EVERSOURCE

2026 Compensation Cycle



January 14, 2026

Confidential

Agenda

- 2026 Compensation Cycle Key Points
  - Merit
  - Incentive
  - Important Dates
- Workday Overview
  - Worksheet Navigation & Layout
  - Workday Key Functions Review
    - Outliers
    - HRBP Functionalities
    - Worksheet Movement

Merit Information

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- **Merit:**
  - This year the effective date for merit increases is **March 15, 2026**
  - The merit budget is 3%
  - The lump sum threshold is 115% of market rate
  - Lump sums are payable in one installment and will be processed in the **April 2, 2026** paycheck
  - New Hires **November 2, 2025 or later** will be EXCLUDED from Merit
  - All compensation decisions for employees, including transfers with pay, promotions, and other compensation adjustments after November 2, 2025 or later should include merit dollars into the pay action. Any pay action to eligible employees after this time are considered 'all inclusive' and these employees will not be included in the merit cycle.

Incentive and System Freeze Information

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- **Incentive:**
  - Because incentives are included in 401k contributions, a separate communication will be published via the Source to help employees make changes to their contribution levels in advance of their incentive payments
  - Incentive payouts **cannot** exceed 200%
  - Employees must be active employees of Eversource on the incentive payment date in order to be eligible for an incentive payment
  - All New Hires **November 2, 2025 or later** will be EXCLUDED from incentive
- **System Freeze Information:**
  - While the cycle is open, there is a freeze on pay actions in effect, this year that is January 18th
    - There is a hold on all pay actions and employee movement **after January 18th**. All transactions must be completed by this date. Note that both effective date *AND* completion in Workday will need to completed by **January 18th**.
  - After freeze is lifted, the compensation team will send a notification when you can start processing pay actions. Please do not process any Workday transactions until notification is provided.
    - *Estimated* date to start transactions in Workday – March 2nd or later
    - Date for transactions to be effective – March 15th or later
  - Pay changes between the close of the cycle and March 15th will be handled on a case-by-case basis. Because of impacts to final pay for those who went through the compensation cycle, effective dates March 15th or later should be used.

KEY DATES AND WORKFLOW

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- **January 18:** Workday system freeze date
- **February 4-18:** Management completes merit and incentive recommendations in Workday
  - **February 4:** Worksheets are available in first level Manager's Workday Inbox
  - **February 16-18:** Officers and Senior Officers review and approve worksheets and forward to HR
- **February 5:** Incentive payouts in paychecks for Officers
- **Feb 25-Mar 4:** Supervisors and Managers communicate merit and incentive decisions to employees
- **March 2:** Expected Workday system unfreeze date
- **March 5:** Incentive payouts for non-officers in paychecks
- **March 15:** Merit increases effective
- **April 2:** New base rates visible in paychecks and lump sum awards paid

Worksheet Navigation

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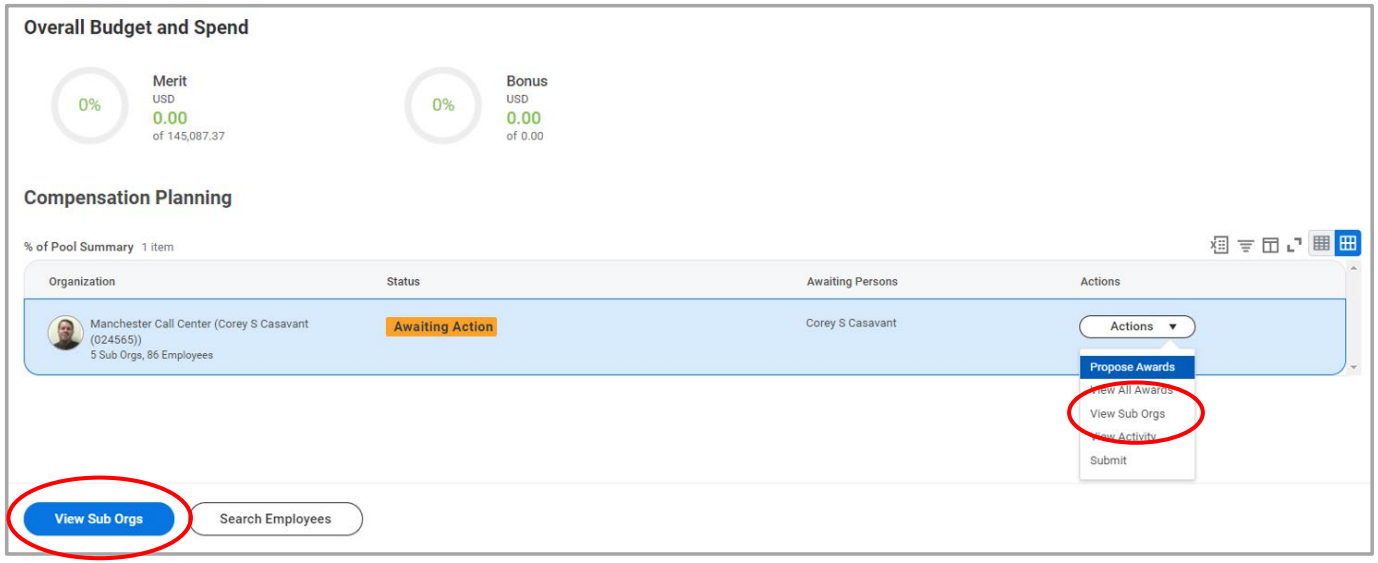
- **Worksheet Navigation:**
  - Functionality has remained the same as previous year
  - Access to worksheets remains via manager's inbox



