



## **Finance Committee Charter**

### **Purpose**

The Finance Committee (the "Committee") of the Board of Directors shall assist the Board in fulfilling its oversight responsibility with respect to the financial affairs of the Company and its subsidiaries (the "Company"). The Committee shall review the financial objectives, financial policies and financing requirements of the Company and make such reports and recommendations to the Board as it deems advisable. To the extent delegated to it by the Board, the Committee shall have and may exercise all the powers and authority of the Board with respect to specific financings or categories of financing activity.

### **Membership**

The Committee shall consist of at least three members, a majority of whom, including the Committee Chairman, shall not be employees of the Company or any of its subsidiaries. The Board shall appoint one member of the Committee as Chairman. The Committee and its Chairman shall be appointed annually by the Board.

### **Meetings and Structure**

The Committee shall meet at least four times per year and at such times as are deemed appropriate by the Chairman of the Committee or any two members of the Committee or by the Chairman of the Board or the Chief Executive Officer.

The Chairman of the Committee shall be responsible for preparing the agenda, presiding over meetings and coordination of reporting to the Board. In the absence of the Chairman of the Committee, the responsibilities of the Chairman may be performed by any other member of the Committee.

### **Authority and Responsibilities**

In addition to the responsibilities set forth above, the Committee shall, from time to time as required by the Board or when the Committee considers it appropriate:

- Review management's recommendations regarding the Company's overall financial objectives and parameters and report thereon to the Board.
- Monitor the financial policies of the Company and report thereon to the Board.
- Review with management the financing plan in the Company's strategic business plan.
- Review management's ongoing forecasts of the Company's short-term and long-term financial requirements based on the Company's financial plans, including projected income and cash flow.
- Review management's reports and recommendations regarding financial issues and financing requirements in the event total projected capital spending for a previously approved individual project, for a Business Segment in aggregate, or for the Company in aggregate is expected to exceed the amount previously approved by the Board by ten percent and make recommendations to the Board.
- Review management's recommendations regarding the Company's (a) capital structure, (b) liquidity and related financial risk, (c) need for credit and other debt and equity financing, (d) amounts, timing and sources of proposed capital markets transactions, (e) financial hedging and derivatives policies, and (f) dividend policy and actions, and make recommendations to the Board concerning the foregoing matters.
- Review periodically the capital structure, financing plans and credit exposures of the Company's major subsidiaries.
- Review management's cost of capital analyses and investment hurdle rates.
- As and to the extent authority to do so is delegated to it by the Board, approve pricing and other terms and conditions

relevant to specific securities offerings in the capital markets and other financing transactions, or when the Committee deems it appropriate, authorize officers of the Company to determine such terms and conditions (to the extent not required by law to be determined by the Board or a committee thereof).

- As and to the extent authority to do so is delegated to it by the Board, (a) authorize distributions, (b) authorize share repurchases, (c) establish new series of preferred or preference stock, (d) authorize the issuance of shares of capital stock of the Company, (e) authorize exchange offers, and (f) exercise the authority of the Board vested in it pursuant to Article 2.13 of the Texas Business Corporation Act or such successor statute as may be in effect from time to time.
- Review management's recommendations regarding contributions to the Company's retirement plan and make recommendations to the Board.
- Periodically review with management and report to the Board concerning the Company's:
  - stock price performance
  - investor relations activities
  - credit ratings
  - major commercial banking and investment banking relationships
  - tax planning strategies
  - insurance programs and coverage
- Monitor enterprise risks assigned to the Committee by the Board under the Company's Enterprise Risk Management program and report thereon to the Board.
- At least annually, review and assess the Committee's own performance and the adequacy of this Charter. Report the results of the reviews to the Board and, if considered appropriate, make recommendations to the Board to amend the Charter.
- Perform such other duties and responsibilities as specified by the Board from time to time.

### **Authority to Retain Experts**

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain, dismiss or replace independent advisors to assist it in fulfilling its responsibilities. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisors employed by the Committee.