

**Midwest Reliability Organization  
Personnel Committee Charter**

**I. Organization**

There shall be a committee of the Board of Directors (“Board”) of the Midwest Reliability Organization (“Company”) known as the Personnel Committee (“Committee”). This Charter shall govern the Committee with regard to its duties and responsibilities. The goal of the Committee shall be to promote policies that attract and retain qualified employees.

**II. Purposes**

The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and evaluating the human resources policies and procedures of the Company. The Committee’s primary duties and responsibilities are as follows:

1. To serve as an independent and objective party to monitor the personnel policies of the Company.
2. To review and appraise the Company’s efforts to attract and retain a qualified and productive employee force.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section V of this Charter.

**III. Membership**

The Committee shall consist of three (3) Directors who shall not be an officer or employee of the Company but shall be independent of the management of the Company and free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent judgment as a Committee Member.

The members of the Committee shall be appointed by the Chairman of the Board to serve a term of one year or until their successors shall be duly elected and qualified. The Chairman of the Board shall appoint a Chair to schedule and preside at the Committee meetings.

**IV. Meetings**

The Committee shall meet annually, or more frequently as circumstances dictate. The Chairman of the Board, the Chair of the Committee, or a majority of the Committee members may call meetings of the Committee. The Chair of the Committee shall prepare or approve an agenda in advance of each meeting. The President shall be invited to all meetings. Other management officials and counsel to the Board may be invited as necessary. With the exception of Directors, the Chair may excuse any non-Committee members from attendance at any meeting or portion of any meeting.

A quorum shall exist when at least half, but in no event fewer than two, of the members of such Committee are present; that in all actions of such Committee the affirmative vote of at least two members shall be necessary.

V. **Responsibilities**

The Committee shall have the following responsibilities and duties:

A. *Personnel*

1. Review and advise the Board of Directors and senior management of the Company with respect to personnel policies and procedures, including activities relating to recruiting, retention and training of employees.
2. Review and approve the Company's compensation strategy to ensure that rewards are commensurate with Company success and the creation of value for its members, and that the strategy supports the achievement of the Company's objectives.
3. Establish goals and objectives pertaining to all annual and long-term incentive compensation plans for the executive officers, if applicable.
4. Review the executive compensation plans to ensure that the Company attracts, retains and rewards qualified officers and other key employees, and that their interests are aligned with the long-term interests of the Company.
5. Review and approve salary grade structures and guidelines, incentive plans, and merit plans, including the cumulative effect of awards made pursuant to such plans.
6. Review annually the performance of the President and other executive officers, and recommend the compensation of the President for approval by the Board of Directors. The Committee may also recommend the compensation of other executive officers for approval by the Board of Directors after consultation with the President.
7. Review and approve any employment agreements for senior executives.
8. Review and approve the major benefit programs of the Company to ensure that they support the Company's objectives.
9. Review the operation and administration of benefit plans including reviewing the compliance of such plans with applicable law.
10. Obtain advice and assistance from internal and external accounting, legal or other consultants to provide advice to the Committee on matters under its purview, including an annual independent review of the Company's executive compensation programs.

B. *Other Duties Related to Review, Reports and Improvement Procedures*

1. Review and reassess annually the adequacy of this Charter.
2. Report to the Board on the matters discussed at each Committee meeting, as appropriate
3. Perform any other activities consistent with this Charter, the Company's Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.