

INTER-OFFICE COMMUNICATION

Date: November 8, 2018

To: Human Resource Committee

From: Ken Lott, VP Human Resource Management

Subject: Executive Retention Strategy

The cancellation of VC Summer Nuclear Units 2 & 3 has added a significant amount of complexity and unique challenges in meeting the mission of Santee Cooper. Our customers, employees and other stakeholders deserve a strong, experienced and cohesive executive leadership team to provide the strategic vision and leadership needed to effectively meet these current challenges and implement a plan for continued organizational success. In addition, the ability of our executive staff to communicate complex financial and utility matters is very important to both Santee Cooper and the members of the Public Service Authority Evaluation and Recommendation Committee.

With input and guidance from Findley Davies, our external executive retention program administrators, we have elected to utilize additional contributions into the Executive Retention Defined Contribution Plan as a strategy to recognize the efforts and value of our executive staff members. These contributions require continued employment through the designated contribution dates. Any unpaid portion of these retention-related contribution amounts would be immediately payable upon the executive's death, disability, termination without cause, or a change in control of Santee Cooper. Any unpaid portion of these retention-related contribution amounts would be forfeited by the executive upon voluntary termination or termination for cause prior to the respective contribution dates. I have attached a copy of each individual agreement.

If you have any questions please feel free to contact me or Jim Brogdon directly

INTER-OFFICE COMMUNICATION

Date: October 1, 2018

To: Jeff Armfield, Sr. Vice President & Chief Financial Officer

From: James E. Brogdon, Jr., Interim President and CEO

Subject: Executive Retention



The cancellation of VC Summer Nuclear Units 2 & 3 has added a significant amount of complexity and unique challenges in meeting the mission of Santee Cooper. Our customers, employees and other stakeholders deserve a strong, experienced and cohesive executive leadership team to provide the strategic vision and leadership needed to effectively meet these current challenges and implement a plan for continued organizational success. In addition, your vast experience and ability to communicate complex financial matters are very important to both Santee Cooper and the members of the Public Service Authority Evaluation and Recommendation Committee. With awareness that you currently meet the requirements for full retirement through the South Carolina Retirement System and in recognition of your efforts and value, we are prepared to offer you the following, effective October 1, 2018:

- Contributions to your Executive Defined Contribution account totaling **\$138,400** over the next 9 months. These contributions will require your continued employment through the following contribution dates:

Contribution Date	Contribution Amount
December 31, 2018	\$27,680
March 29, 2019	\$55,360
June 28, 2019	\$55,360

You will become immediately vested upon contribution into your account.

These retention-related contributions are in addition to the standard 6% contribution you are currently receiving.

- Any unpaid portion of the above retention-related contribution amounts would be immediately payable upon your death, disability¹, termination without cause², or a change in control³ of Santee Cooper.
- Any unpaid portion of the above retention-related contribution amounts would be forfeited upon voluntary termination or termination for cause prior to the above contribution dates.

- Employment through December 31, 2018 and December 31, 2019, respectively, will also meet the eligibility requirements to receive any incentive payments determined at the discretion of the Board based on fiscal year corporate and individual performance in achieving Santee Cooper's objectives.

Thank you for all of your hard work and dedication to Santee Cooper and the people of South Carolina.

cc: Ken Lott, VP Human Resources

Attachment

Key Term Definitions

¹ "Disability" means an executive is:

- i. Unable to perform his duties or to carry out his responsibilities or other essential job function by reason of illness or injury as determined by a licensed physician or physicians designated by Santee Cooper to examine the Executive. Santee Cooper may require the executive to submit to reasonable physical and mental examinations for this purpose.

² "Cause" or "For Cause" shall mean the occurrence of any one of the following:

- i. Executive's conviction by a court of competent jurisdiction of any felony offense punishable by imprisonment in a state or federal penitentiary, or any offense, civil or criminal, involving fraud, moral turpitude, or immoral conduct
- ii. Executive's willful misconduct damaging to Santee Cooper, its reputation, products, services, or customers;
- iii. Executive's continued failure to satisfactorily perform duties owed to Santee Cooper as determined by the President & CEO in his sole discretion;
- iv. Executive's unauthorized disclosure of any trade secret or confidential information of Santee Cooper;
- v. Executive's use of illegal drugs or abusive use of prescription drugs as determined by a licensed physician or physicians designated by Santee Cooper to examine the Executive; or
- vi. Executive's refusal to permit examination by a qualified physician or physicians designated by Santee Cooper pursuant to the above.

³ "Change in Control" shall mean:

- i. The sale of Santee Cooper assets that have a total gross fair market value exceeding fifty percent (50%) of the total gross fair market value of all assets of Santee Cooper determined immediately before such acquisition or acquisitions. Gross fair market value of the assets shall be determined without regard to any liabilities associated with such assets.

INTER-OFFICE COMMUNICATION

Date: October 10, 2018

To: Marc Tye, Exec. Vice President & Chief Operating Officer

From: James E. Brogdon, Jr., Interim President and CEO

Subject: Executive Retention



The cancellation of VC Summer Nuclear Units 2 & 3 has added a significant amount of complexity and unique challenges in meeting the mission of Santee Cooper. Our customers, employees and other stakeholders deserve a strong, experienced and cohesive executive leadership team to provide the strategic vision and leadership needed to effectively meet these current challenges and implement a plan for continued organizational success. With awareness that you currently meet the requirements for full retirement through the South Carolina Retirement System and in recognition of your efforts and value, we are prepared to offer you the following, effective October 1, 2018:

- Contributions to your Executive Defined Contribution account totaling **\$147,500** over the next 15 months. These contributions will require your continued employment through the following contribution dates:

Contribution Date	Contribution Amount
June 28, 2019	\$73,750
December 31, 2019	\$73,750

You will become immediately vested upon contribution into your account.

