

# **ENERGY FUTURE HOLDINGS CORP.**

## **ORGANIZATION AND COMPENSATION COMMITTEE CHARTER**

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### **PURPOSES OF THE COMMITTEE**

The principal purposes of the Organization and Compensation Committee (Committee) of the Board of Directors (Board) of Energy Future Holdings Corp. (Company) are to:

1. Review and approve corporate goals and objectives relevant to the compensation of the executive officers of the Company, as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (Executive Officers) and evaluate the performance in light of those goals and objectives, and determine and approve the CEO's compensation based on this evaluation;
2. Oversee the evaluation of (i), the Executive Officers and (ii) such other senior officers and key employees as the Committee, in consultation with the CEO, deems prudent and necessary (Additional Persons), and review, determine and approve their compensation levels;
3. Oversee and make recommendations to the Board, when and if Board approval is required, with respect to the adoption, amendment or termination of incentive compensation, equity-based and other executive compensation and benefits plans, policies and practices covering executives;
4. Review and discuss with the Board executive management succession planning.
5. Oversee grants under, and the administration of, the Company's management equity program;
6. Make recommendations to the Board with respect to the compensation of the Company's outside Directors; and
7. Produce the Committee's report on executive compensation as required by the Securities and Exchange Commission (SEC) to be included in the Company's annual report on Form 10-K.

### **STRUCTURE AND COMPOSITION OF THE COMMITTEE**

Each year, the Board, on recommendation of the Governance Committee, shall appoint the members of the Committee to serve for the ensuing twelve months or until their successors shall be duly appointed and qualified. Committee members may be removed by the Board. Unless the Chair is appointed by the Board, the Committee members shall designate a Chair by majority vote of the Committee.

### **MEETINGS OF THE COMMITTEE**

The Committee shall meet as often as may be deemed necessary or appropriate in its judgment and shall meet periodically in executive session without management. The Chair or a majority of the members of the Committee may call meetings of the Committee upon reasonable notice to all members of the Committee. A majority of the Committee members shall constitute a quorum for the transaction of business. The Committee may meet in person or telephonically and may act by unanimous written consent. The Committee shall report to the Board from time to time, as circumstances may dictate.

### **AUTHORITY AND RESPONSIBILITIES OF THE COMMITTEE**

The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or senior executive compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall also 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.

As it may deem necessary, the Committee may form and delegate authority to subcommittees.

Except to the extent any of the following would contravene “ring-fencing” principles with respect to Oncor Electric Delivery Holdings Company LLC and its subsidiaries, the Committee shall:

1. At least annually, review and approve corporate goals and objectives relevant to compensation of the Executive Officers and any Additional Persons, evaluate the CEO’s performance in light of those goals and objectives, and determine the CEO’s compensation including base salary and annual and long-term incentive awards based on this evaluation. In determining the long-term incentive component of the CEO’s compensation, the Committee may consider the Company’s performance and relative shareholder return, the value of similar incentive awards provided to the CEOs at comparable companies, the awards given to the CEO in past years, and such other performance and compensation data as it deems appropriate.
2. In consultation with the CEO, review, determine and approve the compensation of (1) the Executive Officers (other than the CEO) and (2) any Additional Persons. Such review, determination and approval shall include, but not be limited to: (a) annual base salary, (b) annual incentive awards, and (c) long-term incentive awards based on the evaluation of the performance of such individuals.
3. Oversee, review and make recommendations to the Board, when and if Board approval is required, with respect to the adoption, amendment or termination of incentive compensation, equity-based and other executive compensation and benefit plans, policies and practices covering executives, to include but not be limited to executive bonus plans, perquisites, deferred compensation and executive severance plans.
4. Review and approve for (1) the CEO and (2) in consultation with the CEO, the Executive Officers (other than the CEO) and any Additional Persons, in each case as, when and if appropriate: (a) employment agreements, (b) employment terms, (c) severance arrangements, (d) change in control agreements and (e) any other special or supplemental benefits.
5. Review aggregate awards (other than for Executive Officers and any Additional Persons) under equity-based plans established by the Company and otherwise perform all duties delegated or assigned to the Committee pursuant to such plans, including the Company’s management equity program.
6. Oversee the Company’s executive annual incentive plan, including establishing annual performance goals, certifying awards for corporate performance and approving individual awards (for Executive Officers and any Additional Persons) for purposes of such plans and otherwise performing all duties delegated to the Committee pursuant to such plan.
7. Other than with respect to any plans applicable to employees of Oncor Electric Delivery Holdings Company LLC and its subsidiaries, approve any incentive plan that would permit uncapped awards or awards to any participant totaling \$300,000 or more in any calendar year; review awards under any such plan to any participant that exceed this threshold.
8. Review and discuss with the Board executive management succession planning including the establishment of appropriate criteria for the selection and evaluation of potential successors to the CEO and other executive management of the Company, as well as a review of executive level talent.
9. Produce the Committee’s report on executive compensation as required by the SEC to be included in the Company’s annual report on Form 10-K.

10. Review and make recommendations to the Board, as appropriate, with respect to the compensation of the Company's outside Directors.
11. Make reports to the Board with respect to its activities.

The Committee shall also perform any other activities consistent with this Charter, the Company's bylaws and governing law as the Committee or the Board may, from time to time, deem necessary or appropriate.

As adopted May 15, 2008