

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of The Empire)
District Electric Company for Approval of its 2015)
Stock Incentive Plan and for Authority to Issue up to) Docket No. 15-EPDE- 062 -SEC
500,000 Shares of its Common Stock, \$1.00 Par)
Value, Pursuant to Empire's 2015 Stock Incentive)
Plan

APPLICATION

The Empire District Electric Company (hereinafter "Empire"), pursuant to K.S.A. 66-125 and for its application to the Kansas Corporation Commission (hereinafter "Commission"), for approval of Empire's 2015 Stock Incentive Plan ("2015 SIP") and for authorization to issue the securities described below, states:

1. That Empire is a Kansas corporation with its principal office and place of business at 602 S. Joplin Avenue, Joplin, Missouri 64801; that Empire is incorporated in and is conducting business in Kansas and is qualified to conduct business and is conducting business in the States of Missouri, Arkansas and Oklahoma, and is engaged generally in generating, purchasing, transmitting, distributing and selling electric energy in portions of said states; that Empire's Kansas operations are subject to the jurisdiction of the Commission.

2. That all communications, notices, orders and decisions respecting this application and proceeding should be addressed to:

Bradley P. Beecher
The Empire District Electric Company
602 Joplin, P. O. Box 127
Joplin, Missouri 64802
(417) 625-5100
(417) 625-5153, fax
bbeecher@empiredistrict.com

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3. A copy of Empire's Restated Articles of Incorporation has been previously filed with the Commission and is incorporated herein by reference.

4. Empire proposes from time to time, to issue up to 500,000 shares of common stock (\$1.00 par value each) (the "Common Stock") of Empire, pursuant to its 2015 SIP. A copy of the 2015 SIP is attached hereto as Exhibit A and incorporated herein by reference.

5. A copy of the Form S-8 Registration Statement filed with the Securities and Exchange Commission relating to the 2015 SIP is attached hereto as Exhibit B (late-filed) and incorporated herein by reference.

6. Empire's 2015 SIP is designed to enable qualified executive, managerial, supervisory and professional personnel and Directors of Empire to acquire or increase their ownership of the Common Stock of Empire on reasonable terms. The purpose of the 2015 SIP is to foster in participants a strong incentive to put forth maximum effort for the continued success and growth of Empire, to aid in retaining individuals who put forth such efforts, and to assist in attracting the best available individuals in the future. The proceeds received by Empire, if any, from the sale of its Common Stock pursuant to the 2015 SIP will be used for general corporate purposes.

7. Marked as Exhibit C, attached hereto and made a part hereof for all purposes, is a certified copy of the resolution of Empire's Board of Directors which authorizes the transaction which is the subject of this Application and authorizes the filing of this Application.

8. Empire's balance sheet as of June 30, 2014; income statement for the 12 months ended June 30, 2014; and allocation to each state in which Empire operates, by percentages, of gross plant at original cost, have been filed with the Commission by Empire on this date in an application to obtain approval of amendments to its Dividend Reinvestment and Direct Stock Purchase Plan. Empire incorporates herein by reference those financial exhibits as if they were part of this filing.

WHEREFORE, The Empire District Electric Company requests this Commission to issue its Order,

- (a) approving Empire's 2015 SIP;
- (b) authorizing Empire to issue and sell up to an aggregate of 500,000 shares of Common Stock (\$1.00 par value each) of the Company pursuant to the Company's 2015 SIP;
- (c) allowing Empire to take such other actions as may reasonably be necessary to complete the subject transaction; and,
- (d) granting Empire such other, further and different relief in the premises as this Commission may deem appropriate.

DATED at Joplin, Missouri, this 8th day of August 2014.

THE EMPIRE DISTRICT ELECTRIC COMPANY

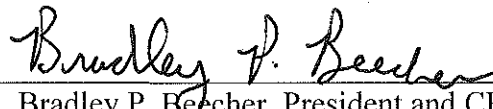
By: Bradley P. Beecher
Bradley P. Beecher, President and CEO

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Attorneys for The Empire District Electric Company

VERIFICATION

STATE OF MISSOURI)
)ss:
COUNTY OF JASPER)

Bradley P. Beecher, having been duly sworn, upon his oath, states that he is President and Chief Executive Officer of The Empire District Electric Company, applicant herein, and as such, is duly authorized to execute said application and make this affidavit on its behalf; that the matters and things stated in the foregoing application and exhibits thereto are true and correct to the best of his knowledge, information and belief.

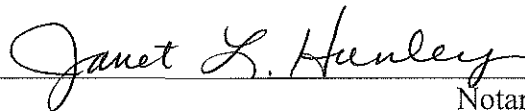


Bradley P. Beecher, President and CEO

SUBSCRIBED AND SWORN to before me this 8th day of August, 2014.



JANET L. HUNLEY
My Commission Expires
September 20, 2015
Jasper County
Commission #11243846



Notary Public

Appointment/Commission Expires: September 20, 2015

THE EMPIRE DISTRICT ELECTRIC COMPANY 2015 STOCK INCENTIVE PLAN

1 Purpose

The Empire District Electric Company 2015 Stock Incentive Plan is designed to enable qualified executive, managerial, supervisory and professional personnel and directors of The Empire District Electric Company to acquire or increase their ownership of the common stock of the Company on reasonable terms. The opportunity so provided is intended to foster in participants a strong incentive to put forth maximum effort for the continued success and growth of the Company, to aid in retaining individuals who put forth such efforts, and to assist in attracting the best available individuals in the future.

