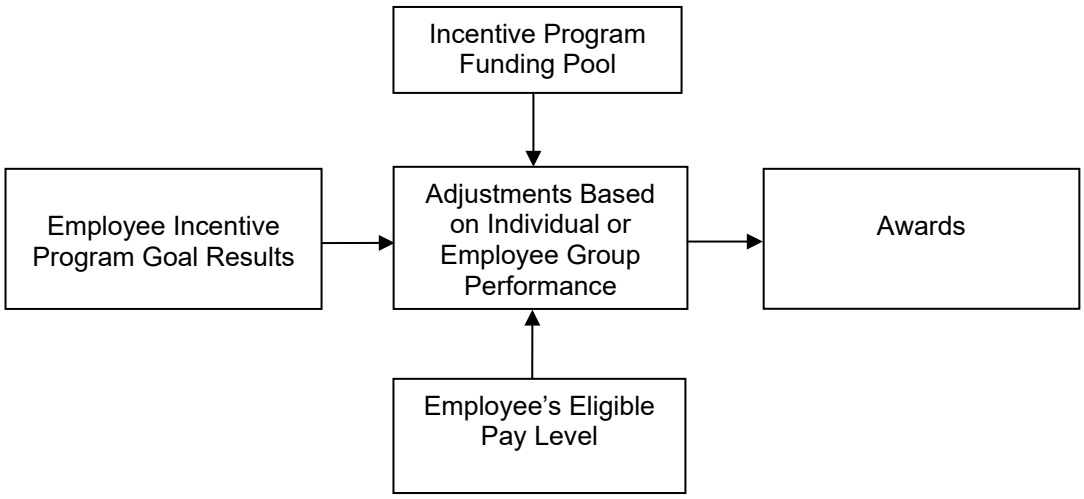
Eversource Energy
Employee Annual Incentive Program

Year 2023
Introduction

The 2023 Employee Annual Incentive Program is designed to motivate participants to achieve goal results that are important to the success of the Company in general.

How Awards Will be Determined

Your award will be based on the achievement of employee Annual incentive program goal results and incentive program funding. A funding pool will be based on the achievement of an ES Consolidated EPS Goal along with the achievement of certain strategic and high-level financial goals. Incentive program awards to individual employees and employee groups will be determined based on their eligible pay and target incentive levels, then adjusted – up or down – to use available funding based on management's assessment of their individual performance and contribution to overall results through the use of Individual Performance Multipliers (IPMs). The IPM provides for a range of 0 to 200% of target. No incentive award may exceed 200% of target.



Employee Annual Incentive Program Goals

Achievement of goals will determine your level of payout before any adjustments for individual performance or pool funding. For example, if overall achievement against these goals is at target, then payouts would be at target before your management makes adjustments for individual performance and available funding.

Eligible Compensation includes the following pay:

Exempt employees: Base pay, pay adders, and merit lump sum earned during the approved program year ending December 31, 2023.

Nonexempt employees: Regular wages, on call pay, merit lump sum, and overtime calculated at time-and-a-half rates earned during the approved program year ending December 31, 2023.

Eligible Compensation excludes the following pay:
- Compensation for medical cash back
- Educational reimbursements
- Imputed income
- Special payments
- Prior year's Annual incentive award
- Prior year's safety incentive awards
- Company contributions to savings programs
- Overtime, on call, and other premium paid to exempt employees

Program Eligibility

The incentive program year runs for the approved program year ending December 31, 2023.

Eligible employees will receive payment if they are on the active payroll on the day of distribution subject to the conditions outlined below:

- Employees may participate in more than one incentive program during the program year, for example, as the result of a transfer to a different ES company.
- Employees may not participate in more than one incentive program at the same time.
- Employees who are temporarily reassigned to a department with a different incentive program for a period of 90 or more days may be assigned to that program at the option of department management.
- Employees who become disabled during the program year are eligible for an incentive award on a prorated basis; this payment will be made in accordance with program formulas by March 2024.
- The spouse or estate of any active employee who dies during the program year is eligible to receive an incentive payment on a prorated basis. The payment will be made as soon as possible after the date of death using eligible earnings and target incentive program percentages.
- Temporary employees (for example, summer or seasonal hires) are not eligible to participate.
- Contractors (vendor labor) are not eligible to participate.

Other Information

Timing of Incentive Payments
Incentive award payments will be made in accordance with program formulas by March 2024.

Taxation
Incentive program awards are considered taxable income. They are subject to state and federal taxes, FICA, Medicare withholding, and any other legally required deductions.

Effect on Other Benefits
Incentive program awards are considered “Covered Pay” to the extent allowed by the IRS for the Retirement Plan and the K-Vantage benefit. Incentive payments are not included in other benefits calculations, including the 401k Plan.

Program Modifications/Decisions
The Employee Annual Incentive Program is not binding on the company. The company in its sole discretion may modify, defer, or discontinue the program, in part or in whole at any time. The company’s performance during the period, taking into account the relative success of the company and other such significant factors, will be considered in making such determinations.

The Chief Executive Officer of Eversource Energy is authorized to make discretionary adjustments to payout levels, including the decision to not pay incentives at all because of unforeseen circumstances.

All interpretations, decisions, and determinations made by management concerning the 2023 program will be final.