Procurement Policy

Eversource is committed to consistently procuring the best available products and services, for the best value, that are required to equip, maintain, and support operations across the company. Eversource's procurement practices reflect and promote the company's high standards of quality, continuity of service, fairness, and integrity.

This policy is supported by the Eversource Procurement Manual, which outlines detailed procedures, systems, and governance requirements for all procurement activities.

Policy Scope

This policy applies to all procurement activities across Eversource Energy, including its subsidiaries, for the acquisition of Normal Goods and Services, with limited exceptions, as specified herein. It covers employees, contractors, and third-party vendors involved in the Eversource procurement process. This policy applies to the purchase of Normal Goods and Services, including but not limited to materials, equipment, tools, supplies, and services, by or on behalf of Eversource and its subsidiaries, with the following exceptions:

- Wholesale gas or energy supplies
- Purchases for certain unregulated affiliates
- Real Estate Acquisitions
- Purchases issued to or pursuant to federal, state or municipal government entities or other regulated utilities

The above excluded categories are not considered Normal Goods and Services under this policy.

Any additional exceptions not explicitly identified must be approved in writing by the Director, Procurement or the Vice President, Supply Chain & Property Management prior to execution.

Definitions

Confirming Order – A Purchase Order issued retroactively after goods or services have been provided in response to an Emergency or Time Critical Need. Confirming Orders require written justification and approval in accordance with the Delegation of Authority Policy and are subject to audit.

Contract – A legally-binding agreement, which recognizes and governs the rights and duties of the parties to the agreement that is intended to be enforceable by law. This will be stored in the Ariba and may take the form of a Standalone Agreement, Master Agreement or a Sub Agreement with limited exceptions.

Competitive Bid – A formal procurement process in which multiple Suppliers are invited to submit proposals or quotes for goods or services. Final selection is based on the best evaluated bid using predetermined commercial and technical criteria.

eCatalog – An internal electronic catalog system approved by Procurement that includes pre-negotiated items, prices, and Suppliers, accessible through Eversource's designated ERP system.

Emergency – An unforeseen event, situation, or critical business need which may impact or disrupt essential operations or service and/or require goods or services necessary for immediate use in work that affect the health, safety and welfare of the public or Eversource personnel.

Letter of Intent (LOI) – A document that outlines preliminary understanding between two or more parties, which may authorize limited activity or signal agreement on key commercial terms.

Letter of Award (LOA) – A formal document issued by Eversource to a Supplier to confirm they have been selected or awarded a Contract to provide goods or services.

Master Agreement – A non-monetary contractual framework that establishes the standard terms and conditions between Eversource and a Supplier for future purchases of goods or services. A Master Agreement does not authorize any spend.

Memorandum of Understanding (MOU) – A document of mutual understanding or cooperative intent between parties in the early stages of engagement, and it should express whether it is intended to be binding or non-binding.

Normal Goods and Services – Refers to goods and services routinely acquired to support Eversource's core utility operations, maintenance, capital programs, and service delivery to customers. This includes but is not limited to products, materials, equipment, tools, supplies and other operational or technical goods, and services related to construction, consulting, engineering and other professional or technical services, field services, information technology, and system operations. It excludes the categories identified above.

Purchase Order – a formal, legally binding document issued by a buyer to a Supplier to authorize the purchase of goods or services. It outlines the specific details of the transaction, including item descriptions, quantities, prices, delivery dates, and payment terms. Once accepted by the Supplier, the Purchase Order serves as a contractual agreement between the two parties. The Purchase Order will be issued out of Eversource's designated Enterprise Resources Planning (ERP) system, Maximo.

Procurement Manual – The companion document to the Procurement Policy that outlines detailed procedures, systems, roles, and controls governing procurement operations, including sourcing methods, documentation standards, and compliance requirements.

Sole Source Justification – A formal, documented explanation approved by Procurement and the Business that validates why a specific Supplier is the only viable option to meet business requirements when competitive bidding is not feasible.

Supplier – A provider of goods, materials, equipment or services.

Time Critical Need – An emergent procurement requirement that, while not classified as an Emergency, must be fulfilled within an immediate timeframe to avoid significant cost, schedule delays, regulatory non-compliance, or operational disruption.

Procurement Operating Standards

The Procurement department systematically and prudently secures all Normal Goods and Services aligned with economic conditions, internal controls, and company goals.