2 Definitions

When used herein, the following terms shall have the meaning set forth below:

- 2.1 “Award” shall mean any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit, Dividend Equivalent, or Other Stock-Based Award granted under the Plan.
- 2.2 “Board” means the Board of Directors of The Empire District Electric Company.
- 2.3 “Committee” means the members of the Board’s Compensation Committee who are “Non-Employee Directors” as defined in Rule 16b-3 adopted pursuant to the Securities Exchange Act of 1934 and “outside directors” within the meaning of Section 162(m) of the Code.
- 2.4 “Code” means the Internal Revenue Code of 1986, as amended.
- 2.5 “Company” means The Empire District Electric Company, a Kansas corporation, and any successor thereto.
- 2.6 “Dividend Equivalent” means a right, granted under the Plan, to receive cash, Shares, or other property equal in value to dividends paid with respect to a specified number of Shares. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award, and may be paid currently or on a deferred basis, as provided by the Committee.
- 2.7 “Fair Market Value” means with respect to the Company’s Shares the closing price of Shares reported on the New York Stock Exchange Composite Tape on the day on which an Award is granted (or Shares are delivered in lieu of current cash compensation as permitted by the Plan) or, if there should be no sale on that date, on the next preceding day on which there was a sale.
- 2.8 “Grantee” means a person to whom an Award is made.

- 2.9 “Incentive Stock Option” or “ISO” means an Option awarded under the Plan which meets the terms and conditions established by Section 422 of the Code and applicable regulations.
- 2.10 “Non-Qualified Stock Option” or “NQSO” means an Option awarded under the Plan other than an ISO.
- 2.11 “Option” means the right to purchase a number of Shares, at a price, for a term, under conditions, and for cash or other consideration fixed by the Committee and expressed in the written instrument evidencing the Option. An Option may be either an ISO or NQSO.
- 2.12 “Other Stock-Based Award” means a right, granted under Section 11, that relates to or is valued by reference to Shares.
- 2.13 “Plan” means the Company’s 2015 Stock Incentive Plan.
- 2.14 “Restricted Stock Award” means the grant of a number of Shares at a time or times fixed by the Committee in accordance with the Plan and subject to such limitations and restrictions as the Plan and the Committee (as expressed in the written instrument evidencing the Restricted Stock Award) impose.
- 2.15 “Restricted Stock Unit” means a hypothetical investment equivalent to one Share granted under Section 8.
- 2.16 “Right of First Refusal” means the right which may be given to the Company pursuant to Section 7.4 hereof to purchase Shares received pursuant to Awards under the Plan at their then Fair Market Value, in the event the holder of such Shares desires to sell the Shares to any other person. This right, if so given, shall apply under terms and conditions established by the Committee at the time of the Award and included in the written instrument evidencing the Award, and shall apply to sales by the Grantee or the Grantee’s guardian, legal representative, joint tenant, tenant in common, heirs or Successors.
- 2.17 “Shares” means shares of the Company’s common stock, par value \$1.00 per share, or, if by reason of the adjustment provisions hereof any rights under an Award under the Plan pertain to any other security, such other security.
- 2.18 “Stock Appreciation Right” or “SAR” means the right, granted under Section 9, to be paid an amount measured by the difference between the exercise price of the right and the Fair Market Value of Shares on the date of exercise of the right, with payment to be made in cash, Shares, or property as specified in the Award or determined by the Committee.
- 2.19 “Subsidiary” means any business, whether or not incorporated, in which the Company, at the time an Award is granted to an employee thereof, or in other cases, at the time of reference, owns directly or indirectly not less than 50% of the

equity interest except that with respect to an ISO the term “Subsidiary” shall have the meaning set forth in Section 424(f) of the Code.

- 2.20 “Successor” means the legal representative of the estate of a deceased Grantee or the person or persons who shall acquire the right to exercise an Option or SAR, or to receive Shares issuable in satisfaction of an Award, by bequest or inheritance or by reason of the death of the Grantee, as provided in accordance with Section 13 hereof, or by reason of a transfer permitted pursuant to Section 12 hereof.
- 2.21 “Term” means the period during which a particular Option or SAR may be exercised or the period during which the restrictions placed on a Restricted Stock Award, Restricted Stock Unit or other Award granted under the Plan are in effect.

3 Administration of the Plan

- 3.1 The Plan (other than the portion thereof described in Section 3.7) shall be administered by the Committee.
- 3.2 Subject to the provisions of the Plan, the Committee shall have the sole authority to determine:
- (i) the employees of the Company and its Subsidiaries to whom Awards shall be granted;
 - (ii) the number of Shares to be covered by each Award;
 - (iii) the exercise price of each Option and SAR;
 - (iv) the Term within which each Option or SAR may be exercised;
 - (v) the terms and conditions of each Award, which, in the case of an Option, may include provisions for payment of the option price in Shares at the Fair Market Value of such Shares on the day of their delivery for such purpose;
 - (vi) the restrictions on transfer and forfeiture conditions with respect to an Award; and
 - (vii) any other terms and conditions of the Award.

Awards shall be made by the Committee.

- 3.3 The Committee may construe and interpret the Plan, reconcile inconsistencies thereunder and supply omissions therefrom. Any decision or action taken by the Committee in the exercise of such powers or otherwise, arising out of or in connection with the construction, administration, interpretation and effect of the Plan and of its rules and regulations, shall be conclusive and binding upon all Grantees, and any other person claiming under or through any Grantee.

