

**SOUTHERN CALIFORNIA EDISON COMPANY**  
**CHARTER FOR THE COMPENSATION AND EXECUTIVE PERSONNEL**  
**COMMITTEE OF THE BOARD OF DIRECTORS**

**Adopted by the Board of Directors**

**August 25, 2016**

**ARTICLE I - PURPOSE OF THE COMMITTEE**

The purpose of the Compensation and Executive Personnel Committee (“Committee”) of the Board of Directors (“Board”) of Southern California Edison Company (“Company”) is to discharge the Board’s responsibilities relating to compensation of those officers of the Company whose salaries are required by the Company’s Bylaws to be fixed by the Board and any additional executives (“Section 16 Officers”) who are in positions that the Board determines to be Company “officer” positions for purposes of Section 16 of the Securities Exchange Act of 1934 (collectively, “Covered Officers”), to produce a report on executive compensation annually for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations, and to perform the other duties specified in this Charter.

**ARTICLE II - COMPOSITION OF THE COMMITTEE AND SUBCOMMITTEES**

**Section 1. Size of the Committee and Membership Requirements.**

The Committee shall consist of not less than two members of the Board. Only those directors who are determined by the Board to be (a) “independent directors” under the Company’s Corporate Governance Guidelines, and within the meaning of any stock exchange listing standard, law or regulation applicable to membership on the Committee, (b) “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (c) “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, are eligible to serve on the Committee.

**Section 2. Nomination and Appointment of Members.**

Each Committee member shall be appointed by resolution adopted by a majority of the exact number of authorized directors and shall serve until a successor shall be appointed. In the event any member of the Committee shall cease to be a director of the Company, the vacancy thus created shall either be filled by the Board or, at the Board’s discretion, left unfilled, provided that in no event shall the Committee consist of less than two members.

**Section 3. Committee Chairperson.**

The Board shall designate one of the Committee’s members as chairperson (“Chair”) who shall preside over meetings of the Committee and report Committee actions to the Board. If the Chair is not present, the Committee may designate an acting Chair.

#### **Section 4. Subcommittees.**

The Board may form subcommittees of the Committee for any purpose and may delegate to such subcommittees such power and authority as the Board deems appropriate; provided however, that a subcommittee shall consist of at least two members and that the Board shall not delegate any power or authority required by law, regulation or stock exchange listing standard to be exercised by the Board as a whole. Each subcommittee member shall be appointed by resolution adopted by a majority of the exact number of authorized directors and shall serve until a successor shall be appointed. In the event any member of any subcommittee shall cease to be a director of the Company, the vacancy thus created shall either be filled by the Board or, at the Board's discretion, left unfilled, provided that in no event shall any subcommittee consist of less than two members. The Board shall determine the chairmanship of the subcommittees.

### **ARTICLE III - MEETINGS AND OTHER ACTIONS**

#### **Section 1. Meeting Times, Agendas and Quorum.**

The Committee shall meet annually or more frequently as circumstances require. The frequency, length, and agendas of meetings shall be determined by the Chair in consultation with Committee members and Company management. Any Committee member may request the inclusion of items on the agenda or raise subjects at a meeting that are not on the meeting agenda. Executive sessions shall be held at least annually without Company management present. One-third of the members of the Committee shall constitute a quorum for the transaction of business, provided that in no event shall a quorum be less than two members. The Committee shall report on its actions at a subsequent Board meeting.

#### **Section 2. Meeting Minutes.**

The Company's Secretary shall keep or appoint an appropriate person to keep regular minutes of all Committee and subcommittee proceedings. If no appointed person is present, the Committee may designate an acting secretary. The minutes of each meeting shall be reviewed and approved by legal counsel and the Chair. The approved minutes shall become a permanent corporate record maintained by the Company's Secretary.

#### **Section 3. Authority of the Committee.**

Unless otherwise provided in this Charter, the meetings and any other actions of the Committee or any subcommittee shall be governed by the provisions of Article III of the Bylaws of the Company applicable to meetings and actions of the Board, and the Committee shall have all of the authority of the Board in fulfilling its duties and responsibilities, including the authority at the Company's expense to conduct or authorize investigations or studies of matters within the Committee's scope of responsibilities and in its sole discretion to obtain advice and assistance from internal and external advisors, except as limited by any applicable law, regulation or stock exchange listing standard or Article III of the Bylaws of the Company. For purposes of clarity, any action to be taken by the Committee may also be taken by the Board, unless otherwise required by this section of this Charter, applicable law, regulation or stock exchange listing standard. Such required Committee actions include, and the Committee shall have the sole authority to: (1) appoint, retain, compensate, oversee and terminate any compensation consultant, independent legal counsel or other adviser (each, a "Compensation Adviser") as it deems

necessary or appropriate to assist in carrying out the Committee's responsibilities, in each instance, with appropriate funding provided by the Company for payment of reasonable compensation (as determined by the Committee) to any Compensation Adviser retained by the Committee; (2) approve the fees and other retention terms for any Compensation Adviser retained by the Committee, provided that the Committee may delegate to the Chair the authority to approve annual hourly rate adjustments; (3) recommend to the Board or approve Section 16 Officer compensation except for the Company's officers whose compensation was disclosed in the Company's last proxy statement; (4) produce a Committee report annually on executive officer compensation for inclusion in the Company's proxy statement; and (5) perform a self-evaluation.

