

# FRANKLIN ELECTRIC CO., INC.

## Management Organization & Compensation Committee Charter

Effective: October 26, 2016

Supersedes the version adopted October 23, 2014

### A. Purpose

The purpose of the Management Organization and Compensation Committee (the “Committee”) is to (a) discharge the duties and responsibilities of the Board of Directors (the “Board”) relating to the compensation of the executive officers<sup>1</sup> of Franklin Electric Co., Inc. (the “Company”) and its subsidiaries and (b) provide input to the Board with respect to management development and succession planning.

### B. Duties and Responsibilities

#### 1. Management Development and Succession Planning

1. Review the organization structure and any planned changes related to the latest corporate strategy, including the recruiting of executive officers.
2. Review the recent performance report of key staff members and plans for succession for these key people.
3. Review management development plans for key staff members and assess this plan related to the latest corporate strategy.
4. Receive and review annually the CEO’s plan for CEO succession and report the results of its review to the Board.

#### 2. Compensation

1. Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer (“CEO”), evaluate the CEO’s performance for the prior year in light of those goals and objectives, and recommend for Board approval the non-equity compensation to be paid to the CEO based on this evaluation.
2. Review and discuss with the CEO the performance of all other executive officers for the prior year, and on that basis approve the compensation to be paid to such persons.
3. Make recommendations to the Board with respect to equity-based plans and incentive compensation plans.
4. Review and discuss with management the administration of all equity-based plans and incentive compensation plans and, in connection therewith, discharge any responsibilities imposed on the Committee under these plans.
5. Make grants and awards of equity-based compensation under the Company’s equity-based plans.

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<sup>1</sup> For purposes of this Charter, executive officers shall be those executive officers identified in accordance with Item 401(b) of Regulation S-K.

6. Review and approve the executive compensation disclosures in the Company's annual proxy statement, including the "Compensation Discussion and Analysis."
  7. Review and recommend to the Board that the "Compensation Discussion and Analysis" be included in the Company's annual proxy statement and its Annual Report on Form 10-K for the last fiscal year.
  8. Monitor the stock ownership of executive officers under the Company's stock ownership guidelines.
  9. Review compensation risk to determine whether compensation policies and practices for employees are reasonably likely to have a material adverse effect on the Company, including whether the design or operation of the Company's compensation programs encourages employees to engage in excessive risk-taking, is aligned to the interests of shareholders, and appropriately awards pay for performance.
3. **Reporting**
1. Make regular reports to the Board.
  2. Review and approve an annual report on executive compensation including any recommendation of the Committee to the Board, required by applicable rules of the Securities and Exchange Commission to be included in the Company's proxy statement.
4. **Other Duties**
1. Review and make recommendations to the Board regarding management development and succession planning.
  2. Review periodically reports from the Employee Benefits Committee with respect to benefits provided to employees of the Company.
  3. Review and reassess the adequacy of this Charter on an annual basis and submit any recommended changes to the Board for approval.
  4. Conduct and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter.
  5. In connection with the engagement of any compensation consultant, legal counsel, or other adviser, review and evaluate the factors required to be taken into consideration by the rules of the Securities and Exchange Commission and the NASDAQ Stock Market LLC ("Nasdaq").
  6. Monitor the work of any compensation consultant for conflicts of interest and determine the appropriate way to address any such conflict.
  7. Review annually the performance of any compensation consultant engaged by the Committee.
  8. Discharge any other duty or responsibility assigned to it by the Board.

### **C. Committee Membership**

The Committee shall consist of at least three directors, all of whom shall be "independent directors" under the Company's Corporate Governance Guidelines and the rules of Nasdaq applicable to compensation committees. All Committee members shall have, in the judgment of the Board, the experience, expertise and judgment necessary to advise the Board on personnel and executive compensation matters.

The Board shall appoint the Committee members and the Chairman of the Committee annually based on the recommendations of the Committee. The Board may fill vacancies on the Committee and may remove a member from Committee membership at any time with or without cause.

## **D. Committee Structure and Operations**

### **1. Meetings**

- The Committee shall meet at least three times a year. Additional meetings may be held, or actions may be taken by unanimous written consent, as deemed necessary or appropriate by the Committee Chairman or by any other member of the Committee. Minutes of each meeting shall be prepared by the Secretary or any Assistant Secretary of the Company or such other person designated by the Committee Chairman as Acting Secretary of the Committee, and when approved, shall be distributed to all Board members.
- The Committee may meet with the CEO, the head of Global Human Resources, other members of management, consultants or advisers as it may deem necessary or appropriate. The CEO shall not attend any part of any meeting where the CEO's performance or compensation is discussed, unless specifically invited by the Committee.

### **2. Resources**

- The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities. In particular, the Committee shall have: (i) direct and unrestricted access to all corporate records and the Company's management and non-management personnel, as well as the advice and assistance of such personnel; and (ii) the authority to select, retain, oversee, and terminate the engagement of any compensation consultant, legal counsel or other adviser and to approve the terms of the engagement, including the fees to be paid to the adviser, without any approval of the engagement by the Board or management, and may direct the proper officers of the Company to pay the reasonable fees and expenses of any such adviser. The Committee may request its advisers to attend a meeting of the Committee or to meet with members of the Committee.

### **3. Delegation of Authority**

- The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

*This Management Organization and Compensation Committee Charter shall be posted on the Company's website at [www.fele.com](http://www.fele.com)*