- 3.4 The Committee shall designate one of its members as Chairman. It shall hold its meetings at such times and places as it may determine. All determinations of the Committee shall be made by a majority of its members at the time in office. Any determination reduced to writing and signed by all of the members of the Committee at the time in office shall be fully as effective as if it has been made at a meeting duly called and held. The Committee may appoint a Secretary, who need not be a member of the Committee, and may establish and amend such rules and regulations for the conduct of its business and the administration of the Plan as it shall deem advisable.
- 3.5 No member of the Committee shall be liable, in the absence of bad faith, for any act or omission with respect to his service on the Committee. Service on the Committee is hereby specifically declared to constitute service as a Director of the Company, to the end that the members of the Committee shall, in respect of their acts and omissions as such, be entitled to indemnification and reimbursement as Directors of the Company pursuant to its Bylaws and to the benefits of any insurance policy maintained by the Company providing coverage with respect to acts or omissions of Directors of the Company.
- 3.6 The Committee shall regularly inform the Board as to its actions under the Plan in such manner, at such times, and in such form as the Board may request.
- 3.7 Anything in the Plan to the contrary notwithstanding, the foregoing provisions of this Section 3 shall not apply to the portion of the Plan relating to Directors who are not employees of the Company or any of its Subsidiaries and who have the right to elect to receive Shares in lieu of cash Remuneration pursuant to Section 23.2. Such portion of the Plan shall instead be administered by the Secretary of the Company. Since the receipt of Shares by any such non-employee Director of the Company is based on elections by such Director, this administrative function shall be limited to matters of interpretation and administrative oversight.
- 3.8 Except as provided in Section 22 hereof relating to certain anti-dilution adjustments, unless the approval of stockholders of the Company is obtained, (i) Options and SARs issued under the Plan shall not be amended to lower their exercise price, (ii) Options and SARs issued under the Plan will not be exchanged for other Options or SARs with lower exercise prices, (iii) Options and SARs issued under the Plan with an exercise price in excess of the Fair Market Value of the underlying Shares will not be exchanged for cash, Awards or other property, and (iv) no other action shall be taken with respect to Options or SARs that would be treated as a repricing under the rules of the principal stock exchange or market system on which the Shares are listed.
- 3.9 Notwithstanding any provision of the Plan to the contrary, no dividends or Dividend Equivalents shall be paid with respect to Awards that vest contingent on achievement of performance conditions prior to the vesting of such Awards.

4 Eligibility

Awards may be made under the Plan only to the class of employees of the Company or of a Subsidiary, including officers, consisting of those employees who have executive, managerial, supervisory or professional responsibilities. A Director who is not an employee shall not be eligible to receive an Award, but such a Director shall be eligible to participate in the Plan to the extent set forth in Section 23. Awards may be made to eligible employees whether or not they have received prior Awards under the Plan or under any other plan, and whether or not they are participants in other benefit plans of the Company.

5 Shares Subject to Plan

5.1 Subject to adjustment as provided in Section 22 hereof, the maximum number of Shares which may be issued in connection with Awards or Share deliveries under the Plan is 500,000. The Shares so issued may be Shares held in the treasury, however acquired, or Shares which are authorized but unissued. If and to the extent Awards granted under the Plan expire, terminate or are canceled for any reason whatsoever or to the extent Awards are cash-settled, the Shares covered by such Awards shall, to the extent of such expiration, termination, cancellation or cash-settlement again become available for future Awards under the Plan and shall be added back on a one-for-one basis to the aggregate maximum limit, as provided in this Section 5.1. To the extent that (i) any Option or other Award granted under the Plan is exercised through the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, or (ii) any Shares subject to an Award granted under this Plan are withheld to satisfy any tax-withholding obligation, then in each such case the Shares so tendered or withheld shall again become available for future Awards under the Plan and shall be added back on a one-for-one basis to the aggregate maximum limit, as provided in this Section 5.1. For purposes of determining the number of Shares available for Awards under the Plan, each SAR exercised shall count against the aggregate maximum limit, as provided in this Section 5.1, based on the number of Shares issued in settlement of such SAR rather than the number of Shares underlying the exercised portion of such SAR.

5.2 Subject to adjustment as provided in Section 22 hereof, no Grantee may be granted Options or SARs under the Plan during any three consecutive calendar years with respect to more than 100,000 Shares.

6 Granting of Options

6.1 Subject to the terms of the Plan, the Committee may from time to time grant Options to eligible employees, except that ISOs may not be granted after May 1, 2024.

6.2 No individual may be granted Options intended to qualify as ISOs under the Plan and all other incentive stock option plans of the Company (and its parent or subsidiary corporations, if any, within the meaning of Section 424 of the Code)

which are exercisable for the first time during any calendar year with respect to Shares having an aggregate Fair Market Value (determined as of the time the Option is granted) greater than \$100,000. To the extent that Options granted to an individual exceed the limitation set forth in the preceding sentence, the later-granted of such Options shall be treated as NQSOs. No ISO shall be granted to an individual who, at the time the ISO is granted, owns (within the meaning of Section 422(b)(6) of the Code) stock possessing more than 10 percent of the total combined voting power of all classes of stock of the employee's employer corporation or of its parent or subsidiary corporation unless, at the time the ISO is granted, the option price is at least 110 percent of the Fair Market Value of the stock subject to the ISO, and the ISO by its terms is not exercisable after the expiration of five years from the date the ISO is granted.

