

## **CONSOLIDATED EDISON, INC. CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors of the Company has adopted the following Corporate Governance Guidelines to assist the Board in exercising its responsibilities to the Company and its shareholders. The guidelines are meant to be a flexible framework in which the Board may operate and should be interpreted in the context of applicable laws, the Company's certificate of incorporation and bylaws, and other corporate governance requirements. The Corporate Governance and Nominating Committee annually reviews these guidelines and makes recommendations to the Board for revisions or additions as appropriate.

### **Board Member Responsibilities**

The Board's primary function is one of oversight. The affairs of the Company are managed under the direction of the Board of Directors. The Board elects the Chief Executive Officer ("CEO") and other members of senior management who are charged with managing the Company's business. In connection with its oversight function, the Board's primary responsibilities are to (i) evaluate the performance of the Company and its management; (ii) elect the CEO and other members of senior management; (iii) review the Company's strategic plans, objectives and risks; (iv) provide advice and counsel to the Company's management; (v) exercise oversight of compliance by the Company with applicable laws and regulations, including the Company's public reporting obligations; (vi) evaluate the overall effectiveness of the Board and its committees and (vii) select and recommend for approval by the shareholders a suitable slate of candidates for Board membership.

In discharging their responsibilities, Directors should exercise their business judgment, in good faith, to act in a manner that they believe is in the best interests of the Company's shareholders. Directors are expected to attend meetings of the Board and the committees on which they serve as well as the annual meeting of the Company's shareholders. Directors are also expected to spend the time necessary to discharge their responsibilities to the Company.

In addition, the Board has adopted and maintains Standards of Business Conduct ("Standards"), applicable to the Company's Directors, officers and employees. The Standards address (i) conflicts of interest; (ii) corporate opportunities; (iii) confidentiality; (iv) fair dealing; (v) protection and proper use of Company assets; (vi) compliance with laws, rules and regulations and (vii) such other matters as the Board deems appropriate. The Standards encourage the reporting of unethical or illegal behavior and provide for prompt and consistent action against violations of the Standards. Any waivers of the Standards for the Company's Directors or executive officers may be made only by the Board or a Committee of the Board and must be disclosed to shareholders within four business days.

### **Board Composition, Selection Criteria, Compensation and Orientation**

#### *Size of the Board*

Under the Company's Certificate of Incorporation, there may not be more than 16 Directors. The Board believes that, subject to this limit, there should be a sufficient number of Directors to permit a diversity of experience but not exceed a number that can function efficiently or would hinder effective discussion. The Board, with the assistance of the Corporate Governance and

Nominating Committee and in consultation with the CEO, periodically reviews the size of the Board to determine its appropriate size.

### *Membership Criteria*

The Board consists of a substantial majority of Directors who meet the New York Stock Exchange ("NYSE") definition of independence, as determined by the Board in accordance with the standards described below.

No Director may qualify as "independent" unless the Board affirmatively determines that the Director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company).

To assist it in making determinations of Director independence, the Board has determined that each of the relationships below is categorically immaterial and therefore, by itself, does not preclude a director from being independent:

- (i) (A) the Director has an immediate family member who is a current employee of the Company's internal or external auditor, but the immediate family member does not personally work on the Company's audit; or (B) the Director or an immediate family member was, within the last three years, a partner or employee of such a firm but no longer works at the firm and did not personally work on the Company's audit within that time;
- (ii) the Director or an immediate family member is, or has been within the last three years, employed at another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee, but the Director or the Director's immediate family member is not an executive officer of the other company and his or her compensation is not determined or reviewed by that company's compensation committee;
- (iii) the Director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in any of the last three fiscal years, but the total payments in each year were less than \$1 million, or 2% of such other company's consolidated gross revenues, whichever is greater;
- (iv) the Director is a partner or the owner of 5% or more of the voting stock of another company that has made payments to, or received payments from, the Company for property or services in any of the last three fiscal years, but the total payments in each year were less than \$1 million, or 2% of such other company's consolidated gross revenues, whichever is greater;
- (v) the Director is a partner, the owner of 5% or more of the voting stock or an executive officer of another company which is indebted to the Company, or to which the Company is indebted, but the total amount of the indebtedness in each of the last three fiscal years was less than \$1 million, or 2% of such other company's consolidated gross revenues, whichever is greater; and
- (vi) the Director or an immediate family member is a director or an executive officer of a non-profit organization to which the Company has made contributions in any

of the last three fiscal years, but the Company's total contributions to the organization in each year were less than \$1 million, or 2% of such organization's consolidated gross revenues, whichever is greater.

