

SOUTHERN CALIFORNIA EDISON COMPANY
CHARTER FOR THE AUDIT AND FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS

Adopted by the Board of Directors

December 10, 2020

ARTICLE I – PURPOSE OF THE COMMITTEE

The purpose of the Audit and Finance Committee (“Committee”) of the Board of Directors (“Board”) of Southern California Edison Company (“Company”) is to:

- assist the Board in its oversight of the:
 - integrity of the Company’s financial statements;
 - Company’s compliance with legal and regulatory requirements;
 - qualifications and independence of the Independent Registered Public Accounting Firm retained by the Company (the “Auditors”); and
 - performance of the Auditors and of the Company’s internal audit and ethics and compliance functions;
- assist the Board in its oversight of enterprise risk management;
- assist the Board in its oversight of the financing and capital spending of the Company;
- perform such other duties and responsibilities enumerated in and consistent with this Charter; and

ARTICLE II – COMPOSITION OF THE COMMITTEE AND SUBCOMMITTEES

Section 1. Size of the Committee.

The Committee shall consist of not less than three members of the Board.

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 three members.

Section 3. Membership Requirements.

(a) Independence of Members. Each Committee member shall be independent as required under the Securities and Exchange Act of 1934 and its rules and regulations (the "Act"), relevant stock exchange listing standards, and director independence standards set by the Board. If a Committee member ceases to be independent for reasons outside the member's reasonable control, that member, with notice by the Company to the applicable stock exchanges, may remain a Committee member until the earlier of the Company's next annual shareholders' meeting or one year from the occurrence of the event that caused the member to be no longer independent.

(b) Financial Literacy and Expertise. Each member of the Committee shall be financially literate as determined by the Board, or become financially literate within a reasonable time after appointment. At least one Committee member shall qualify as an "audit committee financial expert" under the Act.

(c) Other Audit Committee Appointments. No Director may serve as a member of the Committee if such Director serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such Director to effectively serve on the Committee.

Section 4. Committee Chair.

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

Section 5. Subcommittees.

Neither the Board nor the Committee may delegate to any Subcommittee of this Committee the authority to perform any responsibilities of the Committee set forth in this Charter. The Board or

the Committee may form Subcommittees from time to time to gather information, carry out investigations, or prepare reports, for consideration and action by the Committee.

ARTICLE III – MEETINGS AND OTHER ACTIONS

Section 1. Meeting Times, Agendas and Quorum.

The Committee shall meet at least four times per year, with one meeting to be held at or near the completion of the annual audit and before the Company's annual financial statements are published, and three meetings to be held before the release of quarterly financial results. Additional meetings may be held as needed to fulfill the Committee's responsibilities. 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. Periodically, the Committee shall meet with Company management, the Company's chief internal auditor ("General Auditor"), the Company's chief ethics and compliance officer ("CECO") and the Auditors in separate executive sessions. The Committee shall report on its actions at a subsequent Board meeting. 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.

Section 2. Meeting Minutes.

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

Section 3. Authority of the Committee.

Unless otherwise provided in this Charter, the meetings and any other actions of the Committee 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, except as limited by any applicable law, regulation or

stock exchange listing standard or Article III of the Bylaws of the Company. The Committee shall have the authority (without having to seek Board approval) and appropriate funding provided by the Company, to obtain advice and assistance from the Auditors and from outside legal, accounting and other advisors, and to incur ordinary administrative expenses as it deems necessary or appropriate to carry out its duties. The Committee may also request the Auditors, the CECO, the General Auditor or management and any other internal or external advisors to conduct any investigations, reviews or studies of any matter within the scope of the Committee's duties and responsibilities. In connection with any such investigation, the Committee shall have unrestricted access to Company personnel and documents.

ARTICLE IV – DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities which shall not be delegated to any other Board Committee.

Section 1. External Audit Responsibilities.

