



# Sempra Energy Corporate Governance Committee Charter

**The Corporate Governance Committee is a committee of the Board of Directors of Sempra Energy. The committee assists the board in discharging the board's responsibilities with respect to corporate governance matters. Its charter was adopted by the board on October 30, 2003.**

## I. Purpose and Responsibilities

The purpose and responsibilities of the Corporate Governance Committee are to:

- Identify individuals qualified to become board members consistent with criteria approved by the board.
- Recommend to the board nominees for election as directors and the selection of candidates to fill board vacancies.
- Recommend directors for appointment by the board as members of board committees.
- Develop and recommend to the board a set of corporate governance principles applicable to the corporation.
- Oversee the evaluation of the board.

## II. Structure

### 2.1 Membership

The committee consists of not fewer than three members of the board. The committee's members, including its chair are appointed by the board. The board also may appoint one or more directors as alternate members of the committee to replace any absent member at any committee meeting.

All members and alternate members of the committee must be "independent" within the meaning of the corporation's Corporate Governance Guidelines and the rules of the New York Stock Exchange.

All committee members and alternate members serve at the pleasure of the board and any member or alternate member may be removed, with or without cause, by the board.

### 2.2 Power and Authority

In addition to the powers and responsibilities expressly delegated to the committee in this charter, the committee may exercise any other powers and carry out any other responsibilities from time to time delegated to it by the board.

The powers and responsibilities delegated to the committee may be exercised in any manner as the committee deems appropriate (including delegation to subcommittees) and without any requirement for board approval except as otherwise specified in this charter or the board's delegation. While acting within the scope of the powers and responsibilities delegated to it, the committee may exercise all the powers and authority of the board and, to the fullest extent permitted by law, has the authority to determine which matters are within the scope of its delegated authority.

The committee has the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such search firm's fees and other retention terms. The committee also has the authority to retain consultants, counsel and other advisors and experts and also may use the services of the corporation's regular counsel or other advisors to the corporation. The corporation will provide appropriate funding, as determined by the committee, for payment of compensation to any such persons retained by the committee.

### **2.3 Procedures**

The committee will determine its own rules of procedure with respect to the call, place, time and frequency of its meetings. In the absence of such rules, the committee will meet at the call of its chair as appropriate to accomplish the purposes of the committee, but the board expects that the committee will meet on a regularly scheduled basis at least twice during each calendar year.

A majority of the members of the committee will constitute a quorum for the transaction of business. Notice of meetings of the committee will be given as provided in the corporation's bylaws.

Directors who are not members of the committee may attend and observe meetings of the committee, but shall not be entitled to vote. The committee may, at its discretion, include in its meetings members of management, or any other person whose presence the committee believes to be desirable and appropriate. Notwithstanding the foregoing, the committee may exclude from its meetings any non-member who it deems appropriate to exclude.

The chair of the committee will report on the committee's activities to the board at appropriate times and as otherwise requested by the chairman of the board.

### **2.4 Committee Secretary**

The secretary of the corporation will act as the committee's secretary. The secretary will attend all meetings; keep minutes of the committee's proceedings; advise members of all meetings called; arrange with the committee chair or other convening authority for preparation and distribution of committee agenda and material for each meeting; at the direction of the committee chair, make logistical and other arrangements for each meeting; and carry out other functions as may be assigned from time to time by the committee.

## **III. Duties**

### **3.1 Board Composition**

The committee, on an annual or more frequent basis, will review with the board the skills and characteristics required of directors in the context of the then current membership of the board. It also may develop and recommend guidelines to the board for the composition of the board and qualifications and other criteria for board membership.

When vacancies occur on the board, the committee will consider the size and composition of the board and recommend to the board whether the vacancy should be filled or the number of directors reduced.

### **3.2 Director Nominations**

The committee, in consultation with the Chairman of the Board, will develop and maintain a pool of qualified candidates for board membership. It will solicit the names of potential candidates from various sources including members of the board and search firms, and will consider candidates submitted by shareholders.

The committee will review biographical data and other relevant information regarding potential candidates, and may request additional information from the candidates or any other source and, if the committee deems it appropriate, interview candidates, references of candidates and others who may assist in candidate evaluation. It will evaluate all candidates in the same manner whether identified by shareholders or other sources.

In considering potential candidates, the committee will evaluate each candidate's integrity, independence, judgment, knowledge, experience and other relevant factors to develop an informed opinion of the candidate's qualifications and his or her ability and commitment to meeting the board's expectations for directors set forth in the corporation's Corporate Governance Guidelines.

The committee's deliberations will reflect the board's requirement that all directors (other than current or former officers) must be independent and all directors must be, or within a reasonable time after appointment or election must become, financially literate. They also will reflect the board's view regarding the appropriate number of directors and the composition of the board, including its belief that the membership of the board should reflect a diversity of experience, gender, race, ethnicity and age.

Shareholders who wish to submit the names of potential candidates for consideration by the committee may do so by writing to the chair of the committee care of the corporate secretary. The letter should contain a statement from the candidate that he or she would give favorable consideration to serving on the board and include sufficient biographical and other information concerning the candidate and his or her qualifications to permit the committee to make an informed decision as to whether further consideration of the candidate would be warranted.

The committee also will review on an annual basis the individual performance and qualifications of each board member whose term of office will expire at the next annual meeting of shareholders and who may wish to be considered for nomination to an additional term. These evaluations will be considered by the committee in making its recommendations to the board regarding director nominees.

At an appropriate time prior to each annual meeting of shareholders at which directors are to be elected, the committee in consultation with the Chairman of the Board will recommend to the board as nominees for election as directors such candidates as the committee has found to be well qualified and willing and available to serve.

When a vacancy arises on the board or a director advises the board of his or her intention to resign, the committee in consultation with the Chairman of the Board will recommend to the board for appointment by the board to fill the vacancy such candidate as the committee has found to be well qualified and willing and available to serve.

### **3.3 Committee Appointments**

The committee in consultation with the Chairman of the Board will recommend directors for appointment by the board as members of committees of the board (other than the Executive Committee for which membership is established by the corporation's Corporate Governance Guidelines) taking into account the desires and expertise of the individual directors and the board's belief that members of board committees periodically should be rotated. Directors may indicate their committee preferences on their annual board evaluation.

### **3.4 Evaluation of Board Performance**

The committee will review and evaluate the board's performance on an annual basis. Its assessment will be of the board's contribution as a whole and will identify areas in which

the committee or senior management believes a better contribution may be made. The purpose of the review is to increase the effectiveness of the board and the results will be reviewed with the board and its committees.

### **3.5 Corporate Governance Guidelines**

The committee periodically will review compliance with the corporation's Corporate Governance and Guidelines. It will review the guidelines on an annual basis and may recommend amendments for approval by the board. It also may make recommendations to the board regarding other corporate governance matters including amendments to the corporation's articles of incorporation and bylaws and the charters of other committees of the board.

## **IV. Communications from Shareholders, Employees and Others**

Shareholders, employees and other interested persons who wish to communicate with the committee may do so by writing to the committee care of the corporation's corporate secretary who will relay the letters unopened to the chair of the committee.

## **V. Committee Self-Evaluation and Charter Review**

The committee will evaluate its own performance on an annual basis, including its compliance with this charter. It will also review this charter and provide the board with any recommendations for changes in the charter or in policies or other procedures governing the committee.

## **VI. Charter Availability**

This charter will be posted on Sempra Energy's investor website, and the posting and the availability of printed copies to requesting shareholders will be published in the corporation's Annual Report on Form 10-K.