- 6.3 The purchase price of each Share subject to an Option shall be fixed by the Committee, but shall not be less than the greater of the par value of the Share or 100% of the Fair Market Value of the Share on the date the Option is granted. As set forth in Section 3.8 above, repricing of outstanding Options shall not be permitted under the Plan.
- 6.4 Each Option shall expire and all rights to purchase Shares thereunder shall terminate on the date fixed by the Committee and expressed in the written instrument evidencing the Option, which date shall not be after the expiration of ten years from the date the Option is granted.
- 6.5 Subject to the terms of the Plan, each Option shall become exercisable at the time, and for the number of Shares, fixed by the Committee and expressed in the written instrument evidencing the Option. Except to the extent otherwise provided in or pursuant to Sections 13 and 14, no Option shall become exercisable as to any Shares prior to the third anniversary of the date on which the Option was granted.
- 6.6 Subject to the terms of the Plan, the Committee may at the time of the Award make all or any portion of the Shares issuable upon exercise of the Option subject to a Right of First Refusal for any period of time designated by the Committee in the written instrument evidencing the Award.

7 Restricted Stock Awards

- 7.1 Subject to the terms of the Plan, the Committee may also grant eligible employees Restricted Stock Awards.
- 7.2 The number of Shares covered thereby and other terms and conditions of any such Restricted Stock Award, including the period for which and the conditions on which the Shares included in the Award will be subject to forfeiture and restrictions on transfer or on the ability of the Grantee to make elections with respect to the taxation of the Award without the consent of the Committee, shall be determined by the Committee and expressed in the written instrument

evidencing the Award. Except as provided in or pursuant to Sections 13 and 14, no such restrictions shall lapse earlier than the third, or later than the tenth, anniversary of the date on which the Award was granted. The conditions established by the Committee on which the Shares included in an Award will be subject to forfeiture may, but need not, include conditions tied to performance measures selected by the Committee.

- 7.3 The Committee may establish and express in the written instrument evidencing the Award terms and conditions under which the Grantee of a Restricted Stock Award shall be entitled to receive dividends payable with respect to the number of Shares which, as of the record date for which dividends are payable, has been awarded to him or her subject to vesting restrictions. Any such dividend shall be paid to the Grantee of the Restricted Stock Award at such time or times during the period when the Shares are as yet unvested pursuant to the terms of the Restricted Stock Award, or at the time the Shares to which the dividends apply are vested to the Grantee, all as the Committee shall determine and express in the written instrument evidencing the Award. Any arrangement for the payment of dividends shall be terminated if, and to the extent that, under the terms and conditions so established by the Committee, the right to receive Shares being held pursuant to the terms of the Restricted Stock Award shall lapse.
- 7.4 Subject to the terms of the Plan, the Committee may at the time of the Award make all or any portion of the Shares awarded under a Restricted Stock Award subject to a Right of First Refusal for any period of time designated by the Committee and expressed in the written instrument evidencing the Award.

8 Restricted Stock Units

- 8.1 The Committee is authorized to grant Restricted Stock Units to eligible employees under the Plan, subject to the following terms and conditions set forth in this Section 8.
- 8.2 Delivery of Shares or cash, as the case may be, will occur upon expiration of the deferral period specified for Restricted Stock Units by the Committee (or, if permitted by the Committee, as elected by the Grantee). In addition, Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, the achievement of performance criteria if deemed appropriate by the Committee) at the date of grant or thereafter, which restrictions may lapse at the expiration of the deferral period or at earlier or later specified times, separately or in combination, in installments or otherwise, as the Committee may determine; provided, however, that, except as provided in or pursuant to Sections 13 and 14, no such restrictions shall lapse earlier than the third, or later than the tenth, anniversary of the date on which the Award was granted.
- 8.3 Unless otherwise determined by the Committee at the date of grant, Dividend Equivalents on the specified number of Shares covered by a Restricted Stock Unit shall be either (A) paid with respect to such Restricted Stock Unit at the dividend

payment date in cash or in restricted or unrestricted Shares having a Fair Market Value equal to the amount of such dividends, or (B) deferred with respect to such Restricted Stock Unit and the amount or value thereof automatically deemed reinvested in additional Restricted Stock Units or other Awards, as the Committee shall determine.

- 8.4 Subject to the terms of the Plan, the Committee may at the time of the Award make all or any portion of the Shares awarded under a Restricted Stock Unit subject to a Right of First Refusal for any period of time designated by the Committee and expressed in the written instrument evidencing the Award.

9 SARs

- 9.1 The Committee is authorized to grant SARs to eligible employees under the Plan subject to the following terms and conditions set forth in this Section 9.
- 9.2 A SAR shall confer on the Grantee to whom it is granted a right to receive with respect to each Share subject thereto, upon exercise thereof, the excess of (1) the Fair Market Value of one Share on the date of exercise over (2) the exercise price per Share of the SAR as determined by the Committee as of the date of grant of the SAR (which shall not be less than the Fair Market Value per Share on the date of grant of the SAR).
- 9.3 The Committee shall determine, at the time of grant or thereafter, the time or times at which a SAR may be exercised in whole or in part (which shall not be more than ten years after the date of grant of the SAR), the method of exercise, method of settlement, form of consideration payable in settlement, method by which Shares will be delivered or deemed to be delivered to the Grantee, whether or not a SAR shall be in tandem with any other Award, and any other terms and conditions of any SAR. Except to the extent otherwise provided in or pursuant to Sections 13 and 14, no SAR shall become exercisable as to any Shares prior to the third anniversary of the date on which the SAR was granted. Unless the Committee determines otherwise, a SAR granted in tandem with an ISO may only be granted at the time of grant of the related ISO.
- 9.4 Subject to the terms of the Plan, the Committee may at the time of the Award make all or any portion of the Shares awarded under a SAR subject to a Right of First Refusal for any period of time designated by the Committee and expressed in the written instrument evidencing the Award.

