

SECOND AMENDMENT TO  
WESTERN RESOURCES, INC.  
EXECUTIVE SALARY CONTINUATION PLAN

The Western Resources, Inc. Executive Salary Continuation Plan (Revised July 17, 1996), as amended by the First Amendment thereto, is hereby further amended, effective as of October 4, 2000, in the following respects:

1. Section 1.1 is amended to read in its entirety as follows:

"C. 'Change in Control'. A Change in Control shall mean the occurrence of any one of the following events:

(i) individuals who, on May 17, 2000, constitute the Board of Directors (the 'Incumbent Directors') cease for any reason to constitute at least a majority of the Board of Directors, provided that any person becoming a director subsequent to May 17, 2000, whose election or nomination for election was approved by a vote of at least three-fourths of the Incumbent Directors then on the Board of Directors (either by a specific vote or by approval of the proxy statement of Western Resources, Inc. in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of Western Resources, Inc. as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board of Directors shall be deemed to be an Incumbent Director;

(ii) any 'person' (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the 'Exchange Act') and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a 'beneficial owner' (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Western Resources, Inc. representing 20% or more of the combined voting power of Western Resources, Inc.'s then outstanding securities eligible to vote for the election of the Board of Directors (the 'Company Voting Securities'); provided, however, that the event described in this paragraph (ii) shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (A) by Western Resources, Inc. or any Subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by Western Resources, Inc. or any Subsidiary, (C) by any underwriter temporarily holding securities pursuant

to an offering of such securities, or (D) pursuant to a Non-Qualifying Transaction (as defined in paragraph (iii));

(iii) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving Western Resources, Inc. or any of its Subsidiaries (a 'Business Combination'), unless immediately following such Business Combination: (A) more than 60% of the total voting power of (x) the corporation resulting from such Business Combination (the 'Surviving Corporation'), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation (the 'Parent Corporation'), is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes the beneficial owner, directly or indirectly, of 20% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) and (C) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Business Combination were Incumbent Directors at the time of the approval by the Board of Directors of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction"); or

(iv) the stockholders of Western Resources, Inc. approve a plan of complete liquidation or dissolution of Western Resources, Inc. or a sale of all or substantially all of Western Resources, Inc.'s assets.

For purposes of this definition, 'Subsidiary' shall mean any corporation or other entity in which Western Resources, Inc. has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity

entitled to vote generally in the election of directors or in which Western Resources, Inc. has the right to receive 50% or more of the distribution of profits or 50% or more of the assets upon liquidation or dissolution."

2. Section 4.5 is amended to read in its entirety as follows:

"4.5 Change in Control. Notwithstanding any other provision of this Plan, if a Change in Control of the Company occurs, then each Participant who as of the day next preceding such Change in Control was an active Employee shall be deemed to be 65 years of age as of the date of such Change in Control for purposes of determining the Retirement Benefit under Section 4.1 and Vesting under Section 4.3 of the Plan (but not the date of commencement of benefit payments); provided, however, that this provision is subject to modification pursuant to the terms of any employment or change in control agreement entered into between the Company and the Participant."

3. Section 7.4 is amended to read in its entirety as follows:

"7.4 Trust for Payment of Retirement Benefits. The Company shall create a Rabbi Trust for the purpose of facilitating any retirement benefits payable hereunder. Such trust will be funded upon the occurrence of any of the following events:

- (a) At the Retirement of, and commencement of payment to, a Plan Participant;
- (b) Upon a decision by the Board of Directors; or
- (c) Upon a Change in Control.

Such funding will be in the form of Single Premium Annuities, or cash in an amount determined by the Benefits Consultant (as defined below) to be sufficient for the trustee to purchase Single Premium Annuities, from qualified and financially sound insurance companies to provide the applicable vested retirement benefits payable under this Program and Plan Agreements, and such funding shall in addition include a cash amount equal to the estimate made by the Benefits Consultant of the amount necessary to cover all of the administrative, trustee's and Benefits Consultant's fees and expenses during the life of the Rabbi Trust on and after the Change in Control. The Benefits Consultant shall make its determinations pursuant to this Section 7.4 in a manner so as to minimize the risk that the

assets of the Rabbi Trust will not be sufficient to cover all of the benefits of the Participants and their Beneficiaries under the Plan and all of such administrative, trustee's and Benefits Consultant's fees and expenses. Such funding and the purchase of insurance, if any, will not relieve the Company of its obligations to pay or cause to be paid the benefits hereunder.

In lieu of such funding of the trust with respect to a Participant, the Participant may elect prior to such funding by the Company to receive the present value thereof in a lump sum payment, less 6% of the amount thereof as a substantial penalty, which penalty will be forfeited by the Participant. Upon such lump sum payment the Company shall have no further obligation to the Participant.

In addition, not later than the last day of each calendar year beginning with the calendar year in which a Change in Control occurs, the Company shall make an additional contribution to the Rabbi Trust in cash or readily marketable securities acceptable to the trustee of the Rabbi Trust in the amount determined by the Benefits Consultant to be necessary so that the assets of the Rabbi Trust will remain at least sufficient to provide all of the benefits of Participants and their Beneficiaries and to cover all of the administrative, trustee's and Benefits Consultant's fees and expenses during the remaining life of the Rabbi Trust.

Before or promptly upon the occurrence of a Change in Control, the Company shall appoint a nationally recognized consulting firm as the 'Benefits Consultant' to carry out the responsibilities assigned to the Benefits Consultant herein and in the trust agreement for the Rabbi Trust. Following a Change in Control, the Benefits Consultant may be changed by a vote of the Participants as described below. In the event that, following a Change in Control, the Benefits Consultant resigns or is removed, a new Benefits Consultant may be appointed by a vote of the Participants as described below. For purposes of the two preceding sentences, a vote of the Participants shall mean a vote in favor of such action by both (i) Participants with accrued benefits under the Plan having a present value equal to more than 50% of the aggregate present value of the accrued benefits of all Participants (such value to be determined by the Benefits Consultant) and (ii) at least 10% of the total number of Participants. If a Beneficiary becomes entitled to benefits under the Plan upon the death of a Participant, such Beneficiary shall be considered the Participant for the purposes of the preceding sentence."

IN WITNESS WHEREOF, Western Resources, Inc. has adopted this amendment the 4 day of October, 2000.

WESTERN RESOURCES, INC.

By: 