All members of the Corporate Governance and Nominating Committee, the Management Development and Compensation Committee and the Audit Committee meet all of the independence criteria set forth above. In addition, all Audit Committee members and Management Development and Compensation Committee members meet additional, heightened independence criteria required by law and NYSE listing standards.

In addition to the independence criteria, the Corporate Governance and Nominating Committee reviews with the Board the skills and characteristics of Director candidates, including integrity, judgment, business experience, areas of expertise and availability for service, factors relating to the composition of the Board (including its size and structure) and the Company's principles of diversity.

#### *Selection of Board Members*

The Corporate Governance and Nominating Committee proposes, for the Board's approval, a slate of Directors to be submitted to a vote of the Company's shareholders at each annual meeting. The Corporate Governance and Nominating Committee annually considers each Director's individual performance when assessing whether to nominate the Director for re-election to the Board. When there are vacancies on the Board, the Corporate Governance and Nominating Committee, in accordance with the policies and principles in its Charter, identifies, screens, evaluates and proposes suitable candidates for the Board to consider.

#### *Voting for Directors*

In uncontested elections, Directors are elected by the affirmative vote of a majority of the votes cast, which means that the number of shares voted "for" a Director must exceed the number of shares voted "against" that Director. Any Director who is not elected by a majority of the votes cast is expected to tender his or her resignation to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee will make a recommendation to the Board as to whether to accept or reject the resignation, or whether other action should be taken. In determining whether or not to recommend that the Board accept any resignation offer, the Corporate Governance and Nominating Committee may consider all factors believed relevant by the Committee's members. If a majority of the members of the Corporate Governance and Nominating Committee were required to tender their resignations as provided above, the independent Directors on the Board who were not required to tender their resignations will act as a committee to consider the resignation offers and recommend to the Board whether or not to accept them. If all of the independent Directors on the Board were required to tender their resignations, the Board will determine whether to accept or reject the resignations in accordance with the process set forth in the following paragraph.

The Board will decide whether or not to accept a tendered resignation within ninety (90) days following certification of the election results. In deciding whether or not to accept the tendered resignation, the Board will consider the committee recommendation, if any, described in the preceding paragraph and any additional information and factors that the Board believes to be relevant. A Director whose resignation is under consideration is expected to recuse himself or herself from the Board vote on his or her resignation. Thereafter, the Board will publicly disclose its decision regarding the Director's resignation offer (including the reason(s) for rejecting the resignation offer, if applicable).

### *Continuing Service on the Board*

To ensure continued suitability for service on the Board, in addition to providing such reasonable information as may be requested of Directors to identify and avoid conflicts and to determine eligibility for Board service, Board members must notify the Chairman of any personal and professional developments that could be expected to affect the Directors' independence or service on the Board. The Chairman reviews and reports any such development to the Chair of the Corporate Governance and Nominating Committee. It is expected that Board members will inform the Chair of the Corporate Governance and Nominating Committee of an intention to join the board of another public company prior to accepting such a position. The Board understands and expects that a Director who changes his or her principal business association will promptly offer his or her resignation from the Board in order to provide the Corporate Governance and Nominating Committee the opportunity to assess each situation based on the individual circumstances and make a recommendation to the Board as to whether to accept the resignation. The Board is free to accept or reject such resignation.

The Board does not believe in limiting Board members' terms since term limits can serve to deprive the Board of contributions of Directors who have developed experience and insight into the Company and its needs over a long period of service. It is the Board's policy that a Director may not stand for election at an annual meeting after having passed his or her 75<sup>th</sup> birthday.

### *Service on Other Public Company Boards*

Directors who are executive officers of a public company, should limit their service as directors on publicly held company and investment company boards to no more than two (including the Company's Board), and all other directors should limit their service as directors on publicly held company and investment company boards to no more than five (including the Company's Board). Service on the boards of subsidiary companies with no publicly traded stock, non-profit organizations and non-public for-profit organizations is not included in this calculation. Moreover, if a Director sits on several mutual fund boards within the same fund family, it will count as one board for purposes of this calculation.