Worksheet Navigation

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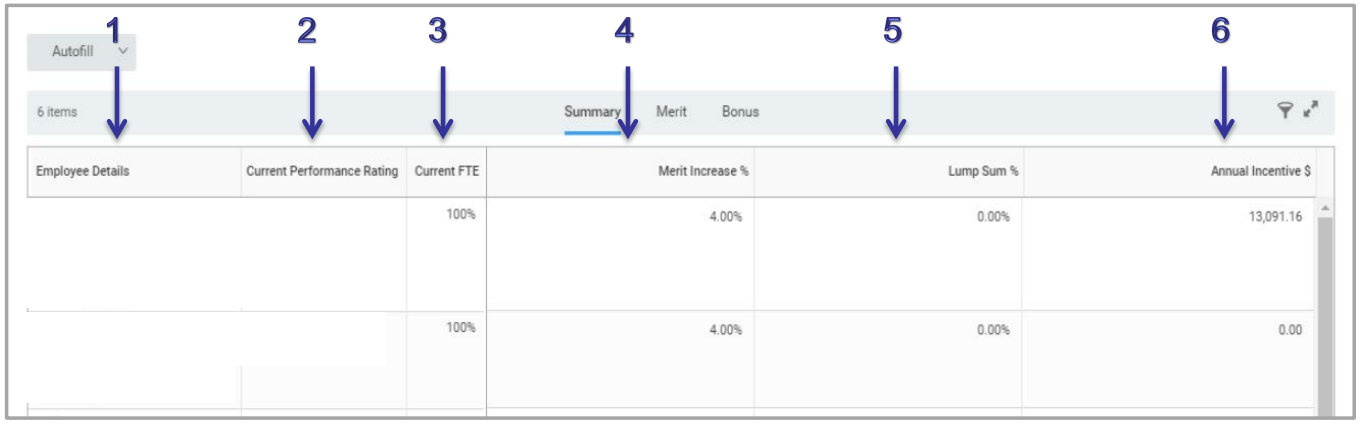
- **Worksheet Navigation:**
  - To view individual worksheets managers will utilize the Actions button
    - From here they can drill into specific worksheets as needed
  - User guides and supervisor video will assist with this navigation change



Summary Tab Details

1. **Employee Details** - includes each employee's indicative information: Name, Workday ID, Supervisory Organization, and Job Profile
2. **Current Performance Rating** - includes each employee's current performance rating
3. **Current FTE** - indicates each employee's Full-Time Equivalency (FTE)
4. **Merit Increase %** - allows Managers to populate / review a merit increase
5. **Lump Sum %** - allows Managers to populate / review a lump sum
6. **Annual Incentive $** - allows Managers to populate / review an annual incentive award



Merit Tab Details

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7. Current Base Pay - This field shows each employee's current actual base pay

8. Merit Increase % - Enter the proposed merit increase % here. Once entered, all other calculations, except lump sum, will update

