

WESTAR ENERGY, INC.
HUMAN RESOURCES COMMITTEE
June 26, 2002
9:00 a.m.

A meeting of the Human Resources Committee (the "Committee") of the Board of Directors of Westar Energy, Inc. (the "Company") was on July 26, 2002.

All members of the Committee were present. Mr. Frank J. Becker, Chairman of the Committee, acted as Chairman of the meeting. Also present was Mr. David C. Wittig, Chairman of the Board, President and Chief Executive Officer of the Company. Mr. Wittig acted as Secretary of the meeting.

The Chairman requested additions or corrections to the minutes of the April 16, 2002 Committee meeting. There being no corrections or additions, the minutes were unanimously approved.

Mr. Wittig reviewed information distributed to the members of the Committee concerning matters proposed for consideration.

Following discussion, and upon motion duly made and seconded, the following resolutions were unanimously approved:

RESOLVED, that this Committee recommend to the Board of Directors that the Board of Directors approve the Amendment to the Employment Agreement between the Company and Douglas T. Lake in the form presented to this meeting; and further

RESOLVED, that this Committee recommend to the Board of Directors that the Board of Directors approve the Amendment to the Employment Agreement between the Company and David C. Wittig in the form presented to this meeting; and further

RESOLVED, that the officers of the Company are hereby authorized to take such action as they may deem necessary or appropriate to carry out the foregoing resolutions.

* * *

RESOLVED, that the payment of the 2001 annual incentive bonus in the amount of \$267,000 to David C. Wittig be, and it hereby is, approved, and that such bonus be paid as soon as administratively practicable; and further

RESOLVED, that the officers of the Company are hereby authorized to take such action as they may deem necessary or appropriate to carry out the foregoing resolution.

* * *

RESOLVED, that the approval by the Board of the Split-Dollar Insurance Agreement between the Company and David C. Wittig dated as of June 3, 1998 be, and it hereby is, ratified; and further

RESOLVED, that the Amendment to the Split-Dollar Insurance Agreement between the Company and David C. Wittig in the form presented to this meeting be, and it hereby is, approved; and further

RESOLVED, that the appropriate officers of the Company be, and each of them hereby is, authorized to execute the Amendment referred to in the preceding resolution on behalf of the Company and to take such other actions as the officer so acting may deem necessary or desirable to carry out the intent of the foregoing resolutions.

* * *

RESOLVED, that this Committee recommend to the Board of Directors that the Board of Directors appoint Paul R. Geist and Douglas T. Lake as the members of the committee responsible for administering the Western Resources, Inc. Executive Salary Continuation Plan (the "SERP") and that the Board of Directors also authorize said committee to act on behalf of the Company in connection with the Trust under the SERP; and further

RESOLVED, that the officers of the Company are hereby authorized to take such action as they may deem necessary or appropriate to carry out the foregoing resolution.

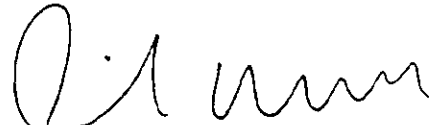
* * *

RESOLVED, that the performance criteria presented to the Committee at this meeting to be used to determine payments to employees in grades D and below under the Company's Short-Term Incentive Plan for the year ending December 31, 2002 are hereby approved; and further

RESOLVED, that the officers of the Company are hereby authorized to take such action as they may deem necessary or appropriate to carry out the foregoing resolution.

* * *

There being no further business to come before the meeting, it was adjourned.

A handwritten signature in cursive script, appearing to read "D. Wittig", written over a horizontal line.

David C. Wittig

WESTAR ENERGY, INC.
HUMAN RESOURCES COMMITTEE
JUNE 26, 2002

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Agenda

WESTAR ENERGY, INC.

Human Resources Committee Resolutions
June 26, 2002 - 9:00 a.m.