### *Board Leadership*

The Board selects the Company's CEO and Chairman in the manner that it determines to be in the best interest of the Company's shareholders, and one person may hold both positions. Currently, the roles of CEO and Chairman are combined.

In addition, the Board has a Lead Director. The chair of the Corporate Governance and Nominating Committee serves as the Lead Director. The Lead Director: (i) acts as a liaison between the independent directors and the Company's management; (ii) chairs the executive sessions of non-management and independent Directors and has the authority to call additional executive sessions as appropriate; (iii) chairs Board meetings in the Chairman's absence; (iv) coordinates with the Chairman on agendas and schedules for Board meetings, information flow to the Board, and other matters pertinent to the Company and the Board; (v) is available for consultation and communication with major shareholders as appropriate, and (vi) performs such other duties assigned to the Lead Director by the Board.

### *Board Committees*

The Board currently has the following six standing committees:

- Audit
- Corporate Governance and Nominating
- Executive
- Finance
- Management Development and Compensation and
- Safety, Environment, Operations and Sustainability Committee

It is the Board's policy that only non-management Directors serve on the committees except that the CEO is a member of the Executive Committee. In addition, all of the members of the Audit, Corporate Governance and Nominating and Management Development and Compensation Committees meet the applicable independence and other criteria established by law and the NYSE listing standards. In appointing the members and the chairs of the committees, the Board considers rotating membership and the chairs of the committees from time to time as recommended by the Corporate Governance and Nominating Committee. Each committee has a charter approved by the Board and reviews its charter annually and recommends proposed changes, if any, to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee reviews and submits to the Board of Directors for approval any proposed charter changes that it deems appropriate. The chairs of the committees report to the Board after each meeting of the committee. Subject to the NYSE listing standards and the Company's by-laws, the Board may increase or reduce the number of standing committees and may also appoint ad-hoc committees from time to time to deal with particular issues. Each committee has the authority and responsibilities set forth in the Company's by-laws, the resolutions creating them, and the committee's charter.

### *Board Compensation*

The Corporate Governance and Nominating Committee considers bi-annually the level and components of compensation to be paid to the Directors for service on the Board and its Committees and recommends changes, if appropriate, to the Board. Directors who are Company employees are not compensated for their service on the Board.

### *Stock Ownership Guidelines for Directors and Officers*

It is the recommendation of the Board that all Directors, consistent with their responsibilities to the shareholders of the Company as a whole, hold an equity interest in the Company. Accordingly, within five years of joining the Board, each Director should acquire, and continue to hold during his or her tenure on the Board, Company stock with a value (measured at the time the stock is acquired) equivalent to five times the annual director retainer (not including committee and/or committee chair fees) paid to such Director in the Company's most recently completed full fiscal year. For the purposes of this calculation, Company stock includes stock equivalents and restricted stock units.

The Company has established the following stock ownership guidelines for certain officers: (i) the President and Chief Executive Officer is to own Company stock equal to three times base salary; (ii) the Senior Vice President and Chief Financial Officer, the President of Consolidated Edison Company of New York, Inc. (Con Edison of New York), the President and Chief Executive Officer of Orange and Rockland Utilities, Inc., the President and Chief Executive Officer of Con Edison Transmission, Inc., and the President and Chief Executive Officer of Con Edison Clean Energy Businesses, Inc., each are to own Company stock equal to two times base salary; and (iii) the Senior Vice President and General Counsel, and the senior vice presidents of Con Edison of New York, each are to own Company stock equal to one times base salary. For purposes of this calculation, Company stock ownership includes the value of the Company's officers' individually-owned shares, the value of vested restricted shares and performance-based restricted shares, and shares held under the Company's benefit plans. Officers should meet the ownership requirement within five years from January 1 after their appointment to one of the covered officer titles or promotion to a position with a higher ownership requirement.