10 Dividend Equivalents.

The Committee is authorized to grant Dividend Equivalents to eligible employees under the Plan. The Committee may provide, at the date of grant or thereafter, that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Shares, or other investment vehicles as the Committee may specify, provided that unless otherwise determined by the Committee, Dividend Equivalents (other than freestanding

Dividend Equivalents) shall be subject to all conditions and restrictions of any underlying Awards to which they relate.

11 Other Stock-Based Awards

The Committee is authorized, subject to limitations under applicable law, to grant such other Awards to eligible employees under the Plan that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares, as deemed by the Committee to be consistent with the purposes of the Plan, including, without limitation, rights convertible or exchangeable into Shares, purchase rights for Shares, Awards with value and payment contingent upon performance of the Company or any other factors designated by the Committee, and Awards valued by reference to the performance of specified Subsidiaries. The Committee shall determine the terms and conditions of such Awards at date of grant or thereafter; provided, however, that, except as provided in or pursuant to Sections 13 and 14, the Awards shall provide for restrictions that shall not lapse earlier than the third, or later than the tenth, anniversary of the date on which the Award was granted. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 11 shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Shares or other property, as the Committee shall determine. Subject to the terms of the Plan, the Committee may at the time of the Award make all or any portion of the Shares awarded under an Other Stock-Based Award subject to a Right of First Refusal for any period of time designated by the Committee and expressed in the written instrument evidencing the Award.

12 Non-Transferability of Rights

Except as otherwise provided in the next sentence of this Section 12, no Award and no rights under any Award shall be transferable by the Grantee otherwise than by will or the laws of descent and distribution, and each Option and SAR may be exercised during the lifetime of the Grantee only by him or her; and the written instrument evidencing each Award shall so state. The Committee may in its discretion, on such terms and conditions as it shall establish, permit an Award to be transferred to a member or members of the Grantee's immediate family, or to a trust for the benefit of such immediate family members or a partnership in which such immediate family members are the only partners. For purposes of this provision, a Grantee's immediate family shall mean the Grantee's spouse, children and grandchildren.

13 Death or Termination of Employment

- 13.1 Subject to the provisions of the Plan, the Committee may make and include in the written instrument evidencing an Option or SAR such provisions concerning exercise or lapse of the Option or SAR on death or termination of employment as it shall in its discretion determine. No such provision shall permit an Option or SAR to be exercised later than the expiration date of the Option determined pursuant to Section 6.4.

- 13.2 The effect of death or termination of employment on Awards and Shares issuable or deliverable pursuant to any Awards shall be as stated in the written instrument evidencing the Award.
- 13.3 A transfer of employment between the Company and a Subsidiary, or between Subsidiaries, shall not constitute a termination of employment for purposes of any Award. The Committee may specify in the written instrument evidencing the Award whether or not, and if at all to what extent, any authorized leave of absence or absence for military or governmental service or for any other reason shall constitute a termination of employment for purposes of the Award and the Plan.

14 Provisions Relating to Change in Control

The Committee may provide in the written instrument evidencing an Award that in the event of a "Change in Control" of the Company (as defined by the Committee in such written instrument), the Option or SAR so evidenced shall be immediately exercisable in full and any other Award so evidenced shall be immediately vested and payable in full. The Committee may also include in such written instrument additional conditions for such immediate exercisability of an Option or SAR or immediate vesting and payment in full of another Award, including without limitation conditions relating to the timing and/or circumstances of the Grantee's termination of employment following the "Change in Control."

15 Writing Evidencing Awards

Each Award granted under the Plan shall be evidenced by a writing which may, but need not, be in the form of an agreement to be signed by the Grantee. The writing shall set forth the nature and size of the Award, its Term, the other terms and conditions thereof, and such other matters as the Committee directs. Acceptance of any benefits of an Award by the Grantee shall be an assent to the terms and conditions set forth therein, whether or not the writing is in the form of an agreement signed by the Grantee.

16 Exercise of Rights Under Awards

- 16.1 A person entitled to exercise an Option or SAR may do so only by delivery of a written notice to that effect specifying the number of Shares with respect to which the Option or SAR is being exercised and any other information which the Committee has previously prescribed and of which such person has been notified.
- 16.2 Such a notice shall be accompanied by payment in full for the purchase price of any Shares to be purchased under an Option, with such payment being made in cash or Shares having a Fair Market Value on the date of exercise of the Option equal to the purchase price payable under the Option or a combination of cash and Shares, and (subject to the next sentence) no Shares shall be issued upon exercise of an Option until full payment has been made therefor. To the extent permitted by the Committee, an Option may also be exercised by delivery of a properly executed exercise notice together with irrevocable instructions to a broker to

promptly deliver to the Company the amount of sale or loan proceeds to pay the purchase price of shares purchased under the Option.

- 16.3 Upon exercise of an Option or SAR, or after grant of another Award but before delivery of Shares in satisfaction thereof, the Grantee may request in writing that the Shares to be issued or delivered be in the name of the Grantee and another person as joint tenants with right of survivorship or, in the case of an Award other than an ISO, as tenants in common.
- 16.4 Upon exercise of an Option or SAR or after grant of another Award under which a Right of First Refusal has been required with respect to some or all of the Shares subject to such Award, the Grantee shall be required to acknowledge, in writing, his or her understanding of such Right of First Refusal and the legend which shall be placed on the certificates for such Shares in respect thereof.
- 16.5 All notices or requests by a Grantee provided for herein shall be delivered to the Secretary of the Company.