Procurement practices must:

- Comply with all applicable regulatory requirements and laws, including antibribery/anticorruption, antitrust and fair competition laws;
- Ensure the presence of competitive pricing and avoid discrimination and unfair trade practices;
- Support Eversource's enterprise-wide risk management, compliance and internal audit functions to mitigate legal, regulatory, litigation, commercial and operational risk.

To maintain procurement discipline and protect Eversource's commercial interests:

- All requests for Normal Goods and Services must be directed to Procurement to follow the established process;
- Employees outside of the Procurement organization must not engage in contact with prospective Suppliers to discuss pricing, commercial terms or any other details that are the subject matter of an active sourcing and contracting effort. Any prospective Supplier should be directed to Procurement should they have any questions;
- Employees outside of Procurement must not authorize any Supplier to begin work without Procurement's involvement and the issuance of a valid Purchase Order, except for documented Emergency or Time-Critical Needs, and only in accordance with the process for Confirming Orders;
- Employees must also refrain from engaging in commercial discussions with Suppliers who are not currently under Contract.

Roles and Responsibilities

Director, Procurement: Oversees policy implementation, governs procurement strategy, and approves exceptions to this policy.

Procurement: Manages all sourcing and contracting activities, including competitive solicitations, bid evaluations, contract negotiations, execution, amendments, and compliance with procurement systems and standards. Procurement is responsible for ensuring agreements are structured in accordance with Eversource policies, applicable laws, and internal controls. Procurement is responsible for all vendor communications during sourcing and contracting activities

Business Units: Responsible for obtaining and managing funding, defining the scope of work, technical specifications and business requirements. They provide technical input during Supplier evaluations and are responsible for implementing and managing Supplier performance in accordance with the Contract as well as invoice review and approval. They are also responsible for identifying long-term operational needs and must escalate any commercial issues, scope changes, or performance concerns to Procurement for resolution. Business Units may provide technical input during bid evaluations but may not lead commercial negotiations or discussions regarding pricing or contractual terms. All such activities must be led by Procurement.

Legal: Reviews and advises on terms and risk provisions, ensures compliance with applicable laws and regulatory requirements, and assists, advises, and represents Eversource on claims, dispute prevention and resolution, and terminations.

Information Technology Security (where applicable): Reviews vendors accessing Eversource systems, data, or infrastructure for compliance with cybersecurity standards and NERC-CIP requirements.

Internal Audit: Conducts periodic audits to determine adherence to procurement policies, procedures, and other controls, identifies irregularities and potential risks, and recommends improvements in processes, controls and other remediation measures.

Competitive Bidding and Supplier Selection

A competitive bid process is required for transactions exceeding $50,000, with limited exceptions outlined in the Procurement Manual. Key principles include:

- Supplier prequalification and acknowledgement of adherence to the Supplier Code of Business Conduct;
- Use of Eversource's designated sourcing and contracting platform, currently Ariba, whenever reasonably possible. In instances where the platform is not used (e.g., due to technical or scope limitations), all related documentation, such as key email correspondence, Supplier proposals, and scope of work, must be uploaded and maintained in Ariba;
- Final selection is based on the "best evaluated bid", which considers both commercial and technical evaluation criteria, generally including total cost, risk, compliance, quality, reliability, safety, and availability.

The criteria for determining the "best evaluated bid" shall be established by the Procurement Agent and the Business Unit lead requesting the materials and/or service prior to bid opening.

All documentation and information provided as part of and in response to a Competitive Bid, including but not limited to pricing, commercial proposals, as well as the evaluation and recommendations, shall be treated as confidential and governed by the Records and Information Management Policy.

Except for limited exceptions, Eversource does not publicly advertise or announce procurement opportunities or conduct public bid openings. All Supplier engagements related to new work should be managed directly by the Procurement organization.

Procurement reserves the right to conduct a Competitive Bid on the purchase of Normal Goods and Services, however, the following exceptions do present situations where the procurement team may determine that a competitive bid does not provide value to the company. These exceptions include:

- Strategic Professional Services, including but not limited to Legal, Government Relations, Human Resources and Benefits, Advertising, and Crisis Communication.
- Purchase Orders or Contracts issued pursuant to federal, state or municipal regulation (e.g., payments into a state fund required by the NERC, PURA, DPU or PUC);
- Purchase Orders or Contracts issued for the primary purpose of making payments to parties other than Suppliers (e.g., Energy Efficiency rebate programs).
- Purchases of software applications, hardware, annual maintenance contracts, and other information technology already licensed or owned by Eversource and approved by Information Technology for use.

