

## CORPORATE GOVERNANCE COMMITTEE CHARTER

The Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Southern Union Company, a Delaware corporation (the “Company”), in accordance with its powers and purposes as set forth in Article VI of the Bylaws of the Company, as amended from time to time, shall, among other things:

- A. Consist of at least two members of the Board, all of whom shall be, in the business judgment of the Board, “independent” under the rules of the New York Stock Exchange and any other securities exchange on which the Company’s securities are listed.
- B. Possess the authority to delegate some or all of its duties to a subcommittee comprising one or more members of the Committee.
- C. Have direct responsibility to:
  - 1. Identify individuals qualified to become Board members, consistent with criteria approved by the Board, and to select, or to recommend that the Board select, the director nominees for the next annual meeting of stockholders or to fill (or not to fill) any vacancy arising for any reason at any time in the Board. The Committee shall develop and articulate factors it deems appropriate to consider in nominating candidates, such as experience, skill, background and independence of the candidates. The Committee shall consider, but need not select, candidates proposed by management or stockholders.
  - 2. Develop, implement, and monitor compliance with, policies and procedures with regard to recommendations by stockholders of director candidates. The Committee shall disclose the procedures to be followed by stockholders in submitting such recommendations and any differences in the manner in which the Committee will evaluate nominees for director recommended by a stockholder.
  - 3. Identify and recommend for appointment by the Board qualified Board members to fill vacancies on any committee of the Board, including this Committee. In nominating a candidate for any committee membership, the Committee shall take into consideration the factors set forth in the charter of such committee, if any, as well as any other factors it deems appropriate.
  - 4. Develop and recommend to the Board a set of corporate governance principles applicable to the Company, and to review those principles at least once a year. Such principles shall include, at a minimum, the following subjects: (i) director qualification standards, (ii) director responsibilities, (iii) director access to (a) management and (b), as necessary and appropriate, outside advisors, (iv) director orientation and continuing education, and (v) management succession.
  - 5. Oversee the evaluation of the Board and management.

6. Conduct an annual evaluation of the Committee's performance. As part of such evaluation, the Committee shall compare its performance with the requirements of this charter, identify its objectives for the next year, review and reassess the adequacy of this charter and recommend to the Board changes in this charter, if any, considered appropriate by the Committee. Such evaluation shall be reported to the Board at least annually in such manner as the Committee determines.
- D. Perform or cause to be performed such other duties, functions or investigations with respect to the Company's nomination and corporate governance policies, goals and plans as the Committee deems necessary and consistent with Article VI of the Bylaws of the Company, or as specifically directed by the Board.
  - E. Have the resources and authority to discharge its duties and responsibilities, including the sole authority to retain and terminate any search consultant or firm to be used to identify director candidates, including sole authority to approve such search consultant's or firm's fees and other retention terms.