17 Effective Date of the Plan and Duration

- 17.1 The Plan shall become effective on January 1, 2015, subject to approval within twelve months before or after that date by the shareholders of the Company at a meeting duly held in accordance with applicable law; and subject to approval within applicable time limits by any governmental body, the approval of the Plan by which body is required under applicable law. No Option or SAR shall be exercisable nor shall any vested Shares be deliverable under another Award prior to receipt of all required approvals.
- 17.2 Subject to Section 6.1 above, no Awards may be granted under the Plan after January 1, 2025, although the terms of any Award may be amended at any time prior to the expiration of the Award in accordance with the Plan.

18 Date of Award

The date of an Award shall be the date on which the Committee's determination to grant the same is final, or such later date as shall be specified by the Committee in connection with such determination.

19 Stockholder Status

No person shall have any rights as a stockholder by virtue of the grant of an Award under the Plan except with respect to Shares actually issued to that person.

20 Postponement of Exercise

The Committee may postpone any exercise of an Option or SAR or the delivery of any Shares pursuant to another Award for such period as the Committee in its discretion may deem necessary in order to permit the Company (i) to effect or maintain registration of the Plan or the

Shares issuable upon the exercise of an Option or SAR or distributable in satisfaction of another Award under the Securities Act of 1933, as amended, or the securities laws of any applicable jurisdiction, (ii) to permit any action to be taken in order to comply with restrictions or regulations incident to the maintenance of a public market for its Shares or to list the Shares thereon, or (iii) to determine that such Shares and the Plan are exempt from such registration or that no action of the kind referred to in (ii) above shall or need be taken; and the Company shall not be obligated by virtue of any terms and conditions of any Award or any provision of the Plan to permit the exercise of an Option or SAR or to sell or deliver Shares in violation of the Securities Act of 1933 or other applicable law. Any such postponement shall not extend the Term of an Option or SAR nor shorten the Term of any restriction applicable under any other Award; and neither the Company nor its directors or officers or any of them shall have any obligation or liability to the Grantee of an Award, to any Successor of a Grantee or to any other person with respect to any Shares as to which an Option or SAR shall lapse because of such postponement or as to which issuance under another Award was thereby delayed.

21 Termination, Suspension or Modification of Plan

- 21.1 Subject to Section 21.2, the Board may at any time terminate, suspend or modify the Plan in any respect. No termination, suspension or modification of the Plan shall adversely affect any right acquired by any Grantee or any Successor of a Grantee under an Award granted before the date of such termination, suspension or modification unless such Grantee or Successor shall consent thereto. Adjustments for changes in capitalization or corporate transactions as provided for herein shall not, however, be deemed to adversely affect any such right. To the extent required by applicable law, no member of the Board who is an officer or employee of the Company or a Subsidiary shall vote (in his or her capacity as such a Board member) on any proposed amendment to the Plan, or on any other matter or question arising under the Plan, relating to his or her own individual interest thereunder.
- 21.2 Any increase in the aggregate number of Shares for which Awards may be granted and which may be the subject of Share deliveries under Section 23 (except as contemplated by Section 22) and any other amendment or modification of the Plan for which stockholder approval is required by applicable rule or regulation of any governmental regulatory body or under the rules of any stock exchange in which the Shares are listed shall be subject to the approval of the Company's stockholders. In addition, any increase in the number of Shares available under the Plan for grant as ISOs and any change in the designation of the group of employees eligible to receive ISOs under the Plan shall be subject to stockholder approval in accordance with Section 422 of the Code.

22 Adjustment for Changes in Capitalization and Corporate Transactions

Any change in the number of outstanding shares of the Company occurring through stock splits, combination of shares, recapitalization, or stock dividends after the adoption of the Plan shall be appropriately reflected by the Committee through an increase or decrease in the aggregate number of Shares then available for the grant of Awards or Share deliveries under the

Plan, or to become available through the termination, surrender or lapse of Awards previously granted and in the number of Shares subject to Awards then outstanding; and, as to any outstanding Options or SARs, appropriate adjustments shall be made by the Committee in the per Share exercise price of the Options or SARs and/or the number of Shares subject to the Option or SAR. No fractional shares shall result from such adjustments. Similar adjustments shall be made in the event of distribution of other securities in respect of outstanding Shares or in the event of a reorganization, merger, consolidation or any other change in the corporate structure or shares of the Company, if and to the extent that the Committee deems such adjustments appropriate. Anything in the Plan to the contrary notwithstanding, no adjustment shall be made pursuant to this Section 22 that causes any Award that is not otherwise deferred compensation subject to Section 409A of the Code to become deferred compensation subject to Section 409A of the Code.

23 Delivery of Shares in Lieu of Cash Incentive Awards or Directors Fees

- 23.1 Any employee otherwise eligible for an Award under the Plan who is eligible to receive a cash bonus or incentive payment from the Company under any management bonus or incentive plan of the Company (any such bonus or payment, a “Cash Payment”) may make application to the Committee in such manner as may be prescribed from time to time by the Committee to receive Shares available under the Plan in lieu of all or any portion of such Cash Payment.

The Committee may in its discretion honor an employee’s application made pursuant to this Section 23.1 by delivering Shares available under the Plan to such employee equal in Fair Market Value at the delivery date to that portion of the Cash Payment for which a Share delivery is to be made in lieu of cash payment.

- 23.2 Any non-employee Director who is entitled to a cash payment for services rendered as a non-employee Director (“Remuneration”) may elect to receive Shares available under the Plan in lieu of all or any portion of his or her Remuneration or to change or terminate any such election previously made. Any such election shall be in writing and delivered to the Secretary of the Company.

