLAN ACCOUNT?**

**A:**  
If you are a participant in the Eversource 401(k) Plan, you may vote the common shares held in your plan account by voting through the Internet or by telephone by following the instructions on the Notice of Internet Availability of Proxy Materials that you received in the mail. Internet voting and voting by telephone is available 24 hours a day and will close for plan participants at 11:59 p.m. Eastern Time on April 26, 2019.

The Notice of Internet Availability of Proxy Materials also includes instructions for requesting printed proxy materials by mail. If you requested and received a paper proxy card, you may vote by mail by completing, signing and dating the proxy card and returning it in the pre-addressed, postage-prepaid envelope included with the proxy card.

Whether you vote through the Internet, by telephone or by returning a proxy card in the mail, the plan trustee will vote the common shares held in your plan account in accordance with your instructions. If you do not provide the plan trustee

with instructions by 11:59 p.m. Eastern Time on April 26, 2019, the common shares in your Eversource 401(k) Plan account will be voted by the plan trustee in the same proportion as the votes cast by participants in the plan.

**Q:**  
**WHAT CONSTITUTES A QUORUM AND HOW ARE VOTES COUNTED?**

**A:**  
To conduct business at the Annual Meeting, a quorum consisting of a majority of all common shares issued and outstanding and entitled to vote must be present in person or represented by proxy.

Representatives of Computershare Investor Services (Computershare), the Company's Registrar and Transfer Agent, will count the votes. In determining whether we have a quorum, Computershare counts all properly submitted proxies and ballots as present and entitled to vote. Because the election of each Trustee requires the affirmative vote of at least a majority of the common shares outstanding and entitled to vote at the Annual Meeting, broker non-votes, votes against and abstentions with respect to a particular Trustee nominee will have the same effect as a vote against such Trustee nominee. Broker non-votes, abstentions and votes against are not considered votes cast and will not affect the advisory Say-on-Pay item. Abstentions are not considered votes cast and will not be counted for or against the item to ratify the selection of Deloitte & Touche LLP.

**Q:**  
**WHAT ARE BROKER NON-VOTES?**

**A:**  
Broker non-votes occur when brokers holding shares on behalf of beneficial owners do not receive voting instructions from the beneficial holders. If a broker does not have instructions and is barred by law or applicable rules from exercising its discretionary voting authority in the particular matter, then the shares will not be voted on the matter, resulting in a "broker non-vote." For our



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Annual Meeting, this means that absent voting instructions, brokers are not permitted to vote on the election of Trustees or the non-binding advisory "Say-on-Pay" item. If your shares are held by a broker and you wish to vote on those items, you should complete the voting instruction card you receive from the broker or request one from the broker as necessary. You will also be able to vote these shares by Internet or telephone. A broker may vote on the ratification of the selection of our independent registered public accounting firm if the shareholder does not give instructions.

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**Q: WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS OR PROXY CARD?**

A: If you receive more than one Notice of Internet Availability of Proxy Materials and proxy card, then you have multiple accounts in which you own common shares. Please follow all instructions to ensure that all of your shares are voted. In addition, for your convenience and to reduce costs, we recommend that you contact your broker, bank or our transfer agent to consolidate as many accounts as possible under a single name and address. If you have any questions concerning common shares you hold in your name, including address changes, name changes, requests to transfer shares and similar issues, you may contact our transfer agent, Computershare Investor Services, by mail at P. O. Box 43078, Providence, Rhode Island 02940-3078, by telephone at (800) 999-7269, or on the Internet at [www.computershare.com/investors](http://www.computershare.com/investors).

**Q: HOW CAN I CHANGE MY VOTE?**

A: Your presence at the Annual Meeting will not automatically revoke your proxy. You may, however, revoke a proxy and change your vote at any time before the polls close at the Annual Meeting by:

Delivering either a written notice of revocation of the proxy or a duly executed proxy bearing a later date to:

Richard J. Morrison  
Secretary  
Eversource Energy  
800 Boylston Street, 17<sup>th</sup> Floor  
Boston, Massachusetts 02199-7050;

Re-voting on the Internet or by telephone until 11:59 p.m. Eastern Time on April 30, 2019; or

Attending the Annual Meeting and voting in person.

If you are a participant in the Eversource 401(k) Plan, you may revoke your proxy card and change your vote by re-voting on the Internet or by telephone until 11:59 p.m. Eastern Time on April 26, 2019.

**Q: WHO PAYS THE COST OF SOLICITING THE PROXIES REQUESTED?**

A: Eversource Energy will bear the cost of soliciting proxies on behalf of the Board of Trustees. In addition to the use of the mails, proxies may be solicited by telephone or electronic mail by officers or employees of Eversource Energy or its service company affiliate, Eversource Energy Service Company, who will not be specially compensated for such activities, and by employees of Computershare, our transfer agent and registrar. We have also retained D.F. King & Co., Inc., a professional proxy soliciting firm, to assist in the solicitation of proxies for a fee of \$9,500, plus reimbursement of certain out-of-pocket expenses. We will request persons, firms and other companies holding common shares in their names or in the name of their nominees, which are beneficially owned by others as of March 5, 2019, to send proxy materials to and obtain voting instructions from the beneficial owners, and we will reimburse those holders for any reasonable expenses that they incur.















