

**CHARTER FOR THE  
GOVERNANCE AND NOMINATING COMMITTEE  
CH ENERGY GROUP, INC.**

**PURPOSES AND GOALS:**

The purposes and goals of the Governance and Nominating Committee are to assist the Board of Directors in (a) organizing itself to effectively carry out its responsibilities and (b) nominating for election to the Board persons who have experience, backgrounds and skills appropriate for the current needs of the Company. In connection with these purposes and goals, the Governance and Nominating Committee: (1) develops and recommends to the Board governance principles and governance guidelines; (2) oversees annual evaluations of the Board and of its Committees; (3) assesses the needs of the Board and its Committees for particular skills, experiences, backgrounds and other characteristics of future directors; (4) identifies, evaluates and recommends to the Board nominees for election to the Board; (5) recommends to the Board nominees for membership on each Committee of the Board; and (6) advises the Board on other matters as they may arise with respect to corporate governance and the rights and interests of the Company's shareholders.

**COMMITTEE MEMBERSHIP:**

- The Governance and Nominating Committee shall be comprised of no fewer than three (3) members.
- Each member of the Governance and Nominating Committee shall meet:
  - (i) the independence requirements of the listing standards of the New York Stock Exchange;
  - (ii) the non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended; and
  - (iii) the qualifications for service as a Director of the Company as set forth in Section 3 of the Company's Governance Guidelines.
- The members of the Governance and Nominating Committee shall be appointed by the Board annually for terms of one year, and shall serve at the discretion of the Board. The Chair of the Committee shall be elected by the full Board of Directors.

## **COMMITTEE RESPONSIBILITIES AND AUTHORITY:**

- Develop and recommend to the Board of Directors for its approval governance principles and governance guidelines. Review the principles and guidelines at least annually, and recommend changes as appropriate.
- Evaluate the current size, composition, organization and governance of the Board and of its Committees, determine future needs and make recommendations to the Board for changes as appropriate.
- Annually review and recommend desired qualifications, expertise and other characteristics of future Directors.
- Identify and evaluate potential Directors who would strengthen the Board and fill needs that the Board has identified for particular skills or attributes among its Directors.
- Evaluate each incumbent Director before recommending that the Board renominate the person for election to a new term of service. In this connection, the Governance and Nominating Committee gives attention to the incumbent Director's contributions to the work of the Board, his or her knowledge and understanding of the Company and its businesses, his or her ability to participate actively and constructively in the deliberations of the Board, and the Company's changing needs.
- Recommend to the Board nominees for election to the Board.
- Evaluate and make recommendations to the Board concerning an annual self-evaluation process of the Board, its Committees and the individual Directors on the Board. In this connection, the Governance and Nominating Committee oversees the annual evaluation process as approved by the Board, seeks active participation from each Director with respect to the evaluation process, and reviews the performance of each Director in the context of the qualifications and the responsibilities of Directors set forth in Sections 3 and 5 of the Company's Governance Guidelines.
- Evaluate and make recommendations to the Board concerning the appointment of Directors to Board Committees, the selection of Board Committee chairs, and the proposed slate of nominees to be recommended by the Board for election by the shareholders at the annual meeting.
- Evaluate and make recommendations to the Board with respect to rotating Committee assignments for the purpose of increasing and developing the

effectiveness of individual Directors. Evaluate and make recommendations to the Board concerning changes in Committee composition, including termination of membership of individual Directors on Board Committees, for cause or for other appropriate reasons.

- Review and re-examine this Charter annually and make recommendations to the Board for any proposed changes.
- Annually review and evaluate its own performance.
- The Governance and Nominating Committee shall have the sole authority to retain and terminate any search firm to be used to identify and recruit Director candidates, and to approve any such search firm's fees and other terms of retention.
- The Governance and Nominating Committee may from time to time seek advice from independent advisors other than search firms retained to identify and recruit Director candidates. In accordance with Section 11 of the Company's Governance Guidelines, and as a matter of general practice, such advice from independent advisors is normally sought with the advice and concurrence of the Chief Executive Officer.

## **MEETINGS AND OTHER MATTERS**

The Committee shall meet at least twice each year, and at such additional times as may be necessary to carry out its responsibilities.

Reports of Committee meetings and of any actions taken by the Committee shall be made by the Committee Chairman or his or her designee to the Board at its next regularly scheduled meeting following the Committee meeting or action.

Unless otherwise authorized by an amendment to this Charter, the Committee may not delegate any of its authority to any subcommittee. In accordance with Section 3.3 of the Company's By-Laws, the Committee may operate according to such procedures as it deems expedient for carrying out its responsibilities.