Shares which are available under the Plan shall be delivered to a Director who makes an election in compliance with this Section 23.2 equal in Fair Market Value at the delivery date to that portion of the Remuneration for which a Share delivery is to be made in lieu of cash payment.

- 23.3 Any Shares delivered to an employee under Section 23.1 or to a Director under Section 23.2 shall reduce the aggregate number of Shares available for Awards or Share deliveries under the Plan.
- 23.4 Delivery of Shares pursuant to this Section 23 shall not be permitted under the Plan after January 1, 2025. Delivery of Shares pursuant to this Section 23 shall be deemed to occur on the date certificates or electronic shares therefor are sent by United States mail or hand delivered to the recipient or transferred to the recipient’s account maintained with the transfer agent or a broker.

23.5 The Company shall issue cash in lieu of fractional Shares which would otherwise be issuable under this Section 23.

24 Non-Uniform Determination Permissible

The Committee's determinations under the Plan including, without limitation, determinations as to the persons to receive Awards, the form, amount and type of Awards (i.e., ISOs, NQSOs, SARs, Restricted Stock Awards, Restricted Stock Units, Dividend Equivalents or other Stock-Based Awards), the terms and provisions of Awards, the written instruments evidencing such Awards, and the granting or rejecting of applications for delivery of Shares in lieu of cash bonus or incentive payments need not be uniform as among persons similarly situated and may be made selectively among otherwise eligible employees or Directors, whether or not such employees or Directors are similarly situated.

25 Taxes

The Company shall be entitled to withhold the amount of withholding tax payable with respect to any Awards and Share deliveries in lieu of cash payments and to sell such number of Shares as may be necessary to produce the amount so required to be withheld, unless the recipient supplies to the Company cash in the amount requested by the Company for the purpose. The person entitled to receive Shares pursuant to the Award will be given notice as far in advance as practicable to permit such cash payment to be made to the Company. The Company may, in lieu of sale of Shares, defer making delivery of Shares until indemnified to its satisfaction with respect to any such withholding tax. The Committee may adopt rules allowing the recipient of any Award payable in Shares, or any person electing to receive Shares under Section 23, to satisfy any applicable tax withholding requirements in whole or in part by delivering to the Company Shares or by instructing the Company to withhold Shares otherwise deliverable to such person as part of such Award.

26 Tenure

An employee's right, if any, to continue in the employ of the Company or a Subsidiary shall not be affected by the fact that he is a participant under the Plan; and the Company or Subsidiary shall retain the right to terminate his employment without regard to the effect such termination may have on any rights he may have under the Plan.

27 Application of Proceeds

The proceeds received by the Company from sale of its Shares pursuant to Options granted under the Plan shall be used for general corporate purposes.

28 Other Actions

Nothing in the Plan shall be construed to limit the authority of the Company to exercise all of its corporate rights and powers, including, by way of illustration and not by way of limitation, the right to grant options for proper corporate purposes otherwise than under the Plan to any employee or any other person, firm, corporation, association or other entity, or to grant options to, or assume options of, any person in connection with the acquisition by purchase,

lease, merger, consolidation or otherwise of all or any part of the business or assets of any person, firm, corporation, association or other entity.

29 Code Section 409A Compliance

It is intended that the Plan and Awards issued thereunder will comply with Section 409A of the Code (and any regulations and guidelines issued thereunder) to the extent the Awards are subject thereto, and the Plan and such Awards shall be interpreted on a basis consistent with such intent. The Plan and any Awards issued thereunder may be amended in any respect deemed by the Committee to be necessary to preserve compliance with Section 409A of the Code. The Committee's authority under the Plan shall be limited to the extent necessary so that the existence of such authority does not (i) cause an Award that is not otherwise deferred compensation subject to Section 409A of the Code to become deferred compensation subject to Section 409A of the Code or (ii) cause an Award that is otherwise deferred compensation subject to Section 409A of the Code to fail to meet the requirements prescribed by Section 409A of the Code.

Exhibit B

[late-filed]

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Registration Statement filed with the
Securities and Exchange Commission

EXHIBIT C

Certified Copy of Resolutions
Passed by the Board of Directors
of
The Empire District Electric Company
on
February 6, 2014

I, JANET S. WATSON, Secretary-Treasurer of The Empire District Electric Company, a corporation organized and existing under and by virtue of the laws of the State of Kansas (hereinafter called the "Company"), DO HEREBY CERTIFY that the following is a true and correct copy of resolutions adopted by the Board of Directors of the Company at a meeting duly called and held on the 6th day of February, 2014; that at said meeting a majority of the Directors, constituting a quorum for the transaction of business, was present and voted in favor of said resolutions; and that said resolutions have not been amended or modified, rescinded or revoked but remain in full force and effect:

WHEREAS, The Empire District Electric Company (the "Company") previously established The Empire District Electric Company 1986 Stock Incentive Plan, the 1996 Stock Incentive Plan and the 2006 Stock Incentive Plan (the "2006 Plan") each for a term of ten years with the 2006 Plan expiring on December 31, 2015; and

WHEREAS, The Company believes that it is in the best interests of its employees and the Company to adopt the 2015 Stock Incentive Plan (the "2015 Plan"), which will have the effect of extending the 2006 Plan for a term of 10 years and making other modifications to the 2006 Plan.

