

# **NSTAR BOARD OF TRUSTEES**

## **Executive Personnel Committee**

### **Charter**

(Established by vote of the Board of Trustees dated May 3, 2007)

#### **Purpose**

The purpose of the Executive Personnel Committee is to monitor and evaluate executive personnel planning; to discharge the fiduciary responsibilities set forth in the Retirement Plans and 401(k) Plans; and to provide oversight of senior executive salaries, incentive compensation and supplemental benefits to assure that they are equitable, externally competitive and performance-based.

#### **Composition**

The Committee shall be composed of outside trustees appointed by the Board. Members of the Committee shall satisfy the independence requirements of the SEC, IRS and the New York Stock Exchange, as interpreted by the Board in its business judgment.

#### **Duties**

The duties of the Committee shall include:

1. Reviewing the basic philosophy and policy governing the compensation of the Chief Executive Officer and other senior executive officers of the Company.
2. Recommending to the Board candidates for election as executive officers as submitted by management and reviewing annually the performance of the senior executives of NSTAR.
3. Reviewing the executive succession planning process.
4. Reviewing significant organizational changes.
5. Reviewing and approving the corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other senior executive officers of the Company, evaluating the performance of those executives in light of such goals and objectives, and setting a compensation level for those executives that is externally competitive based on this evaluation; provided that the compensation of the Chief Executive Officer shall be subject to review and approval by the independent members of the Board of Trustees.

6. Reviewing and making recommendations to the Board regarding major, non-mandatory amendments to the Retirement Plans and 401(k) Plans, and reviewing annually the funding and investment policies of the Retirement Plans.
7. Appointing members of the Retirement Plans Committees and the Trustees of the Retirement Plans and the 401(k) Plans.
8. Furnishing an annual report on executive compensation for inclusion in the Company's annual proxy statement in accordance with applicable rules and regulations of the SEC.
9. Reviewing and assessing the adequacy of the Committee's charter and submitting any recommended changes to the Board for approval.
10. Conducting an annual evaluation of the performance of the Committee and reporting the results thereof to the Board.

#### **Authority and Resources**

The Committee shall have the authority and resources to discharge its duties and responsibilities, including the authority to retain a consultant to assist in the assessment of the compensation of the Chief Executive Officer and the other senior executive officers, and shall have the authority to approve the compensation consultant's fees and other retention terms, all at the Company's expense. The Committee may delegate its authority to one or more subcommittees.