

CLECO CORPORATION

COMPENSATION COMMITTEE CHARTER As Adopted by the Board of Directors in January 2003 and Last Revised on July 22, 2005

I. PURPOSE AND MISSION OF THE COMMITTEE

The Compensation Committee (Committee) shall:

- A. Review and approve corporate goals and objectives relevant to Chief Executive Officer (CEO) compensation; evaluate the CEO's performance in light of those goals and objectives, and, either as a Committee or together with the other Independent Directors (as directed by the Board), determine and approve the CEO's compensation level based on this evaluation;
- B. Make recommendations to the Board with respect to non-CEO compensation, incentive compensation plans and equity-based plans;
- C. Review and approve a Compensation Committee report on executive compensation as required by the Securities & Exchange Commission (SEC) to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.

II. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

In fulfilling its purpose and mission, the Committee shall:

- A. Analyze the practices of peer companies relative to compensation matters and to approve and report to the Board of Directors or recommend for approval by the Board the proper levels of compensation and benefits for the Corporation's officers and other key employees. The Committee will work to assure these compensation levels and benefits are at reasonable and competitive levels according to industry standards;
- B. Have sole authority to retain, and terminate upon terms (including the firm's fees and other retention terms) deemed appropriate by the Committee in its sole discretion, any consulting firm to assist in determining proper levels of compensation and benefits;
- C. Evaluate the performance of the Corporation's CEO in light of the Corporation's goals and objectives and determine and recommend to the Board any indicated adjustments in the compensation and benefits of the CEO. This evaluation shall be reported to the Independent Directors of the Corporation in an executive session conducted by the Chairman of the Committee, along with any recommendations of the Committee. At such session, the Independent Directors shall decide the proper course of action relative to the Committee's evaluation and recommendations. The evaluation shall be based on criteria specified in the Corporation's Corporate Governance Guidelines;
- D. Report each year in the Corporation's Proxy Statement, issued in conjunction with the annual meeting of shareholders, on the Corporation's executive compensation. This report generally will include such information as the compensation philosophy and overall objective of the executive compensation programs and the programs' components, such as base salaries, annual incentive compensation, the long-term incentive compensation plan and other executive compensation plans, and the annual compensation of the CEO; and
- E. Annually evaluate its own performance based upon the procedures recommended by the Nominating/Governance Committee of the Corporation and approved by the Board and based on criteria suggested by the Nominating/Governance Committee and approved by the Board.

III. COMPOSITION OF THE COMMITTEE

The Compensation Committee and its Chairperson shall be appointed by the Board and be comprised of three or more Directors as determined annually by the Board. The Board also shall have the authority to remove a Committee member in its discretion. Each member of the Committee shall be an Independent Director, as determined by the Board pursuant to the requirements of Section 303A of the New York Stock Exchange Listed Company Manual.

IV. OPERATION OF THE COMMITTEE

The Compensation Committee shall meet as often as needed to properly discharge its duties and responsibilities upon notice to all members of the Committee by any one member of the Committee or by the Corporate Secretary. The Committee shall have the authority to delegate assignments to subcommittees.

A majority of the Committee shall constitute a quorum, but the affirmative vote of a majority of the whole Committee shall be necessary in every case to determine official actions of the Committee. The Committee shall keep regular minutes of its proceedings and report the same to the Board.