- Purchases of items valued at $50,000 or less, or otherwise so low in value, that the cost of obtaining competitive bids would be disproportionate to any savings that a competitive bid process might produce.
- Purchases valued over $50,000 for which a review of the marketplace demonstrates that only one viable Supplier is technically and commercially capable of providing the required goods or service. In such cases, a Sole Source Justification Form must be completed and approved in accordance with the Sole Source Process defined in the Procurement Manual.
- Purchases for which the Chairman, President & Chief Executive Officer, EVP and Chief Operating Officer, EVP and General Counsel, EVP and Chief Financial Officer, EVP Human Resources, EVP Customer and Corporate Relations or a member of the Board of Trustees has determined that the use of a particular Supplier is necessary due to urgent business circumstances for strategic confidential or essential projects.
- Purchases of hotel and catering services.
- Material represented by an Item Number in Eversource's electronic ordering system which needs to be purchased from a particular Supplier or manufacturer due to mandates by Standards Engineering, Safety Department, or Tool Committee.
- Materials and/or Services necessary as part of the maintenance or repair of company assets and provided by the Original Equipment Manufacturer (OEM) where the use of alternate providers would void the warranty or where the Supplier or manufacturer is either mandated by Standards Engineering or has specific knowledge, expertise or resource capabilities.
- Purchases necessary to meet the needs of an Emergency or Time Critical Need as defined above.

Contract and Purchase Order Administration

The Procurement organization is responsible for administering all Contract and Purchase Order approvals and documentation for Normal Goods and Services as part of the overall procure-to-pay process. Responsibilities include:

- Ensuring Contracts and Purchase Orders are properly executed and approved in alignment with the Delegation of Authority Policy.
- Master Agreements, which do not carry any explicit value, and must be approved and executed by the Director, Procurement.
- Procurement documentation must be maintained in a manner compliant with the Records and Information Management Policy and sufficient to support regulatory inquiries, rate case reviews, and internal audit.
- Maintaining documentation in Eversource's designated electronic sourcing and contracting platform, currently Ariba, or Enterprise Resources Planning (ERP) System, currently Maximo, in compliance with the Records and Information Management Policy and as appropriate to support prudency, including, but not limited to:
    - Executed agreements and amendments
    - Applicable exhibits and attachments
    - Record of the dispute prevention and resolution

  - Supplier proposals
  - Competitive bidding information, if applicable
    - Award justifications and/or bid evaluations
  - Exception details, if applicable
  - Sole Source Justification Documentation
  - Managing Contract amendments
- Only Procurement is authorized to execute agreements for Normal Goods and Services, except where explicitly permitted under the Delegation of Authority Policy. Any agreement signed outside of authorized channels may be deemed invalid and subject to disciplinary action.

- No Supplier shall be authorized or instructed to commence work or deliver materials without a properly authorized Purchase Order supported by an executed Contract as applicable, and issued by the Procurement organization, with the exception of purchases required to support an Emergency or Time Critical Need. This requirement ensures proper approval, traceability, and adherence to Eversource's Delegation of Authority Policy.

Interim Commercial Commitments

In limited circumstances, interim instruments such as Letters of Intent (LOIs), Letters of Award (LOA), or Memorandums of Understanding (MOUs) may be issued to facilitate critical project timelines or early-stage coordination while final contract terms are being negotiated.

These instruments may only be issued under the following conditions:

- A full Contract is under active negotiation and is expected to be executed within a reasonable timeframe;
- The scope of authorized early work is clearly defined, limited in nature, and does not exceed the minimum necessary to maintain project continuity;
- Commercial and legal risk exposure must be reviewed by both the Procurement organization and the Legal department prior to any related negotiations or commitments;
- Business Unit approval, in alignment with the Delegation of Authority Policy, based on the level of commercial risk exposure (e.g. Cancellation Fee) has been documented in writing. The Business Unit must also acknowledge that, should Eversource not meet the requirements of the agreement, they will be responsible for any related charges that are incurred.

All interim instruments must be:

- Reviewed and authorized by Procurement;
- Documented and retained as part of the official procurement record within the designated sourcing or contracting platform and in compliance with the Records and Information Management Policy;
- Executed by the Director, Procurement or the Vice President, Supply Chain & Property Management.

Suppliers must not commence work under any interim instrument without written authorization from Procurement.

Purchase Order Revisions & Contract Amendments

Changes to existing Contracts or Purchase Orders must be carefully managed to preserve commercial integrity, manage and mitigate risk, maintain compliance with laws and regulations, audit readiness, and adherence to Eversource's Delegation of Authority Policy.

