MINUTES OF THE MEETING OF THE

JOINT COMPENSATION COMMITTEE
OF THE
BOARDS OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

January 12, 2021

A Regular Meeting of the Joint Compensation Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative ("CMEEC") and Connecticut Transmission Municipal Electric Energy Cooperative ("CTMEEC" or "Transco") was held via Zoom and telephonically on Tuesday, January 12, 2021 at 1:00 p.m.

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

The following Committee Members participated telephonically or via Zoom:

Bozrah Light & Bower: Richard Tanger
Norwich Municipal Representative: David Eggleston
Jewett City Department of Public Utilities: Louis Demicco
South Norwalk Electric & Water: Alan Huth, Eric Strom
South Norwalk Municipal Representative: Dawn DelGreco

The following non-Voting Members participated telephonically or via Zoom:

Groton Municipal Representative: Mark Oefinger
Jewett City Department of Public Utilities: Richard Throwe
Norwich Public Utilities: Christopher LaRose
East Norwalk, Third Taxing District: Kevin Barber

The following CMEEC staff participated:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Director of Finance and Accounting
Margaret Job, CMEEC Executive Assistant/ Paralegal

Other participants:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Interim Committee Chair Alan Huth called the meeting to order at 1:00 p.m., noting for the record that the meeting is being held telephonically and via Zoom. He explained that all participant's devices should remain on mute unless speaking to eliminate confusion and background noise. He requested participants state their name before speaking for clarity of the record.

Specific Action Item

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Job conducted roll call with each participant responding individually as their names were called. Interim Committee Chair Huth confirmed a quorum was present.

C Selection of Joint Compensation Committee Chair

A motion was made by Committee Member Louis Demicco, seconded by Committee Member Dawn DelGreco to appoint Interim Committee Chair Alan Huth Chair of the Joint Compensation Committee. There were no additional nominations.

Motion passed unanimously.

D Approve the Minutes of the December 9, 2019 Special Meeting of the Joint Compensation Committee

A motion was made by Committee Member Demicco, seconded by Committee Member Richard Tanger to approve the Minutes of the December 9, 2019 Special Meeting of the Joint Compensation Committee.

Motion passed unanimously.

E Approve the Minutes of the January 16, 2020 Regular Meeting of the Joint Compensation Committee

A motion was made by Committee Member Demicco, seconded by Committee Member DelGreco to approve the Minutes of the January 16, 2020 Regular Meeting of the Joint Compensation Committee.

Motion passed unanimously.

F Review Joint Compensation Committee Charter

Committee Chair Huth walked the Committee through the Joint Compensation Committee Charter provided to this Committee in advance of today's meeting. In depth discussion followed of each section of the Charter. After thorough review and suggested edits offered by the Committee and by Mr. Silverstone, the Committee agreed on the following revisions:

- Rename Committee and Revise Committee Charter to read:

  "Joint Compensation and Personnel Policy Charter"

- Section I, Paragraph 1:

  Restate the bulleted items to read as follows:

  - Responsibilities relating to the compensation of the CMEEC and TRANSCO CEO;
  - Provide general insight and guidance on the CMEEC and TRANSCO compensation structure for CMEEC staff generally, including benefits and incentive programs;
  - Review and provide insight and general guidance on talent review, leadership development, and succession planning;
  - Review other corporate employment policies as requested by management;
  - Establish policies and practices regarding compensation of members of the Board ("Directors") for their service on the Boards and their Committees.

- Section II, paragraph 5:

  - First bullet under new Paragraph 5 restated as follows:

    "New Committee members will receive an onboarding packet of materials through SharePoint or other electronic format."

  - Second bullet under new Paragraph 5 is restated as follows:

    "In addition, new Committee members will participate in an onboarding session either via telephone, Zoom or other video conference platform, or in-person, with the CEO, Committee Chairperson, and the Budget & Finance Committee CMEEC Staff Lead to answer questions and provide a brief summary of the Committee's purpose and any potential upcoming Committee work."