9. Merit Increase $ - The dollar amount of the proposed merit increase will show here

10. New Base Pay - Each employee's new base rate will show here (this will not include any lump sum awards)

11. Compa-Ratio Proposed - This field will show each employee's Compa-Ratio

12. Soft Warning - Any warning messages helpful for completing the worksheet will appear here

13. Lump Sum % - Lump Sum awards can be entered here as a percentage of Current Base Pay

14. Lump Sum $ - Lump Sum awards can be entered here as a dollar amount



Incentive Tab Details

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15. **Current Base Pay** - This field shows each employee's current actual base pay
16. **Eligible Earnings** - eligible earnings for incentive awards includes year-end base rate for Exempt employees and base rate, overtime and any other applicable premiums earned during the program year for Non-Exempt employees
17. **Target %** - Each employee's individual incentive target percent is shown here
18. **Award at Target** - The starting award at target will be shown here (e.g., Eligible Earnings X Target %)
19. **Annual Incentive $** - Enter the proposed annual incentive award dollar amount here
20. **Annual Incentive Award as a % of Target** - Displays the annual incentive award as a % of the targeted award (e.g., performance multiplier from 0% - 200% of target)



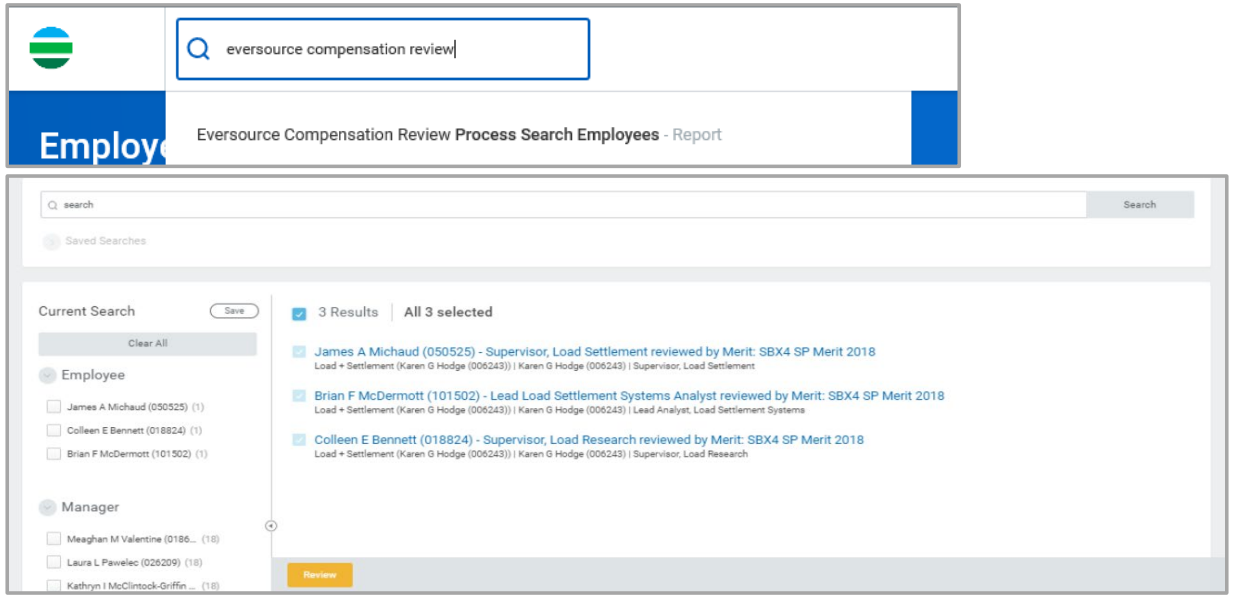
Workday Key Functions Review

- Finding Outliers
  - Business Partners will need to review their groups often
  - Major Review Items for HRBP's Include:
    - inconsistent awards vs. performance ratings, special cases, lump sum award issues, and employees missing awards

- HRBP Functionalities – Viewing worksheets and organization budgets
  - ES Compensation Cycle Report - HR Business Partners
  - ES Compensation Review Process Search Employees
  - Compensation Review Process Status Report by Hierarchy

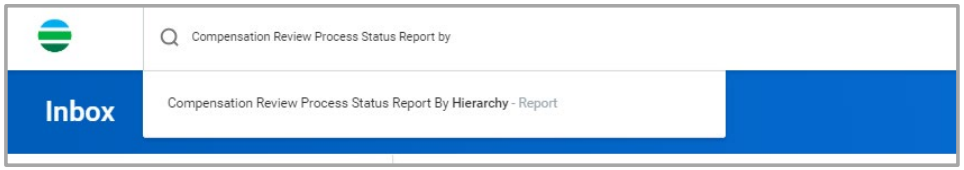
Workday Key Functions Review (cont'd)