- (a) The Committee shall exercise the exclusive authority and direct responsibility to appoint, retain, compensate and oversee the Auditors, who shall report directly to the Committee. Under the Committee's overall direction, the Auditors shall interact with management to the fullest extent necessary to fulfill the Auditors' responsibilities.
- (b) At least annually, the Committee shall evaluate the Auditors' qualifications, performance and independence and present its conclusions to the Board. The evaluation shall include:
 - (i) a review of reports from the Auditors describing their internal quality-control procedures; any material issues raised by their most recent internal quality-control review or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to any independent audit carried out by the Auditors, and any steps taken to deal with any such issues; and all relationships between the Auditors and the Company or persons in financial oversight roles at the Company that may reasonably be thought to impact the Auditors' independence, including the matters covered by the Public Company Accounting

Oversight Board (“PCAOB”) requirements regarding the Auditor’s communications with the Committee concerning independence;

- (ii) a review of the lead engagement partner of the Auditors;
- (iii) the opinions of the Company’s management and General Auditor; and
- (iv) quantitative and qualitative indicators of audit quality.

(c) The Committee shall ensure that the audit partners are rotated to the extent required by the Act. The Committee shall also consider whether there should be regular rotation of the Auditors.

(d) The Committee shall discuss with the Auditors the scope and plans for the annual audit to be conducted by the Auditors, including their consideration of the Company’s business risks, and approve the Auditors’ engagement letter, proposed hours, and fees for the annual audit.

(e) Prior to the filing with the SEC of the Company’s Annual Report on Form 10-K, the Committee shall review with the Auditors, General Auditor, and the Company’s chief financial and accounting officers:

- (i) the matters required to be discussed by the applicable auditing standard then in effect relating to communications with audit committees;
- (ii) the matters required to be reported by the Auditors under the Act; and
- (iii) the comments and recommendations contained in the Auditors’ and the internal auditors’ internal control reports presented to the Committee.

(f) The Committee shall establish and maintain clear policies with respect to the hiring by the Company of employees or former employees of the Auditors.

(g) The Committee shall review and pre-approve the scope and extent of all audit and non-audit services to be performed by the Auditors. The Committee’s pre-approval responsibilities may be delegated to one or more members of the Committee, provided that such delegate or delegates present any pre-approval decisions to the Committee at its next meeting.

(h) The Committee shall regularly review with the Auditors any audit problems or difficulties and significant disagreements with management encountered in the course of the audit, and management's response thereto. Such review shall include any restrictions on the scope of the Auditors' activities or on access to requested information. The Committee's review should also include a discussion of the responsibilities, budget, and staffing of the Company's internal audit organization. The Committee is directly responsible for resolving any disagreements between Company management and the Auditors regarding financial reporting.

Section 2. Internal Audit Responsibilities.

(a) The Committee shall concur in the appointment and the dismissal of the General Auditor, in proposals to outsource any internal audit functions, and in significant changes to the internal audit budget or resource levels. At least annually, the Committee shall review the performance of the General Auditor.

(b) Annually, the Committee shall review the charter and the sufficiency of resources and staff qualifications of the internal audit organization. The Committee shall approve any material changes to the charter.

(c) The Committee shall review and approve the annual internal audit plan. Periodically, but not less than annually, the Committee shall review the progress made with respect to executing the internal audit plan and any modifications made to the plan.

(d) Periodically, the Committee shall receive reports from the General Auditor regarding audit results and significant observations.

(e) As needed, the Committee shall review with the General Auditor any audit problems or difficulties and significant disagreements with management encountered in the course of the internal audits, and management's response thereto.

Section 3. Financial Reporting Processes and Financial Statements.

- (a) The Committee shall make a recommendation to the Board with respect to the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K.

- (b) The Committee shall review and discuss with Company management (including the Company's chief executive officer and chief financial officer) and the Auditors:
 - (i) the Company's annual audited and quarterly financial statements and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations"; and
 - (ii) any change in the Company's internal controls over financial reporting that occurred in the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

- (c) The Committee periodically shall review and discuss:
 - (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
 - (ii) analyses prepared by management or the Auditors setting forth significant financial reporting issues, judgments and estimates made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and
 - (iii) the effect of regulatory and accounting initiatives, including off-balance sheet structures, on the Company's financial statements.

- (d) In conjunction with the filing with the SEC of the Company's Forms 10-K and Forms 10-Q, the Committee shall:

- (i) review the effectiveness of the Company's external financial reporting processes, and the internal controls over financial reporting (including systems of disclosure); and
- (ii) review disclosures made by the Company's chief executive officer and financial officer regarding compliance with their certification obligations under the Act; and
- (iii) receive from management if there are any matters of concern as of the end of the last fiscal quarter regarding the Company's systems of disclosure controls and processes.