Purchase Order revisions and Contract amendments are required when:

- There is a change to the scope of work, deliverables, schedule, or extension of the expiration date;
- Pricing, unit rates, or terms are modified;
- Contingency funds are being released to a vendor for use;
- The total value of the Contract or Purchase Order exceeds the originally authorized amount.

Only Procurement personnel, acting within their Level of Authority, are authorized to negotiate, commit, bind, and sign Contracts, Purchase Orders or other agreements for Normal Goods and Services, or changes, change orders, revisions, or amendments thereto, on behalf of Eversource Energy and its subsidiaries. In addition, all commercial negotiations proposed to be included a Contract must be led by Procurement.

All Contract Amendments must be reviewed and approved by Procurement prior to implementation and executed in accordance with the Delegation of Authority Policy. All change documentation and documentation of any dispute prevention and resolution process actions must be retained in Eversource's designated electronic sourcing and contracting platform, currently Ariba and in compliance with the Records and Information Management Policy.

Business Units may not authorize or direct Suppliers to proceed with any changes, including those related to scope, pricing, or schedule, until Procurement has completed its review and issued a revised Purchase Order or Contract amendment. This restriction applies unless the change is required to address an Emergency or Time-Critical Need (e.g. Field Change Directives, etc.), in which case the appropriate procedures defined below must be followed.

Procurement, in consultation with the Legal department, is responsible for:

- Evaluating proposed revisions to determine, whether a formal amendment is required;
- Reviewing and executing all applicable changes;
- Ensuring all modifications are properly documented in accordance with the Procurement Manual, Delegation of Authority Policy, and Records and Information Management Policy.

Confirming Orders for Emergencies or Time Critical Needs

In the event of an Emergency or Time Critical Need, where Normal Goods or Services are urgently required to protect operations, personnel or public safety, and where there is insufficient time to follow standard procurement processes, Procurement may issue a Confirming Order, which is a Purchase Order issued retroactively after work has commenced.

To the extent possible, work should proceed using existing Contracts and pre-qualified Suppliers. If no valid Purchase Order is in place, Procurement may authorize a Confirming Order after the fact, provided the following conditions are met:

- A full written justification provided by the Business Unit is documented and submitted to Procurement;
- The justification complies with the requirements outlined in the Procurement Manual;
- The requirement associated with the Confirming Order is raised, reviewed and approved as a Desktop Requisition in the system as soon as reasonably possible in accordance with the Delegation of Authority Policy.

The documented justification must clearly describe the nature of the Emergency or Time Critical Need, explain why standard procedures could not be followed, and include all supporting documentation.

These Confirming Orders are subject to audit and post-event review to ensure compliance with Eversource policies.

Supplier Engagement

Eversource is committed to establishing a strategic, inclusive framework for engaging Suppliers across demographically varied backgrounds and business sizes, including but not limited to third party certified diverse businesses and small businesses. The active inclusion of Suppliers with different backgrounds, experiences, and perspectives enriches the sourcing process, drives innovation and competition, and helps Eversource access a broader range of solutions, ultimately adding value and resilience to our supply chain. This program is also designed to align applicable federal and state laws and regulations, and guidance from regulatory bodies governing investor-owned utilities.

Supplier Engagement Objectives

1. Promote Inclusive Supplier Participation
2. Promote Access for Small Businesses
3. Broaden Market Access and Competitiveness
4. Support ESG & Community Impact

Ethics and Compliance

Eversource employees must act in accordance with the Eversource Code of Business Conduct and Conflict of Interest Policy.

Suppliers are required to comply with Eversource's Supplier Code of Business Conduct, with limited exceptions.

Environmental and Sustainability Considerations

Where feasible and appropriate, Eversource will integrate sustainability and environmental responsibility into procurement decisions, consistent with corporate ESG goals and industry best practices.

Selling of Surplus Material

Eversource retains title to all materials procured by or on behalf of the company, including materials resulting from work performed under Contract. The Procurement organization is responsible for the disposal of all surplus or salvage material in the most cost-effective manner. Business Units with surplus and salvage material must provide Procurement with a detailed inventory, including the following information: accounting; description; quantity; quality; location; inspection; bidding instructions; loading; shipping; payment; invoicing instructions; original cost; accounting to be credited and estimated in present value in accordance with the Investment Recovery Work Guidelines.