- HRBP Functionalities – Viewing worksheets and organization budgets
  - ES Compensation Review Process Search Employees:



Workday Key Functions Review (cont'd)

- HRBP Functionalities – Viewing worksheets and organization budgets
  - Compensation Review Process Status Report by Hierarchy:



Organization Award Proposals

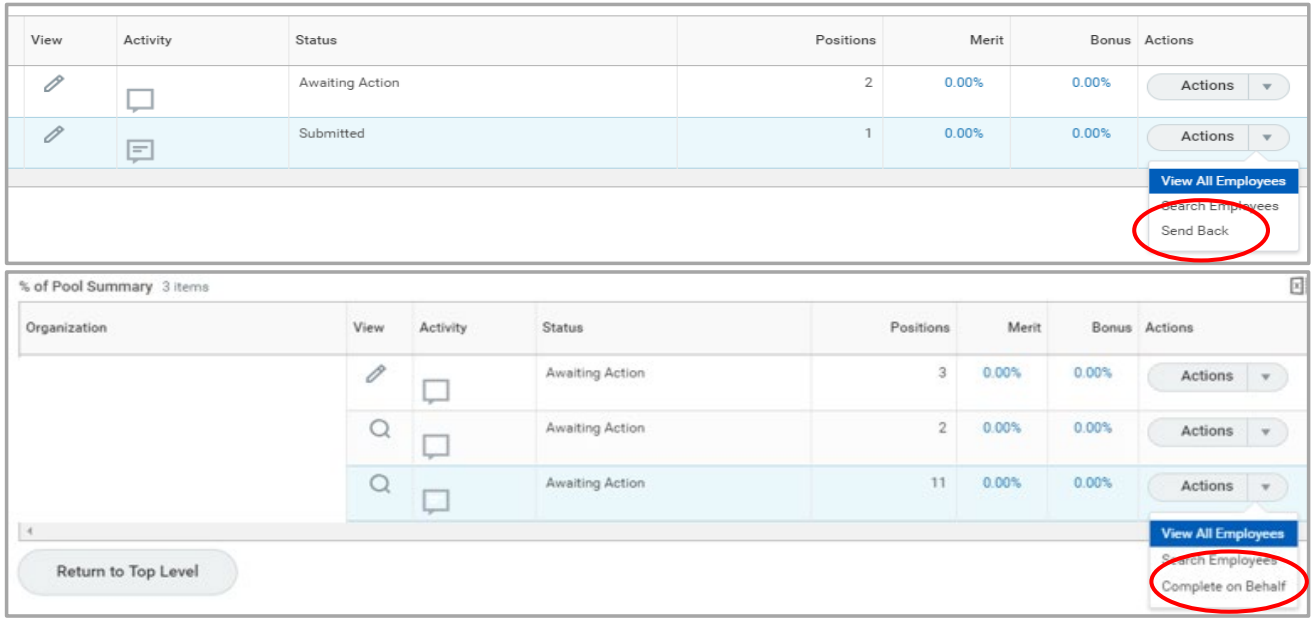
7 items

Sub Orgs	Organization	Status	Participant	Awaiting Persons	Positions	Merit Pool	Merit Spend	Addit Adjust
	Customer Care (Penelope Conner (010268))	Awaiting Action	Penelope Conner (010268)	Penelope Conner (010268)	5	22,432.69	0.00	
	Customer Operations (Jessica B Cain (024330))	Awaiting Action	Jessica B Cain (024330)	Jessica B Cain (024330)	518	1,013,424.69	14,101.46	
	Energy Efficiency (Tilak Subrahmanian (011496))	Awaiting Action	Tilak Subrahmanian (011496)	Tilak Subrahmanian (011496)	155	472,494.42	0.00	
	Customer Transformation (Kurt P Belken (000514))	Awaiting Action	Kurt P Belken (000514)	Kurt P Belken (000514)	11	33,418.47	0.00	

  - ES Compensation Cycle Report - HR Business Partners

Workday Key Functions Review (cont'd)

- Moving worksheets forward or back
  - Can and should be done by managers / worksheet owners



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Thank You