

**APPROVED BY THE BOARD OF DIRECTORS  
DECEMBER 9, 2008  
(Amended: 02/17/09)**

**CHARTER  
BOARD GOVERNANCE AND HUMAN RESOURCES COMMITTEE**

Committee Coordinator – A. A. Cobb

**A. PURPOSE**

1. The Board Governance and Human Resources Committee (the "Committee") shall be a standing committee appointed by the Board of Directors with responsibility to:
  - a. identify individuals qualified to become board members;
  - b. recommend to the Board director nominees for election to the Board;
  - c. recommend to the Board committee assignments;
  - d. review and recommend board compensation;
  - e. review and determine board independence;
  - f. provide continuing education opportunities for directors;
  - g. develop and recommend to the Board a set of corporate governance principles applicable to the Company; and desirable changes as appropriate;
  - h. shall have oversight responsibility regarding conflicts of interest;
  - i. oversee the evaluation of the Board and Committees;
  - j. review and approve corporate goals and objectives relevant to CEO compensation;
  - k. evaluate the CEO's performance in light of those goals and objectives;
  - l. determine and recommend for approval by the independent directors of the Board the CEO's compensation level based on this evaluation; and
  - m. oversees the performance evaluation process of the CEO
2. The Committee shall discuss and review the evaluation of senior executive performance. The Committee shall be responsible for making recommendations to the Board regarding senior executive compensation, incentive-compensation plans and equity-based plans.
3. The Committee shall be responsible for preparing the report on executive and director compensation required by the rules of the Securities and Exchange Commission ("SEC") to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.

**B. STRUCTURE AND OPERATIONS**

1. The Committee shall consist of independent directors appointed by the Board upon the recommendation of the Board Governance and Human Resources Committee. All members of the Committee shall be free of any relationships that would interfere with their exercise of independent judgment and shall meet the membership requirements established by the New York Stock Exchange. The Committee shall annually elect one of its members to be the Chair.
2. The Committee shall meet as often as it deems appropriate, but not less frequently than three times a year.
3. The Committee has the authority to initiate and supervise investigations into any matters within the scope of its authority and responsibilities, and is authorized to retain the services and evaluate performance of internal or outside legal, accounting and other advisors, as it deems necessary in the fulfillment of its duties.

4. The Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, and any compensation consulting firm to be used to assist the Committee in the evaluation of CEO or senior executive compensation, and to approve the consulting/search firm's fees and other retention terms. The Committee and its designees shall have unlimited accessibility to all the Company's records, property, and employees.
5. The Committee shall have sufficient funding to carry out its duties, including funding for payment of compensation to search firms used to identify director candidates; payment for any advisors used by the Committee; payment to compensation consulting firms; and ordinary administrative expenses necessary and appropriate in carrying out its duties.
6. The Committee may delegate specific responsibilities to a subcommittee of one or more of its members provided that the subcommittee shall keep the full Committee informed of its activities.
7. The Committee shall conduct an annual evaluation of its performance and shall submit an annual report to the Board regarding the evaluation and confirming that all responsibilities described in this Charter have been fulfilled.
8. The Committee shall review this Charter at least annually and recommend any appropriate changes to the Board for approval.

### **C. DUTIES AND RESPONSIBILITIES - GOVERNANCE**

1. The Committee shall develop candidate qualifications for Board membership. General qualifications for Board membership shall be included in the corporate governance principles recommended by the Committee and approved by the Board.
2. The Committee shall recommend to the Board nominees to fill Board vacancies.
3. The Committee shall recommend to the Board the composition, the optimum size of the Board, and organization of the Board, including committee assignments. The Committee shall recommend nominees for committee chairs.
4. The Committee shall develop and recommend to the Board standards for determining director independence consistent with the requirements of the New York Stock Exchange and other applicable laws or regulations, and recommend the affirmation of Director independence to the Board as appropriate. The Committee shall review and assess these standards on a periodic ongoing basis.
5. The Committee shall review any proposed amendments to the Company's Articles of Incorporation and Bylaws and recommend appropriate action to the Board.
6. The Committee shall recommend Board compensation levels and stock ownership guidelines, and shall review director stock ownership on an annual basis, in compliance with the director stock ownership guidelines.
7. The Committee shall review Board practices, which influence the effectiveness of the Board, including conflict of interest and Board effectiveness evaluations. The Committee shall develop and recommend evaluation processes for use by the committees of the Board in conducting their annual self-evaluations.
8. The Committee shall recommend criteria for a continuing education program for directors and provide information on corporate board and utility industry education programs.
9. The Committee shall have responsibility regarding conflicts of interest, and shall develop and circulate to the Directors and Officers a Conflict of Interest Questionnaire to be completed annually. If an actual or potential conflict of interest arises for a Director, the Committee shall address the matter with the Director and promptly inform the CEO and the Board. If a significant conflict exists and cannot be resolved, the Committee shall seek the Director's resignation. Any conflict of interest issue involving the CEO shall be referred to the Board for resolution. Any conflict of interest issue involving any other Officer of the Company shall be referred to the CEO for resolution with the requirement that the CEO shall report to the Committee how the matter was resolved.