- Section III, paragraph 1 is revised as follows (with all existing bullets being deleted):

  "The Committee will convene as necessary to timely accomplish its duties and responsibilities:

- Section III, paragraph 6 is revised as follows:

  "The Committee will report to the Boards with respect to the Committee's activities."

- Section IV, paragraph 4 is revised as follows:

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

- Section IV, paragraph 5 is deleted as this responsibility is captured in Section IV paragraphs 1 and 2.

- Section IV, paragraph 6 is renumbered as Section IV, paragraph 5, and revised as follows:

  "The Committee will establish compensation policies and practices for Directors for service on the Boards and their Committees. The Committee will regularly review the appropriate level of Director compensation"

Mr. Meisinger stated that a redline version of the Charter incorporating the above edits will be provided to the Committee in advance of its meeting on February 11, 2021. After that, the final revised version of the Charter will be presented to the Board for approval.

G Review Board Compensation Structure

Mr. Meisinger explained that this discussion is related to the conduct of Board and Committee meetings being held virtually (rather than in-person) solely due to the pandemic. Meetings have been conducted via Zoom and telephonically since mid-March of 2020. Question arose as to how Board Member compensation (for those Board Members who are eligible for compensation from CMEEC) would be treated given these new circumstances.

Ms. Kipnis explained that the resolutions addressing compensation for Board Member participation at Board and Committee meetings were not drafted to address the need to hold meetings "virtually" due to a pandemic. The term "electronic participation" was used which carried with it a different rate of compensation. Mr. Meisinger then walked the Committee through the evolution of the most recent resolutions addressing this topic.

After discussion, the Committee agreed that compensation for Zoom participation at Board and Committee meetings for 2020 would be the same as that for in-person participation. The Committee also agreed to consider re-visiting this topic to address whether there is a need to create additional categories of compensation based upon method of participation, distance traveled to participate in-person, and other potentially relevant factors.

I CEO Compensation and Incentive Plan

Mr. Meisinger explained that when he was hired as CEO, no incentive plan or salary adjustment strategy was in place. Instead, an incentive plan and salary adjustment parameters were to be developed through the Strategic Plan process during 2020, but the timing of development of the Strategic Plan was delayed due to Covid. Mr. Meisinger further explained that an incentive plan and salary adjustment placeholder language was included in the CEO employment agreement, but it was not meant to serve as a long-term structure for CEO compensation. He stated that a more robust and defined incentive plan will be created in 2021, in conjunction with other initiatives that arose out of the Strategic Plan.

After lengthy discussion related to the conduct of an effective evaluation of the CEO, the Committee agreed that for purposes of 2020, Mr. Meisinger will provide a self-assessment of performance and accomplishments for the past year to the Committee and to any Board officers who are not members of this Committee but were involved in the hiring process of the CEO in 2019 and 2020. The Committee also agreed that members holding the office of the Chair of the Board of Directors in 2019 and 2020, along with other members involved in the hiring process, will be invited to confer to determine expectations of the CEO to help in the development of an appropriate salary adjustment and incentive based on 2020 performance and accomplishments.

Committee Chair Huth stated that the materials will be needed prior to this Committee's meeting in February so that a recommendation for 2020 can be brought to the Board at the February Board meeting.

The Committee also agreed to work with Mr. Meisinger to establish a long-term CEO compensation and incentive plan to be used for 2021 and beyond, subject to Board approval.

I Staff Incentive Plan

Chair Huth explained that a staff incentive plan should be recommended by the CEO which would then be reviewed by this Committee. The Committee agreed that this Committee will await Mr. Meisinger's proposed staff incentive plan.

J Other Business

There being no further business to come before this Committee, Chair Huth entertained a motion to adjourn.

A motion was made by Committee Member Dawn DelGreco, seconded by Committee Member Demicco to adjourn the meeting.

Motion passed unanimously.

The meeting was adjourned at 2:51 p.m.