NOW, THEREFORE, BE IT

RESOLVED, That the 2015 Plan, with such terms as are approved by the Compensation Committee of the Board of Directors and presented at this meeting in substantially the form of Exhibit "G" attached hereto, is hereby approved and adopted, subject to approval by the holders of the Company's Common Stock, \$1.00 par value, within twelve months after the date of adoption by this Board ("Shareholder Approval"), and subject to such changes, if any, as may be approved by the President or Vice President-Finance of the Company, and shall, upon Shareholder Approval, be administered by the Compensation Committee in accordance with the terms and provisions thereof; and be it

FURTHER RESOLVED, That, upon Shareholder Approval, the proper officers of the Company be, and they hereby are, authorized and empowered to join with the individual directors of the Company in executing and filing, or causing to be filed, with the Securities and Exchange Commission a Registration Statement under the Securities Act of 1933, as amended, with respect to up to 500,000 shares of the Company's authorized and unissued Common Stock, \$1.00 par value in connection with the 2015 Plan; and be it

FURTHER RESOLVED, That, upon Shareholder Approval, the proper officers of the Company be, and they hereby are, authorized and empowered to execute for or on behalf of and in the name of the Company, and to file with the Securities and Exchange Commission under the Securities Act of 1933, as amended, all amendments, exhibits or

supplements to said Registration Statement and all certificates, statements and other documents or papers, and to do such other acts and things, which in the judgment of said officers may be necessary or proper in order to cause such Registration Statement to become effective under said Securities Act; and be it

FURTHER RESOLVED, That, upon Shareholder Approval, the Company hereby constitutes and appoints B.P. Beecher and L.A. Delano as its attorneys and each of them as its attorney, for and on behalf and in the name of the Company, to sign the above-mentioned Registration Statement and any amendments thereto, all as fully as the proper officers of the Company could or might do if personally present, the Company hereby ratifying all that each such attorney-in-fact may do by virtue hereof, and that the President, or any Vice President of the Company is hereby authorized to execute on behalf of the Company a power of attorney appointing said attorneys-in-fact in accordance with this resolution; and be it

FURTHER RESOLVED, That, upon Shareholder Approval, the proper officers of the Company be, and they hereby are, authorized and empowered to execute and file an application with the State Corporation Commission of the State of Kansas for authority to issue and sell the New Common Stock pursuant to the 2015 Plan and with respect to such other matters in connection with the 2015 Plan as they may believe necessary or desirable,, with authority in such officers to make, execute and file with said Commission such amendments or supplements to such application and such exhibits and other documents as in their judgment may be necessary or proper to obtain any requisite order or certificate of said Commission; and be it

FURTHER RESOLVED, That, B.P. Beecher, President of the Company be, and he hereby is, designated the agent for service of the Company to receive notices and communications from the Securities and Exchange Commission relating to the Registration Statement; and be it

FURTHER RESOLVED, That, upon Shareholder Approval, it is desirable and in the best interest of the Company that its securities be qualified or registered for sale in various states; that the President or any Vice President and the Secretary or an Assistant Secretary hereby are authorized to determine the states in which appropriate action shall be taken to qualify or register for sale all or such part of the securities of the Company as said officers may deem advisable; that said officers are hereby authorized to perform on behalf of the Company any and all such acts as they may deem necessary or advisable in order to comply with the applicable laws of any such states, and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and the execution by such officers of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor from the Company and the approval and ratification by the Company of the papers and documents so executed and the action so taken; and be it

FURTHER RESOLVED, That, upon Shareholder Approval, the President, any Vice President or the Secretary or Treasurer of the Company be, and each of them is, authorized and directed to cause the Company to apply to the New York Stock Exchange, Inc. ("NYSE") for the listing, upon official notice of issuance, of the common stock eligible for such listing, and further that each such officer be and hereby is designated to

appear before the appropriate officials of said Exchange with authority (a) to execute in the name and on behalf of the Company and file with the NYSE an appropriate Listing Application and all such agreements and documents as any of them may consider necessary or desirable to secure such listing, and (b) to make any changes in such Listing Application, agreements or documents as may be required to satisfy the requirements of the NYSE; and be it

FURTHER RESOLVED, That, upon Shareholder Approval, and subject to obtaining an appropriate order from the State Corporation Commission of the State of Kansas, the officers of the Company be and they hereby are authorized and directed from time to time and in accordance with the terms and provisions of the 2015 Plan to issue to employees of the Company participating in the 2015 Plan shares of the common stock as may be necessary to comply with incentive awards granted under the 2015 Plan, and that upon the issuance of said shares of common stock pursuant to such terms, said shares of common stock shall be fully paid and non-assessable; and be it

FURTHER RESOLVED, That, upon Shareholder Approval, Wells Fargo Bank,, N.A., Transfer Agent and Registrar for the Company's Common Stock, par value \$1.00 per share, be and hereby is authorized and directed to countersign as Transfer Agent and to countersign and register as Registrar certificates for shares of common stock to be issued and sold pursuant to the terms of the 2015 Plan; and be it

FURTHER RESOLVED, That, upon Shareholder Approval, the authority of Wells Fargo Bank, N.A. , as Transfer Agent and Registrar for the Common Stock of the Company, be and hereby is extended to include the shares of New Common Stock to be issued and sold pursuant to the terms of the 2015 Plan; and be it

FURTHER RESOLVED, That, the officers of the Company are authorized to do any and all things and to take any and all action necessary or advisable, including execution, delivery, acknowledgment, filing, recording and sealing of any and all documents, certificates, statements or other instruments, and the making of any expenditures which they may deem necessary or advisable in order to effect the foregoing

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company on this 6th day of February 2014.



Secretary-Treasurer