

Mirant Corporation
Compensation Committee

Charter

The Compensation Committee is charged with responsibility for oversight of compensation policy, management performance and succession planning.

I. Purpose

The Committee's purpose is to assist the Board of Directors in approving and overseeing:

- *Compensation Policy* – The process and substance of the Company's compensation policy, including, but not limited to, compensation philosophy, amounts, plans, and policies and assessment of whether the Company's compensation structure establishes appropriate incentives for management and employees;
- *Management Performance and Succession Planning* – Management development, annual evaluation of the Chief Executive Officer ("CEO") and senior executives, and succession planning; and
- *Pension Plans* – Those duties delegated to it under the pension plans for employees of the Company.

II. Membership

The Committee shall consist of at least three independent directors. For purposes hereof, an "independent" director is a director who meets the New York Stock Exchange definition of "independence," as determined by the Board. Additionally, members of the Committee shall 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 Committee and its Chair shall be appointed annually by the Board of Directors, based upon the recommendation of the Nominating and Governance Committee.

III. Meetings

The Committee shall meet at such times and places as the Committee shall determine. A majority of the members of the Committee shall constitute a quorum. The Committee shall report on its activities to the Board of Directors on a regular basis.

IV. Authority, Duties and Responsibilities

The key responsibilities of the Committee shall include the following:

A. Items Related to Compensation Policy

1. Review and approve corporate goals and objectives relevant to the compensation of the CEO, 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.
2. Approve "named executive officer" (as defined in SEC Regulation S-K) and other senior executive officer compensation arrangements and the design of other benefit plans. The Chief Executive Officer is given full authority, which may be delegated, to establish the compensation arrangements for all employees of the Company and its subsidiaries that are not subject to approval by the Committee.
3. Make recommendations to the Board with regard to incentive-compensation and equity-based plans that are subject to Board approval.
4. Establish Compensation strategy.
5. Prepare a compensation committee report on executive officer compensation as required by the SEC to be included in the Company's proxy statement filed with the SEC.
6. For any incentive plans (short and long-term), following the end of a performance period:
 - a) Certify performance results;
 - b) Approve any payments to the CEO and top four other executives; and
 - c) Review total cost of the plans.
7. For any incentive plans (short and long-term), prior to the beginning of a performance period:
 - a) Set performance matrices for the CEO and top four other executives;
 - b) Review the total expected cost of the plans; and
 - c) Approve the stock option grant matrix.
8. Approve long-term incentive grants including:
 - a) Regular, market-based grants (to be approved before the fact).

- b) Special grants for senior executives (to be approved before the fact).
 - c) Hiring and other non-executive special grants to be made according to the agreed upon process (to be approved after the fact).
9. For all senior executives approve:
- a) New compensation programs;
 - b) Changes in the funding of compensation programs (*e.g.*, rabbi trusts); and
 - c) Terms of new employment agreements.
10. Make recommendations with respect to, and monitor compliance by senior executive officers and directors with, the Company's stock ownership guidelines, if any.
11. Review the compensation of directors for service on the Board and its committees and recommend changes in Board compensation for approval by the Board.

B. Items Related to Management Performance and Succession Planning

- 1. Review a report on the performance of other senior executives from the CEO.
- 2. Review new non-Company board memberships of the CEO prior to the CEO's acceptance of membership on any such board.
- 3. Review management succession plans with the CEO, and share the information with the outside members of the Board of Directors.

C. Items Related to Pension Plans

- 1. Take actions required of the Committee under the pension plans for employees of the Company.
- 2. Receive a report, at least annually, from the Qualified Plan Investment Review Committee and the Mirant Benefits Committee for the pension plans concerning any amendments made to the plans and other significant actions of the Qualified Plan Investment Review Committee and the Mirant Benefits Committee for such year.

D. Additional Responsibilities

1. Evaluate the performance of the Committee annually, and review and reassess the adequacy of the Committee's Charter annually and submit any revisions deemed appropriate to the Board of Directors.
2. Produce a Compensation Committee report on executive compensation as required by the U.S. Securities and Exchange Commission to be included in the Company's annual proxy statement filed with the Securities and Exchange Commission.

V. Subcommittees

The Committee may delegate any of the foregoing duties and responsibilities to a subcommittee of the Committee consisting of not less than two members of the committee.

VI. Discharge of Duties and Outside Advisers

In discharging its role, the Committee is empowered to investigate any matters brought to its attention, with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, auditors and other advisers and experts as the Committee deems necessary to carry out its duties, including sole authority to retain and terminate any compensation consultant. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any advisers retained by the Committee.