

Hughes Supply, Inc.
Compensation Committee of the Board of Directors
Charter

Purpose

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Hughes Supply, Inc. (the "Company") is to discharge the responsibilities of the Board relating to compensation of Company's executives and directors, to produce an annual report on executive compensation for inclusion in Company's proxy statement (in accordance with applicable rules and regulations of the New York Stock Exchange, Inc. (the "NYSE"), Securities and Exchange Commission (the "SEC"), and other regulatory bodies), to provide general oversight of Company's compensation structure including equity and compensation plans and benefits programs, and to perform the duties and responsibilities set forth herein.

Composition

The Committee shall consist of at least three members, all of whom shall be independent directors. For purposes hereof, an "independent" director is a director who is independent, as determined by the Board, within the meaning of applicable NYSE listing standards. Additionally, members of the Committee must qualify as "non-employee directors" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code (the "Code").

Appointment and Removal

Members of the Committee shall be appointed by the Board. Members shall serve until a successor is duly elected and qualified, or until such Member's earlier removal or resignation. Members of the Committee may be removed, with or without cause, by a majority vote of the Board.

Chair

A majority of the Board may elect the Committee Chair from among the Committee's members. In the event the Board does not do so, the Committee shall elect a Chair from among its members by majority vote. A Chair may be removed by the Board with or without cause. A Chair elected by the Committee may be removed by the Committee with or without cause.

Meetings

The Committee shall meet as frequently as circumstances dictate, but in no event less than annually. The Chair, or a majority of the members of the Committee, may call meetings of the Committee. Meetings may be conducted in person or by electronic means, provided that all members are able to simultaneously communicate with one another.

The Committee may invite to its meetings any director, member of management of the Company, and such other persons, as it deems appropriate in order to carry out its

responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate. The Chief Executive Officer (“CEO”) shall not attend any meeting at which the CEO’s performance or compensation are discussed, unless specifically invited by the Committee.

As part of its review and establishment of the performance criteria and compensation of designated key executives, the Committee shall meet separately at least on an annual basis with the CEO and any other corporate officers, as it deems appropriate. However, the Committee may also meet from time to time without such officers present, and in all cases, such officers shall not be present at meetings at which their performance and compensation are being discussed and determined.

Duties and Responsibilities

The Committee shall carry out the duties and responsibilities set forth below. These functions should serve as a guide with the understanding that the Committee may determine to carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal, or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in this Charter. No provision of this Charter shall be deemed to preclude discussion of CEO or other executive compensation with or by the Board generally.

Setting Compensation for Executive Officers and Directors

In connection with executive compensation programs, the Committee will:

Establish and review the overall compensation philosophy of the Company, and make recommendations to the Board with respect to non-CEO compensation matters.

Review and approve corporate goals and objectives relevant to the compensation of the CEO and other executive officers.

Evaluate the performance of the CEO and other executive officers in light of those goals and objectives and, based on such evaluation, determine and approve the annual salary, bonuses, stock options, other stock incentive awards, long-term cash incentive awards and other benefits, direct and indirect, of the CEO and, after considering the recommendation of the CEO, determine and approve the annual salaries, bonuses, stock options, other stock incentive awards, long-term cash incentive awards and other benefits, direct and indirect, of the other executive officers.

In determining the long-term incentive component of compensation for the CEO and other executive officers, the Committee shall consider the Company’s performance and relative stockholder return, the value of similar incentive awards to CEOs and other executive officers at comparable companies, and the awards given to the CEO and other executive officers in past years. The Committee is not precluded from approving awards (with or without ratification of the Board) as

may be required to comply with applicable tax laws, such as Rule 162(m) of the Code.

Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purposes. Review and approve new executive compensation programs and any material change to any such existing program or plan. Establish and periodically review policies for the administration of executive compensation programs.

Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive's duties or performance and/or the Company's performance.

Establish and periodically review policies in the area of senior management perquisites.

Review the compensation of directors for their service on the Board and its committees, and determine the annual retainer fees, Board and committee meeting fees, and any equity compensation or other benefits. The Committee shall also review and report to the Board on directors' and officers' indemnification and insurance matters.

Review and approve any contracts or other transactions with current or former executive officers of the Company, including without limitation consulting, employment, change-in-control and severance agreements.

Monitoring Equity-Based and Incentive Compensation Plans; Employee Benefit and Retirement Plans

The Committee will review, approve, amend, modify, interpret, ratify the terms of, terminate or otherwise take any action deemed necessary by the Committee, to the extent that such action does not require stockholder approval, with respect to the following:

The Company's equity-based and incentive compensation plans, including making recommendations to the Board and overseeing the administration of these plans.

All awards of restricted stock, performance-based restricted stock, stock options, and stock appreciation rights pursuant to the Company's equity-based and incentive compensation plans.

The Company's employee benefit and retirement plans, including overseeing the administration of these plans.

Reporting

Report regularly to the Board with respect to matters that are relevant to the Committee's discharge of its responsibilities and with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of

an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.

Prepare a Committee report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations of the NYSE, SEC, and other applicable regulatory bodies.

Maintain minutes or other records of meetings and activities of the Committee.

Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any of the foregoing duties and responsibilities to a subcommittee of the Committee. In addition, the Committee may delegate to one or more individuals the administration of equity-based or incentive compensation plans, or employee benefit or retirement plans, unless otherwise prohibited by NYSE, SEC or other applicable rules. Any such delegation may be revoked by the Committee at any time.

Process Improvement

The Committee shall periodically consider improvements in its own function, policy and procedure, as well as improvements in the practices of those areas for which the Committee has oversight responsibility.

The Committee shall review this Charter no less than annually, and recommend to the Board any improvements the Committee considers necessary or valuable.

Performance Evaluation

The Committee shall conduct a self-evaluation no less than annually.

Outside Advisors

The Committee will have the authority to retain at the expense of the Company such outside compensation consultants, counsel, and other experts and advisors as it determines is appropriate to assist it in the full performance of its functions, including sole authority to retain and terminate any compensation consultant used to assist the Committee in the evaluation of director, CEO or senior executive compensation, and to approve the consultant's fees and other retention terms.

Disclosure

This Charter, as the same may be amended from time to time, shall be disclosed on the Company's website and in the Company's proxy statements and securities filings to the extent required by applicable laws, rules and regulations.