(e) The Committee shall review with Company management quarterly and annual earnings press releases (including any "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance.

Section 4. Ethics and Compliance.

(a) The CECO will at least annually present a report on the Ethics and Compliance Program. At least quarterly, the Committee shall receive a written report from the CECO regarding the status of the Ethics and Compliance program, including information about Ethics and Compliance Helpline calls and investigation trends, training, and other information. The Chair shall be notified promptly, and in no event subsequent to the final disposition of the matter, by the CECO of any "significant" matters, as defined in the CECO position charter.

(b) The Committee shall review periodically the Company's ethics and compliance code for officers and employees and recommend any desirable changes to the Board. The Committee shall approve any waivers of such code sought for the Company's executive officers (as defined under the Act) and such waivers will be promptly disclosed.

Section 5. Risk Management.

(a) The Committee periodically shall discuss guidelines and policies to govern the process by which risk assessment and risk management is undertaken, and the steps management has taken to monitor and control enterprise level risks.

(b) The Committee shall discuss the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures.

(c) The Committee periodically shall review information provided by management and the Company's legal counsel on litigation and regulatory proceedings.

Section 6. Finance-Related Responsibilities.

(a) The Committee shall review at least annually the financing plans and capital spending of the Company.

(b) The Committee shall review and monitor actual capital spending as compared to the most recent annual capital spending budget approved by the Board (the "Annual Capital Budget"), including the status of capital spending on all projects with a total expected cost in excess of \$250 million. The Committee shall receive periodic post-completion reports from management on major capital projects, including a review of project execution performance after project completion.

(c) If the total capital spending in a fiscal year is projected to be less than 80% of the amount set forth in the Annual Capital Budget, the variance will be reviewed with the Committee. Capital spending in a fiscal year of more than 105% of the amount set forth in the Annual Capital Budget requires Committee approval. If capital spending on projects identified in the Annual Capital Budget with a total expected cost in excess of \$250 million is expected to change by more than 10% of the initial or most recently approved projected total cost or \$50 million (whichever is less), the variance will be reviewed with the Committee. A variance of more than 20% of the initial or most recently approved projected total cost or \$100 million (whichever is less) requires Committee approval.

(d) The Committee shall approve capital spending on capital projects with total expected costs in excess of \$250 million which are not included in the Annual Capital Budget.

(e) The Committee shall review and approve, at least annually, the Company's interest rate hedging transactions that are exempt from the clearing and margin requirements of the Commodity Exchange Act.

(f) The Committee shall review any material changes in the credit ratings of the Company.

(g) The Committee shall review at least annually the trust investments of the Company.

(h) The Committee shall exercise the authority of the Board to authorize the Company to enter into Financing Transactions, redeem or repurchase Outstanding Securities and undertake all actions related thereto, including without limitation executing agreements and other documents and filing registration statements, listing applications and other documents with regulatory authorities. "Financing Transactions" means the offering, issuance, sale, and delivery of securities (including without limitation first and refunding mortgage bonds, pollution control bonds, notes, debentures, debt securities, preferred and preference stock, other preferred securities, depositary shares, related guaranties, and other similar instruments and obligations) and entering into loan, lease, revolving credit, commercial paper, letter of credit and other credit facilities. "Outstanding Securities" means first and refunding mortgage bonds, notes, debentures or other debt securities of the Company, or pollution control bonds issued on behalf of the company, and preferred and preference stock.

Section 7. Other Responsibilities.

(a) The Committee shall establish and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.

(b) The Committee shall review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Auditors or the performance of the Company's internal audit function.

(c) The Committee shall perform such additional functions as are necessary or prudent to fulfill the Committee's duties and responsibilities.

Section 8. Oversight/No Special Assurances.

The Committee's function is one of oversight. The Committee recognizes that the Company's management, internal auditors, and Auditors have more knowledge and information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee does not provide any special assurance as to the Company's

financial statements or internal controls or any professional certification as to the Auditors' work, nor is it the Committee's duty to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with GAAP. While the Committee shall foster adherence to laws, regulations, stock exchange listing standards, the Employee Ethics Code and the Company's other policies, procedures and practices, it is not the Committee's duty to assure compliance therewith.

ARTICLE V – SELF-EVALUATION OF 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 VI – POSTING OF CHARTER

This Charter shall be available on the Company's Internet website.