<u>Items</u>	<u>Action By</u>
1. Amendment to Employment Agreements	Committee/Board
2. 2001 Short-Term Incentive Compensation	Committee
3. Amendment to Split-Dollar Insurance Agreement	Committee/Board
4. Appointment of SERP Committee	Committee/Board
5. Short-Term Incentive Plan - 2002 Performance Criteria for Employees in Grades D and Below	Committee
6. Short-Term Incentive Plan - 2002 Performance Criteria for Business Service Employees in Grades C and above	Committee



AMENDMENT OF EMPLOYMENT AGREEMENTS

RESOLVED, that this Committee recommend to the Board of Directors that the Board of Directors approve the Amendment to the Employment Agreement between the Company and Douglas T. Lake in the form presented to this meeting; and further

RESOLVED, that this Committee recommend to the Board of Directors that the Board of Directors approve the Amendment to the Employment Agreement between the Company and David C. Wittig in the form presented to this meeting; and further

RESOLVED, that the officers of the Company are hereby authorized to take such action as they may deem necessary or appropriate to carry out the foregoing resolution.

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of the ____ day of ____, 2002, by and between Westar Energy, Inc. (formerly named Western Resources, Inc.), a Kansas corporation (the "Company") and [Douglas T. Lake] [David C. Wittig] ("Executive").

W I T N E S S E T H

WHEREAS, the Company and Executive entered into an Employment Agreement (the "Employment Agreement") effective as of September 19, 2000; and

WHEREAS, the Company, as a cost-saving measure, has taken action to reduce Executive's base salary, notwithstanding the provisions of the Employment Agreement precluding such reduction; and

WHEREAS, Executive is willing to accept such reduction in base salary provided the Company agrees to the terms of this Amendment to the Employment Agreement; and

WHEREAS, as an inducement to Executive to accept such reduction in base salary, the Company is willing to agree to the terms of this Amendment to the Employment Agreement;

NOW, THEREFORE, the Company and Executive hereby agree as follows:

1. Executive agrees to accept the reduction in his base salary pursuant to the resolution approved by the Board of Directors of the Company on _____, 2002.

2. The Company agrees that the benefits to which Executive is entitled under the Employment Agreement and under the Company's other employee benefit plans, programs, arrangements, and agreements, including without limitation the annual incentive bonus and the Company's Executive Salary Continuation Plan, shall be computed as if Executive's base salary had not been reduced.

3. Except as modified above, the Employment Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer of the Company and Executive has executed this Agreement as of the day and year first above written.

WESTAR ENERGY, INC.

By: _____
[Name of Authorized Officer]
[Title]

[Douglas T. Lake] [David C. Wittig]

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SHORT-TERM INCENTIVE COMPENSATION

RESOLVED, that the payment of the 2001 annual incentive bonus in the amount of \$267,000 to David C. Wittig be, and it hereby is, approved, and that such bonus be paid as soon as administratively practicable; and further

RESOLVED, that the officers of the Company are hereby authorized to take such action as they may deem necessary or appropriate to carry out the foregoing resolution.

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AMENDMENT TO SPLIT-DOLLAR INSURANCE AGREEMENT

RESOLVED, that the approval by the Board of the Split-Dollar Insurance Agreement between the Company and David C. Wittig dated as of June 3, 1998 be, and it hereby is, ratified; and further

RESOLVED, that the Amendment to the Split-Dollar Insurance Agreement between the Company and David C. Wittig in the form presented to this meeting be, and it hereby is, approved; and further

RESOLVED, that the appropriate officers of the Company be, and each of them hereby is, authorized to execute the Amendment referred to in the preceding resolution on behalf of the Company and to take such other actions as the officer so acting may deem necessary or desirable to carry out the intent of the foregoing resolutions.

AMENDMENT TO
SPLIT-DOLLAR INSURANCE AGREEMENT

THIS AGREEMENT is made and entered into as of this 26th day of June, 2002, by and between WESTAR ENERGY, INC. (formerly named WESTERN RESOURCES, INC.), a Kansas corporation (hereinafter referred to as the "Corporation"), and DAVID C. WITTIG (hereinafter referred to as the "Executive").

WHEREAS, the Corporation and the Executive entered into a Split-Dollar Insurance Agreement as of June 3, 1998 (the "Insurance Agreement"); and

WHEREAS, the Corporation and the Executive wish to amend the Insurance Agreement to modify the terms of the Executive's right to sell his policy interest to the Corporation thereunder.