These retention-related contributions are in addition to the standard 6% contribution you are currently receiving.

- Any unpaid portion of the above retention-related contribution amounts would be immediately payable upon your death, disability¹, termination without cause², or a change in control³ of Santee Cooper.
- Any unpaid portion of the above retention-related contribution amounts would be forfeited upon voluntary termination or termination for cause prior to the above contribution dates.

- Employment through December 31, 2018 and December 31, 2019, respectively, will also meet the eligibility requirements to receive any incentive payments determined at the discretion of the Board based on fiscal year corporate and individual performance in achieving Santee Cooper's objectives.

Thank you for all of your hard work and dedication to Santee Cooper and the people of South Carolina.

cc: Ken Lott, VP Human Resources

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- i. Executive's conviction by a court of competent jurisdiction of any felony offense punishable by imprisonment in a state or federal penitentiary, or any offense, civil or criminal, involving fraud, moral turpitude, or immoral conduct
- ii. Executive's willful misconduct damaging to Santee Cooper, its reputation, products, services, or customers;
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INTER-OFFICE COMMUNICATION

Date: October 10, 2018

To: Mike Baxley, Sr. Vice President & General Counsel

From: James E. Brogdon, Jr., Interim President and CEO

Subject: Executive Retention



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- Contributions to your Executive Defined Contribution account totaling **\$72,700**. These contributions will require your continued employment through the following contribution dates:

<u>Contribution Date</u>	<u>Contribution Amount</u>
June 28, 2019	\$36,350
December 31, 2019	\$36,350

You will become immediately vested upon contribution into your account.

These retention-related contributions are in addition to the standard 6% contribution you are currently receiving.

- Any unpaid portion of the above retention-related contribution amounts would be immediately payable upon your death, disability¹, termination without cause², or a change in control³ of Santee Cooper.
- Any unpaid portion of the above retention-related contribution amounts would be forfeited upon voluntary termination or termination for cause prior to the above contribution dates.

Thank you for all of your hard work and dedication to Santee Cooper and the people of South Carolina.

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INTER-OFFICE COMMUNICATION

Date: October 10, 2018

To: Michael Crosby, Sr. Vice President, Nuclear Energy

From: James E. Brogdon, Jr., Interim President and CEO

Subject: Executive Retention



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- Contributions to your Executive Defined Contribution account totaling **\$60,400**. These contributions will require your continued employment through the following contribution dates:

<u>Contribution Date</u>	<u>Contribution Amount</u>
June 28, 2019	\$30,200
December 31, 2019	\$30,200

You will become immediately vested upon contribution into your account.

These retention-related contributions are in addition to the standard 6% contribution you are currently receiving.

- Any unpaid portion of the above retention-related contribution amounts would be immediately payable upon your death, disability¹, termination without cause², or a change in control³ of Santee Cooper.
- Any unpaid portion of the above retention-related contribution amounts would be forfeited upon voluntary termination or termination for cause prior to the above contribution dates.

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INTER-OFFICE COMMUNICATION

Date: October 10, 2018

To: Dom Maddalone, Sr. Vice President, Technology Services & Chief Information Officer

From: James E. Brogdon, Jr., Interim President and CEO

Subject: Executive Retention

The cancellation of VC Summer Nuclear Units 2 & 3 has added a significant amount of complexity and unique challenges in meeting the mission of Santee Cooper. Our customers, employees and other stakeholders deserve a strong, experienced and cohesive executive leadership team to provide the strategic vision and leadership needed to effectively meet these current challenges and implement a plan for continued organizational success. In order to recognize your current efforts and encourage your continued service to Santee Cooper, we are prepared to offer you the following, effective October 1, 2018:

- Contributions to your Executive Defined Contribution account totaling **\$59,600**. These contributions will require your continued employment through the following contribution dates:

<u>Contribution Date</u>	<u>Contribution Amount</u>
June 28, 2019	\$29,800
December 31, 2019	\$29,800

You will become immediately vested upon contribution into your account.

These retention-related contributions are in addition to the standard 6% contribution you are currently receiving.

- Any unpaid portion of the above retention-related contribution amounts would be immediately payable upon your death, disability¹, termination without cause², or a change in control³ of Santee Cooper.
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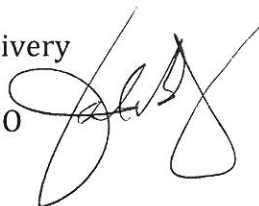
INTER-OFFICE COMMUNICATION

Date: October 10, 2018

To: Arnold Singleton, Sr. Vice President, Power Delivery

From: James E. Brogdon, Jr., Interim President and CEO

Subject: Executive Retention



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- Contributions to your Executive Defined Contribution account totaling **\$38,900**. These contributions will require your continued employment through the following contribution dates:

<u>Contribution Date</u>	<u>Contribution Amount</u>
June 28, 2019	\$19,450
December 31, 2019	\$19,450

You will become immediately vested upon contribution into your account.

These retention-related contributions are in addition to the standard 6% contribution you are currently receiving.

- Any unpaid portion of the above retention-related contribution amounts would be immediately payable upon your death, disability¹, termination without cause², or a change in control³ of Santee Cooper.
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INTER-OFFICE COMMUNICATION

Date: October 10, 2018

To: Pamela Williams, Sr. Vice President, Corporate Services

From: James E. Brogdon, Jr., Interim President and CEO 

Subject: Executive Retention

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- Contributions to your Executive Defined Contribution account totaling **\$76,500**. These contributions will require your continued employment through the following contribution dates:

<u>Contribution Date</u>	<u>Contribution Amount</u>
June 28, 2019	\$38,250
December 31, 2019	\$38,250

You will become immediately vested upon contribution into your account.

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