## **ARTICLE IV - COMPENSATION RESPONSIBILITIES**

### **Section 1. Covered Officer and Board Compensation.**

The Committee shall have the following authority, duties, and responsibilities with respect to the compensation of the Covered Officers and directors:

- (a) **CEO Compensation.** The Committee shall annually review and approve the Company goals and objectives relevant to the compensation of the Company's chief executive officer ("CEO"), evaluate the performance of the CEO in light of those goals and objectives, and shall determine the CEO's compensation, including salary, bonuses and long-term incentives, based on this evaluation.
- (b) **Compensation of Other Covered Officers.** The Committee shall annually review the compensation of the non-CEO Covered Officers, evaluate their performance relative to relevant Company goals and objectives and approve their compensation, including salary, bonuses and long-term incentives in light of the evaluations. The Committee shall also approve the compensation of newly-elected Covered Officers and other compensation adjustments occurring between annual reviews.
- (c) **Stock Ownership Guidelines.** The Committee shall approve stock ownership guidelines for such officers of the Company as it may designate, and shall periodically review compliance with such guidelines. The Committee shall recommend to the Board changes in stock ownership requirements for directors.
- (d) **Director Compensation.** The Committee shall periodically review director compensation and may make recommendations to the Board for consideration and action by the Board.
- (e) **Annual Report on Executive Compensation.** The Committee shall review the Company's annual Compensation Discussion and Analysis disclosure as prepared in accordance with applicable rules and regulations for inclusion in the Company's annual proxy statement or annual report, as applicable, and shall issue a report (which will also be included in that proxy statement or annual report) as to whether, based on the Committee's review of that disclosure, the Committee recommends to the Board that the Compensation Discussion and Analysis be included in that proxy statement or annual report.
- (f) **Shareholder Advisory Vote.** The Committee shall review and consider the results of

shareholder advisory votes on executive compensation.

**Section 2. Benefit and Compensation Plans.**

The Committee shall have the following authority, duties, and responsibilities with respect to Company benefit and compensation plans for Covered Officers and directors:

(a) Plans and Programs for Covered Officers. The Committee shall review and approve any plan, program or arrangement, or any amendment thereto, or termination thereof, providing any compensation or perquisite to Covered Officers as a group or individually, other than benefits and related plans available to employees generally. In the case of incentive-compensation or equity-based plans, programs or arrangements requiring Board or shareholder approval under applicable California or federal laws, regulations or rules, or stock exchange listing standards, the Committee shall submit its recommendations for consideration and action to approve, amend, or terminate such plans, programs or arrangements, to the Board, and subsequently to shareholders as required.

(b) Director Plans. The Committee shall periodically review plans, programs or arrangements, or any amendment thereto, or termination thereof, providing compensation, benefits or perquisites to directors and may make recommendations to the Board for consideration and action to approve, amend, or terminate such plans, programs or arrangements, subject to shareholder approval when required.

**Section 3. Compensation Risk Assessment**

The Committee shall, at least annually, assess whether any risks arising from the compensation policies and practices of the Company are reasonably likely to have a material adverse effect on the Company.

**Section 4. Compensation Clawback Policy.**

The Committee shall have the authority to approve and revise any compensation clawback policy applicable to Covered Officers as a group or individually.

**Section 5. Other Duties.**

The Committee shall perform such additional functions as it deems necessary or prudent to fulfill its duties and responsibilities under this Charter and under the terms of any compensation or benefit plan, program or arrangement with respect to which the Committee has authority as administrator or otherwise.

**ARTICLE V - PERSONNEL RESPONSIBILITIES**

**Section 1. Election of Certain Officers.**

(a) Scope of Election Authority. The Committee may elect any of the following officers of the Company: Vice President, Treasurer, Controller, Secretary, Assistant Treasurer, Assistant Controller, Assistant Secretary, Associate General Counsel, Assistant General Counsel, Acting Treasurer or Acting Secretary. The CEO, the President, the Chief Financial Officer, any

Executive Vice President, any Senior Vice President and the General Counsel shall be elected by the Board rather than the Committee. The Committee may confer upon any Vice President a special title not specified in the Company's Bylaws.

(b) Election by Subcommittee. Notwithstanding any other provision of this Charter, the officers that may be elected by the Committee pursuant to Subsection (a) may be elected by a subcommittee consisting of the Chair and at least one other Committee member designated by the Chair. Additionally, in connection with the election of such officers, the subcommittee may approve any compensation of such officers except Section 16 Officers that the Committee is otherwise authorized to approve, including salaries, hiring bonuses and long-term incentive compensation awards, as the subcommittee deems appropriate.

## **Section 2. Covered Officer Agreements.**

The Committee shall review and approve the terms of any employment or consulting agreement with any Covered Officer. The Committee shall approve the terms of any separation agreement with any Covered Officer that is not substantially in the form previously approved by the Committee or that would provide benefits, other than standard employee benefits, not previously approved by the Committee.

## **ARTICLE VI - SELF-EVALUATION BY THE COMMITTEE**

The Committee shall perform an annual evaluation of its own performance and of the adequacy of this Charter, and submit to the Board that evaluation, including any recommended changes to the Committee's membership, Charter or procedures.

## **ARTICLE VII - POSTING OF CHARTER**

This Charter shall be available on the Company's Internet website, as described in the Company's annual proxy statement.