10. The Committee shall have authority to consider requests for waivers for a Director or Executive Officer of the Company's Principles of Business Conduct. There shall be a strong presumption against providing any waivers. Any waivers granted must be accompanied by terms and conditions sufficient to protect the Company under the circumstances. Any waiver of the principles for any Director or Executive Officer shall be referred to the full Board for final approval and if granted, shall promptly be disclosed to shareholders.
11. The Committee shall have the responsibility to review the material facts of any related party transaction and approve such transaction in accordance with the Policy and Procedure Governing Related Party Transactions.

#### **D. DUTIES AND RESPONSIBILITIES – HUMAN RESOURCES & COMPENSATION**

1. The Committee shall review the Company's compensation policies and benefit programs and how they relate to the attainment of goals. The Committee shall recommend to the Board the compensation philosophy and guidelines for the entire executive and managerial group, giving emphasis to rewarding long term results and maximizing shareholder value. The Committee shall make recommendations to the Board regarding use of equity-based compensation plans.
2. The Committee shall establish an appropriate compensation program for the CEO based on a review of compensation practices for CEO's and various executives in the Company's own industry, as well as comparable positions nationally. This program shall include attainment of corporate goals as a key part of its structure.
3. The Committee shall review and recommend to the independent directors the CEO's compensation level, including incentives, each year and communicate this to the CEO. The level of compensation shall be measured against attainment of goals.
4. The Committee shall review and approve the compensation levels, including incentives, for officers and other highly compensated employees, giving due consideration to the CEO's recommendations. As part of this review the Committee shall discuss the performance evaluations provided by the CEO for the officers and other highly compensated employees.
5. The Committee shall recommend to the Board the total amount of equity awards to be authorized each year and the amount of individual awards to be approved for officers. The Committee shall review such information as it shall require to assure that the awards issued to both officers and non-officers are no more than the amount of equity awards authorized by the Board and that the amount of equity awarded to non-officers is appropriately allocated consistent with the long-term best interest of the Company. The Committee shall report its findings to the Board.
6. The Committee oversees, and includes the independent directors in the annual performance evaluation of the CEO, giving emphasis to the CEO's performance relative to the performance goals established by the Board for that year.
7. The Committee shall recommend Officer stock ownership guidelines and shall review Officer stock ownership on an annual basis, in compliance with the Officer stock ownership guidelines.
8. The Committee shall review, and make recommendations to the Board concerning any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment contracts, and severance or termination arrangements, unless provided for under existing retention and severance plans. Additionally, the Committee permits management to make administrative and timing accommodations in the actual execution of these plans for employees and executives, as long as these accommodations do not materially change the benefits under said plans.
9. The Committee shall plan for management continuity through annual review and approval of a succession plan for the CEO and review of the CEO's plans for other members of executive management.
10. The Committee shall review and monitor the Company's Affirmative Action program.

11. The Committee shall review management's recommendations on health, retirement and other related employee benefit programs. The Committee shall approve new plans or substantive changes to existing programs in accordance with Board resolutions adopted February 19, 2002. The Committee shall review reports regarding the adequacy and diversity of the investment fund options under the Company's 401(k) plan and the educational programs provided to employees regarding participation in the 401(k) plan.
12. The Committee shall review and approve any additional employee benefits plans and any amendments to employee benefits plans, including those currently in effect and those that may be added in the future, except:
  - a. those plans and amendments that exclusively affect the benefits of employees included in a unit of employees covered by a collective bargaining agreement with a labor union;
  - b. amendments that are not essential to the meaning of the plan;
  - c. amendments to plan design that do not increase the costs of the plan by 10% or more over the costs of the plan in the prior year;
  - d. amendments that do not alter the purpose of the plan;
  - e. amendments that are required by applicable tax law;
  - f. amendments that do not change the participants eligible to participate in the plan nor the intended benefits of the plan;
  - g. amendments to correct obvious errors such as typographical or grammatical errors;
  - h. amendments required by changes in legal requirements applicable to the plan; and
  - i. amendments necessary to clarify the meaning of one or more provisions of the plan.
13. The Committee shall review any additional employee benefits plans and amendments for which committee approval is not required.
14. The Committee shall review and approve any employee benefits plan and amendment that is solely for the benefit of one or more officers.

For purposes of this Charter, "employee benefits plan" includes all plans as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the trusts or other funding mechanisms for the plans, and individually negotiated severance or deferred compensation agreements, whether or not covered by Section 3(3) of ERISA.