Procuring Hazardous Material

Prior to procuring hazardous materials, the Procurement organization is responsible for:

- Contacting Eversource's Environmental Department to ensure the hazardous materials can be procured, transported, stored and/or disposed of appropriately.
- Verifying that the warehouse or other approved storage location can properly store the hazardous material.
- Confirming that the Supplier has agreed to and signed off on terms and conditions specific to handling hazardous materials.

Use of Alternative Procurement Channels and Compliance Oversight

All Procurement-managed transactions, regardless of amount, must comply with the authorization requirements outlined in the Delegation of Authority Policy. Eversource maintains close oversight of all procurement activity to ensure alignment with legal and regulatory requirements, policy, promote fiscal accountability, and uphold internal controls.

The standard purchasing channel for Normal Goods and Services is through a formal Purchase Order (PO). Alternative procurement methods may be used under limited circumstances.

- P-Card (Procurement Card): May be used for low-value and low-risk purchases. All P-Card usage must comply with the P-Card Policy and spending thresholds.
- Employee Reimbursement (via Workday): Permitted only for eligible business or travel-related expenses, in accordance with the Reimbursable Expense Policy.
- Urgent or Time-Critical Requirements in a Storm Restoration or Other Customer-Facing Event: In exceptional cases where business needs demand immediate action, alternative channels (e.g., P-Card or reimbursement) may be used to support otherwise non-compliant purchases. These instances must be properly documented and include a justification and obtain management approval for bypassing the standard acquisition process to support any reimbursement.

All alternative procurement transactions are subject to review. Failure to adhere to these guidelines may result in the review of unauthorized expenditures, denial of reimbursement, and potential disciplinary action.

Purchasing Card (P-Card) Program

Eversource's Procurement Card (P-Card) Program is administered by the Procurement Department to facilitate low-value, low-risk purchases that do not require a traditional Purchase Order. All P-Cards usage must comply with the Purchasing Card Program Guidelines, the Delegation of Authority Policy, and applicable corporate policies.

P-Cards may be used for:

- Non-stock coded tools and materials below the $250 threshold
- Emergency purchases necessary to maintain service continuity (with written justification and appropriate levels of approval)
- Authorized government and municipal payments when standard processes are unavailable
- Subscription services, business-related books, and similar low-value needs
- ERP-related purchases (e.g., meals, hotels, fuel) when directed by ERP leadership

P-Cards may not be used for:

- Personal expenses of any kind
- Fuel for vehicles (corporate or personal)
- High-risk or restricted products (e.g., hazardous materials, software, cloud services)
- Labor or construction services
- Purchases covered by existing Contracts or eCatalogs or materials available in company inventory.

Roles & Responsibilities

- **Cardholders:** must adhere to usage restrictions, retain itemized receipts, detailed itemized descriptions of items purchased and complete monthly reconciliation via J.P. Morgan PaymentNet.
- **Managers/Card Coordinators:** responsible for monthly review and sign-off of transactions and ensuring compliance with policy.
- **Custodians (for ERP Cards):** oversee event-based reconciliation and upload documentation to SharePoint.
- **P-Card Program Administrator:** responsible for policy enforcement, card issuance, spending controls, and audits.

Documentation and Retention

- Receipts must clearly describe purchased items. If unclear, supplemental descriptions must be provided.
- Monthly files must be printed or saved digitally and retained in accordance with Eversource's Record and Information Management Policy.
- Splitting charges to circumvent card limits is strictly prohibited and may result in disciplinary action or card revocation.

Policy Enforcement

Violations of the Procurement Card Program guidelines may result in:

- Temporary suspension of card privileges
- Revocation of card access
- Disciplinary action up to and including termination
- Reimbursement to Eversource for any unauthorized expenses

Policy Maintenance

This policy will be reviewed periodically and updated as needed to reflect changes in regulatory requirements, business needs, or industry practices.

Revision History

0	Consolidation of legacy NU and NSTAR Corporate Policies	11/13/2013
1	Eversource rebranding; revisions to Guideline and Selection Process sections	12/21/2015
2	Added language for Selling of Surplus Material	03/18/2019
3	Added language to Guidelines Section	02/07/2020
4	Added language to the Supplier Selection and Bidding Process Sections.	08/22/2024
5	Updates to Guidelines Section	05/07/2025
6	Comprehensive policy update to align with industry best practices for large investor-owned utilities. Enhanced clarity on roles and responsibilities, introduced new sections on key controls and restructured content to more accurately reflect current business operations, governance standards, strategic priorities, and use of alternative procurement channels and compliance oversight.	08/14/2025