NOW, THEREFORE, the Executive and the Corporation do hereby agree to amend the Insurance Agreement as follows

1. Section 8 of the Insurance Agreement is amended by adding the following sentences between the fourth and fifth sentences of said Section 8:

"If the Executive has made a prior sale of all or a portion of his interest in the death benefits, on or after January 2, 2002, pursuant to this Section 8 in which the purchase price paid by the Corporation was below the base amount, Executive shall have a one time right to elect, at some future date, to be paid the additional amount outlined in Section 8 up to the amount of One Dollar (\$1.00) for each One Dollar (\$1.00) of the original Executive net death benefit in accordance with adjustment based on change in total shareowner return as if the Executive had not sold the death benefits. The price paid by the Corporation shall be determined by (i) calculating the amount that would have been payable by the Corporation if the prior sale had not occurred and then (ii) reducing the amount calculated in (i) by the amount previously paid to the Executive

and further reduced by interest calculated at an annual rate of 7.38 percent for the amount previously paid."

2. Except as modified by this Agreement, the Insurance Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, in duplicate, as of the day and year first above written.

WESTAR ENERGY, INC.

By: _____
Paul R. Geist
Senior Vice President and
Chief Financial Officer

David C. Wittig



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APPOINTMENT OF SERP COMMITTEE

RESOLVED, that this Committee recommend to the Board of Directors that the Board of Directors appoint Paul R. Geist and Douglas T. Lake as the members of the committee responsible for administering the Western Resources, Inc. Executive Salary Continuation Plan (the "SERP") and that the Board of Directors also authorize said committee to act on behalf of the Company in connection with the Trust under the SERP; and further

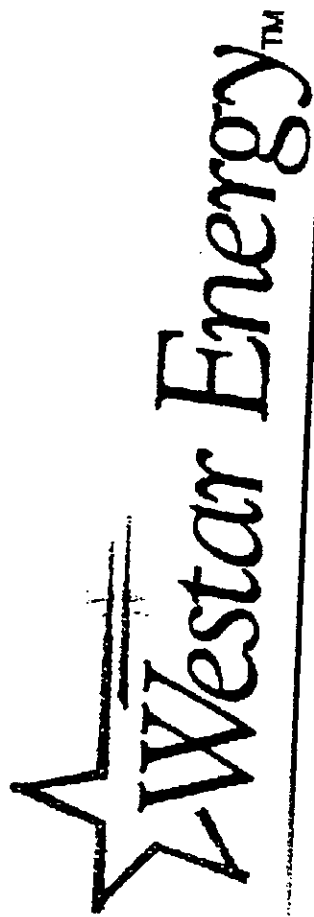
RESOLVED, that the officers of the Company are hereby authorized to take such action as they may deem necessary or appropriate to carry out the foregoing resolution.

5

Short-Term Incentive Plan-2002 Performance Criteria
for Employees in Grades D and Below

RESOLVED, that the performance criteria presented to the Committee at this meeting to be used to determine payments to employees in grades D and below under the Company's Short-Term Incentive Plan for the year ending December 31, 2002 are hereby approved; and further

RESOLVED, that the officers of the Company are hereby authorized to take such action as they may deem necessary or appropriate to carry out the foregoing resolution.



Grade D and Below Incentive Plan

June 26, 2002

Current Situation

- ◆ At the budgeted level of EBIT there is no funding for a D & below bonus pool!
 - Grade C and above payout begins at 90% of target
- ◆ Nothing available to reward for exceptional operational performance
 - Does not match operational targets for C & above