The officers subject to the stock ownership guidelines are expected to retain for at least one year a minimum of 25 percent of the net shares acquired upon exercise of stock options and 25 percent of the net shares acquired pursuant to vested restricted stock and restricted stock unit (RSU) grants until their holdings of Company stock equal or exceed the ownership guidelines applicable to the Company's officers. The one-year period shall be measured from the date the stock options are exercised or the restricted stock or RSUs vest, as applicable. For these purposes, "net shares" shall mean the shares remaining after disposition of shares necessary to pay the related tax liability and, if applicable, exercise price.

#### *Board Expenses*

The Board and its Committees may retain, if and when they deem it necessary, the services of outside advisors and consultants at the Company's expense. The Board should give due regard to the cost and benefits of such services and periodically review its retention practices.

#### *Orientation and Education*

New Directors participate in an orientation program designed to provide an overview of the Company's organization, operations, strategic plans, financial statements and reporting, compensation policies, significant risk exposures, corporate governance policies and compliance programs. It may include presentations by the Company's senior management and visits to Company facilities. Management, as well as appropriate outside advisors, regularly makes presentations to the Board on significant issues affecting the Company or the industry and significant developments in the law, corporate governance practice and other matters related to the duties and responsibilities of directors in general. In addition, Directors are encouraged to participate at the Company's expense in outside continuing education programs that are appropriate to their responsibilities as members of the Board and the Committees on which they serve.

### **Meetings and Access to Management, Independent Auditors and Advisors**

#### *Frequency of Meetings*

Each year the Corporate Governance and Nominating Committee recommends and the Board approves a schedule of regularly scheduled Board meetings for the following year. No fewer

than nine regular meetings of the Board are scheduled. Additional meetings may be scheduled as necessary.

#### *Agenda and Advance Distribution of Materials*

The Chairman, taking into consideration suggestions from other members of the Board, sets the agenda for each Board meeting. Memoranda and other materials relevant to the Board and committee meeting agendas are, to the extent feasible, to be distributed to the Directors sufficiently in advance of the meetings to permit meaningful review, and Directors are expected to review in detail the provided materials in advance of each meeting.

#### *Access to Management*

Directors have complete access to the Company's management. Director contact with management should be handled in such a way as not to be disruptive to the Company's operations.

#### *Management Attendance at Meetings*

Senior members of management are expected to routinely attend Board and, to the extent appropriate, committee meetings. Management is encouraged to invite other Company personnel to meetings when their presence and expertise would help the Board in understanding the matters being considered or to provide exposure to the Board for the purposes of management development.

#### *Access to Independent Auditors*

Directors have complete access to the Company's independent auditors. It is expected that the Chair of the Company's Audit Committee will be kept informed about any discussions between individual Directors and the independent auditors.

#### *Executive Sessions*

The Company's non-management Directors meet periodically at regularly scheduled executive sessions (not less than three times a year) without management present. The executive sessions may include such topics as the non-management Directors determine. In addition, the Company's independent Directors meet at least annually. Such meeting may be held by excusing any non-management Directors who are not independent from a meeting of the non-management Directors.

#### *Communication with Non-Management Directors*

In order to facilitate the ability of interested parties to communicate with and make their concerns known to the non-management Directors, the non-management Directors have established an address to which such communications may be sent, which is published in the Company's annual proxy statement and on the Company's website.

### **CEO Evaluation and Succession Planning**

#### *CEO Evaluation*

The non-management Directors, under the leadership of the Management Development and Compensation Committee, annually evaluate the CEO and the Chair of the Management

Development and Compensation Committee communicates the results of this evaluation to the CEO. The evaluation is based on criteria such as the performance of the business, accomplishment of strategic goals, and development of management. The Management Development and Compensation Committee uses this evaluation in considering the CEO's compensation.

#### *Succession Planning and Management Development*

The CEO reports annually to the Management Development and Compensation Committee on succession planning and makes available on a continuing basis his or her recommendation on a successor should he or she be unable to continue his or her duties. The CEO also reports to the Management Development and Compensation Committee annually on the Company's program for management development.

#### **Board Self-Evaluation**

The Board and each of its committees annually evaluates its performance. Each committee reports the results of its self-evaluation to the Board. The Corporate Governance and Nominating Committee coordinates the self-evaluation process and, following the self-evaluations, discusses with the Board follow-up matters as appropriate, including corrective actions identified in the Board and committee self-evaluations, the need to amend these Corporate Governance Guidelines, and the need to modify the self-evaluation process.

Effective February 1, 2019