

# **WISCONSIN ENERGY CORPORATION**

## **FINANCE COMMITTEE OF THE BOARD OF DIRECTORS**

### **CHARTER**

**Adopted: May 19, 1998; Revised: December 10, 2002**

#### **PURPOSE**

The principal purpose of the Finance Committee is to review and monitor the Company's current and long-range financial policies and strategies, including its capital structure and dividend policy, and to authorize issuance of corporate debt within limits set by the Board. The Committee shall report all significant findings to the Board.

The Finance Committee may take action on behalf of the Board with respect to the matters described as being within its authority. However, the existence of this authority does not limit the authority of the Board or the authority of any other Committee of the Board to act in a manner such as they are authorized.

#### **COMPOSITION**

The Committee shall be comprised of three or more directors of the Company who are periodically appointed by the Board of Directors. Members shall serve at the pleasure of the Board for such term or terms as the Board may determine. One of the directors shall be appointed Committee Chair for a term to be determined by the Board of Directors and shall preside over meetings of the Committee. In the event the Committee Chair is unable to serve as Chair for a specific meeting, he/she shall designate one of the committee members to preside.

#### **DUTIES AND RESPONSIBILITIES**

To the extent permitted by the Wisconsin Business Corporation Law and consistent with the Restated Articles of Incorporation and Bylaws of the Company, the Finance Committee shall have the following duties and responsibilities:

- Monitor the corporation's capital structure, financial condition and requirements for funds; recommend an overall financial strategy.
- Make recommendations to the Board regarding the capital structure and financial plans of the Company and its subsidiaries, including short-term and long-term debt programs and equity financings.
- Take or authorize all necessary actions to effect financings, refinancings and refundings within the limits set by the Board.
- Approve annual capital and operating budgets.
- Review and recommend to the Board the corporate dividend policy.
- Discuss policies with respect to the Company's risk assessment and risk management. Review and provide oversight of insurance matters to ensure that the Company's risk management program is functioning properly and is staffed appropriately. The Committee shall have direct access to and meet as needed with the officer in charge of this function

without management present, as appropriate, to summarize any significant claims made on the Company's insurance policies, or other significant matters related to risk management.

- Evaluate the investment performance of employee retirement and benefit plan assets; recommend changes to the management of plan assets.
- Review financing strategies for mergers and acquisitions and other major corporate activities.
- Produce and provide to the Board an annual performance evaluation of the Committee. The evaluation shall compare the performance of the Committee with the requirements of this Charter. Recommend to the Board any improvements to the Charter.
- Review other financial matters as may from time to time be requested by the Board of Directors.
- The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

### **MEETINGS**

The Finance Committee shall meet as often as desired to accomplish the aforementioned responsibilities. The Committee Chair may call meetings at any time to review matters of responsibility or interest with the Committee. As deemed necessary by the Committee, meetings shall be attended by Company personnel, including the Chief Financial Officer.