Purpose

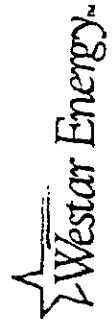
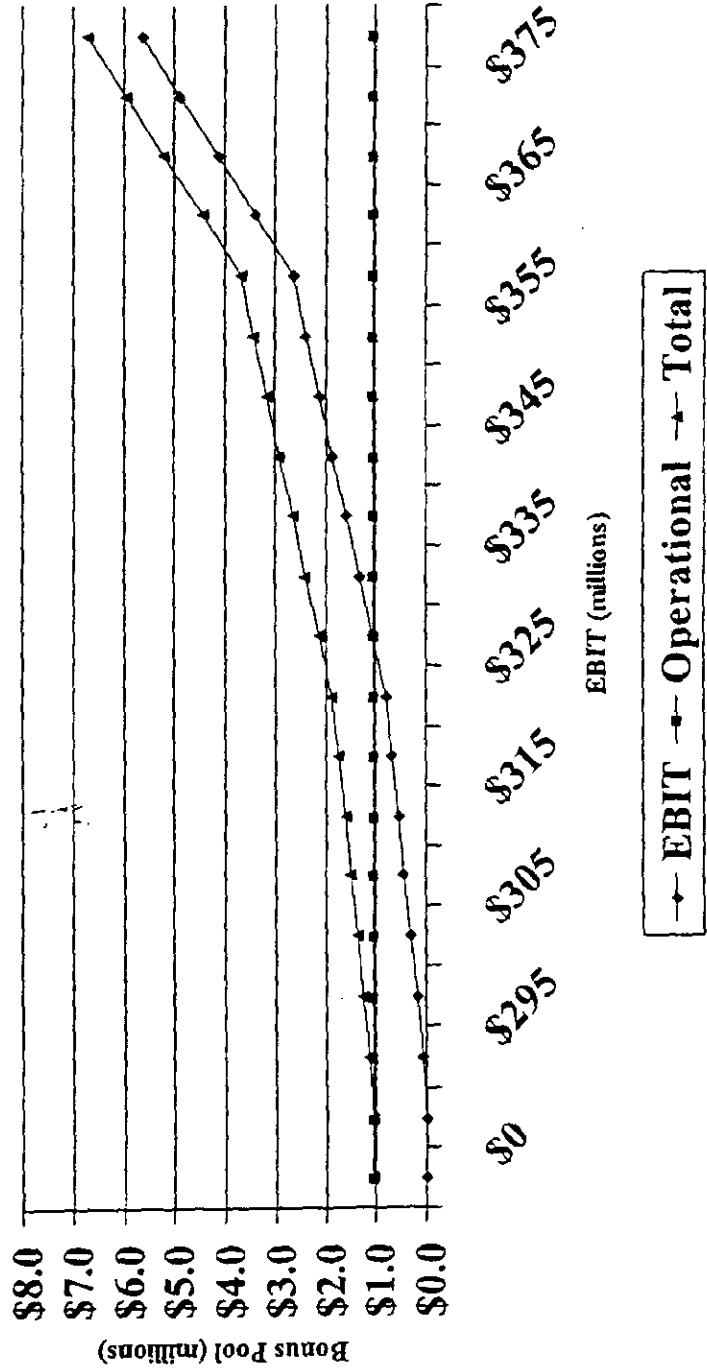
- ◆ Need a method to reward performance for the non-union employees in grades D & below
 - Especially important with the focus on getting rid of the poorer performers - must reward the good performers

