

# CLECO CORPORATION

## FINANCE COMMITTEE CHARTER

As Adopted by the Board of Directors on May 5, 2005

### I. PURPOSE AND MISSION OF THE COMMITTEE

The primary purpose and mission of the Finance Committee (Committee) of the Board of Directors is to review and recommend to the Board actions related to the Corporation's dividend and investment policies, corporate financing plans and major financial undertakings and to assist the Board in fulfilling its fiduciary responsibilities relating to the Corporation's dividend and investment policies, plans and programs.

### II. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

#### A. The Committee's primary duties and responsibilities are to:

1. Review and recommend to the Board for its consideration financial plans and dividend and investment policies.
2. Review and recommend to the Board for its consideration any proposed major financial transactions or issuance of securities.
3. Review the Corporation's financial forecasts, including anticipated capital expenditures.
4. Review and assess the Corporation's financial performance.
5. Review and discuss with management investment policies, funding status and investment results of pension and 401(k) benefit plans.
6. Review corporate risk exposure and risk management policies and practice.
7. Make reports to the Board with respect to the Committee's activities.
8. Review and reassess the adequacy of its Charter at least annually and recommend to the Board any proposed amendments.
9. 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.
10. Perform any other activities consistent with this Charter, the Corporation's bylaws and governing law, as the Committee or the Board may, from time to time, deem necessary or appropriate.

#### B. To fulfill these duties and responsibilities, the Committee shall:

1. Financial Plans and Dividend and Investment Policies
  - a. Review financing plans proposed by management and recommend to the Board of Directors appropriate changes, if necessary, regarding the corporate financial structure or methods of financing corporate operations.
  - b. Review and recommend to the Board of Directors corporate dividend policy and changes in dividend amounts.

- c. Review and recommend to the Board of Directors appropriate changes, if necessary, regarding corporate investment policies developed by management.
- d. Review the annual investor relations plan proposed by management.

2. Financial Transactions / Issuance of Securities

- a. Review and recommend to the Board of Directors actions related to mergers, acquisitions, divestitures, significant asset sales or purchases and other significant business opportunities.
- b. Review and recommend to the Board of Directors entry into new, unrelated business prior to commitment.
- c. Review and recommend to the Board of Directors any project or business opportunity related to existing business requiring a total investment of greater than \$10 million.
- d. Review and recommend to the Board of Directors equity investment in wholly owned subsidiaries.
- e. Review and recommend to the Board of Directors any issuance of corporate securities, including approval for the issuance of new common stock for stock-based compensation or dividend reinvestment programs.

3. Financial Forecasts

- a. Review and recommend to the Board of Directors approval of the Corporation's long-range and one-year operating plans.
- b. Review and recommend to the Board of Directors approval of the corporate annual capital budget.

4. Assessment of Financial Performance

- a. Review the performance of the Corporation against the current year's budget, prior years' performance, and appropriate peer groups and indices.
- b. Review actual capital expenditures against capital budget authorization.
- c. Review investor relations program achievements.

5. Benefit Plan Trusts

- a. Review and recommend to the Board of Directors the appointment of members of the Retirement Committee.
- b. Review and recommend to the Board of Directors the appointment of trustees for the pension and 401(k) plans.
- c. Review and recommend to the Board of Directors any changes or amendments, if necessary, to the pension or 401(k) plan.
- d. Review and recommend to the Board of Directors contributions to the pension or 401(k) plan.

6. Corporate Risk Management

- a. Review and recommend to the Board of Directors approval of corporate risk management policies.
- b. Review and recommend to the Board of Directors approval of corporate risk management committee members.
- c. Review compliance with corporate financial covenants and regulatory orders.
- d. Review corporate insurance coverage and recommend to management appropriate changes, if necessary.

III. COMPOSITION OF THE COMMITTEE

The Finance 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 Finance 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 retain and terminate any consultant for the Committee and shall have authority to approve the consultant's fees and other retention terms. The Committee also shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Committee shall have the resources and funding necessary or appropriate for the Committee to discharge its duties and responsibilities as set forth in this Charter and as required by applicable law and regulations. The Committee may form and delegate authority to subcommittees as it deems necessary.

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.