- ◆ Must focus all employees on the same goals
 - EBIT
 - Operational objectives

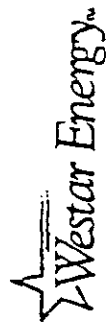
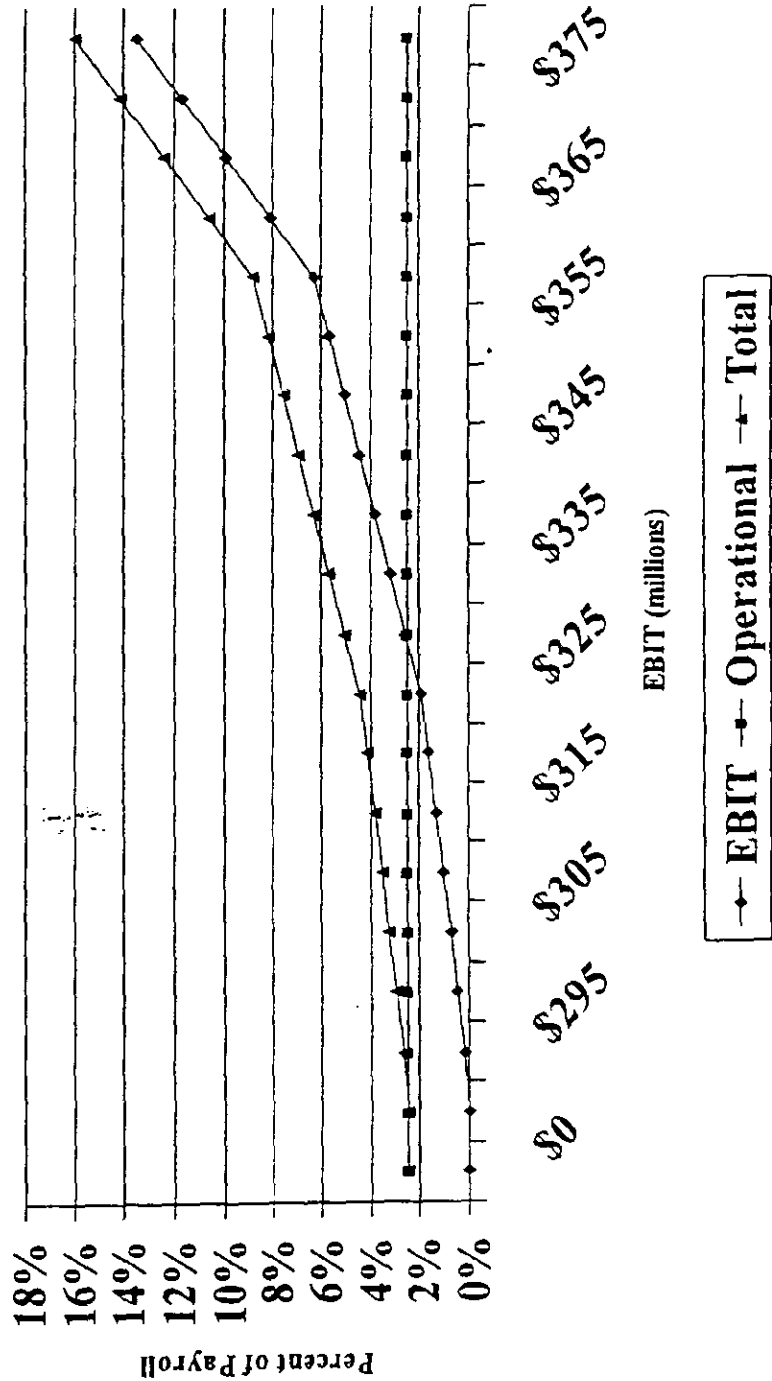
Incentive Plan

- ◆ Bonus pool based on two components
 - Operational performance
 - Maximum of 2.5% of D & below payroll
 - Business unit specific goals
 - Funding is subject to CEO approval with BU input
 - EBIT
 - Payout begins at 90% of target
 - Ties to Short-term Incentive Plan
 - Pays 2.5% from \$292.5 million up to \$325 million
 - Pays 5.25% from \$325 million to \$360 million
 - Pays 15% for amounts above \$360 million

Grade D and Below Incentive Plan



Grade D and Below Incentive Plan



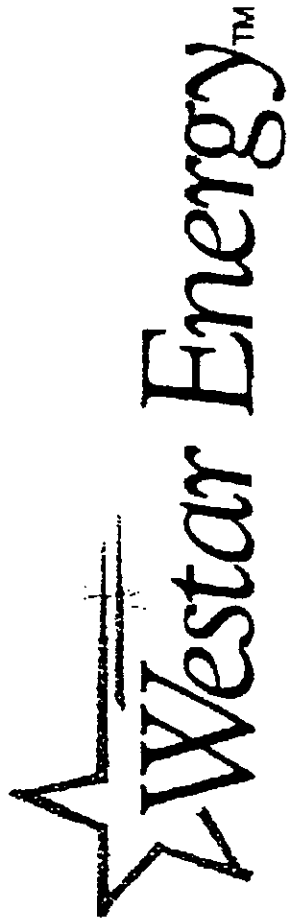
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Short-Term Incentive Plan-2002 Performance Criteria
For Business Service Employees in Grades C and Above

RESOLVED, that the modifications to the performance criteria presented to the Committee at this meeting to be used to determine payments to Business Services employees in grades C and above under the Company's Short-Term Incentive Plan for the year ending December 31, 2002 are hereby approved; and further

RESOLVED, that the officers of the Company are hereby authorized to take such action as they may deem necessary or appropriate to carry out the foregoing resolution.



Short-term Incentive Program

June 26, 2002

Short-term Incentive Plan

- ◆ For the years 2000 and 2001, Business Services grade C and above employees had a portion of their STI tied to Protection One cash flow per share
- ◆ Protection One no longer uses cash flow per share as an incentive measure
- ◆ Propose removing the Protection One cash flow per share component and replace it with Westar Energy earnings per share
 - Consistent with Westar Energy Corporate and Financial Services employees

