

EDISON INTERNATIONAL
Form DEF 14A
April 12, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULED 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Securities Exchange Act of 1934 (Amendment No. ____)

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to sec.240.14a-12

EDISON INTERNATIONAL

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11(a)(2) and state how it was determined)

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and for which the offsetting fee was paid previously. Identify the previous filing by registration number, the Form or Schedule and the date of its filing.

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.

(3) Filing Party:

(4) Date Filed:

Page

LOGO

EDISON INTERNATIONAL

AND

SOUTHERN CALIFORNIA EDISON COMPANY

JOINT NOTICE OF ANNUAL MEETINGS OF SHAREHOLDERS

AND

JOINT PROXY STATEMENT

ANNUAL MEETINGS

May 20, 2004

	Cumulative Total Return				
	12/98	12/99	12/00	12/01	12/02
Edison International	\$100.00	\$97.10	\$61.19	\$59.13	\$46.41
Standard & Poor's 500 Index	\$100.00	\$121.04	\$110.02	\$96.95	\$75.52
Dow Jones U.S. Electric Utilities Index	\$100.00	\$85.30	\$134.97	\$107.13	\$82.85

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

- (1) SEC filings sometimes "incorporate information by reference." This means the Companies are information that has previously been filed with the SEC, and that this information should be part of the filing you are reading. Unless Edison International or SCE specifically states graph shall not be deemed to be incorporated by reference and shall not constitute solicitation otherwise be considered filed under the Securities Act or the Securities Exchange Act.

Page 43

- (2) The historical stock performance depicted on the graph is not necessarily indicative of future performance. The Companies do not make or endorse any predictions as to future stock performance or dividend payments. Quarterly dividends customarily paid on January 31, April 30, July 31, and October 31 for 2003, were not declared by the Edison International Board. This proxy statement is not to be relied upon as material for soliciting the purchase or sale of stock of either of the Companies.
- (3) In February 2000, Dow Jones launched a new U.S. Equity Index series which replaced all of its series including the Dow Jones Electric Utilities Index previously used for this graph. The new series covers 95% of the U.S. equity market and replaces the previous series that covered 80% of the market. Additionally, the industry classification system was restructured. The net result is that all U.S. indices will show differences when compared to the indices used prior to 2000.
- (4) As of December 31, 2003.
- (5) Ex-dividend dates have been used to determine the number of dividends included in Edison International's cumulative total return calculation. The ex-dividend date occurs a few days prior to the receipt of each dividend payment, and is the date on which the stock begins trading at a price that does not include the dividend. Edison International had three ex-dividend dates in 1999 even though shareholders received four dividend payments in that year. In 2000, there were four ex-dividend dates and four dividend payments. In 2003, a dividend was declared in the fourth quarter, with an ex-dividend date of December 31, 2004. For purposes of calculating the adjusted cumulative total return presented in the following table, four ex-dividend dates were used in 1999, three ex-dividend dates were used in 2000, and one ex-dividend date was used in 2003. The adjusted calculation for 2000 includes only three ex-dividend dates because the Board did not declare the dividend customarily paid on January 31, 2001. As noted in footnote 1, there were no dividends declared by the Edison International Board for quarterly dividend payments starting January 31, 2001 through October 31, 2003.

Adjusted Cumulative Total Return					
12/98	12/99	12/00	12/01	12/02	12/03
\$100.00	\$98.10	\$61.16	\$59.11	\$46.38	\$86.62

CERTAIN RELATIONSHIPS AND TRANSACTIONS

Mr. Olson is a Senior Partner of the law firm of Munger, Tolles and Olson which provided legal services to Edison International, SCE, and/or their subsidiaries in 2003. Such services are expected to continue to be provided in the future. The amount paid to Munger, Tolles and Olson in 2003 for legal services was \$1,000,000, which exceeds the threshold requiring disclosure by the SEC.

In 2002 and 2003, Deloitte Consulting Services, LLP and Deloitte & Touche LLP provided various consulting services to Edison International and SCE, and such services are expected to continue to be provided in the future. Mr. John Danner, brother of Bryant C. Danner, provided consulting services on two such projects under a retainer consulting agreement with Deloitte Consulting Services. In 2003, the aggregate amount paid to Edison International for those projects was \$284,020 and the aggregate amount paid by SCE was \$1,000,000. John Danner received an aggregate amount of approximately \$88,000 in connection with the consulting services provided for the projects.

Page 44

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

Edison International and SCE believe that any transactions described above are comparable to what would have been undertaken under similar circumstances with nonaffiliated entities or persons.

OTHER MANAGEMENT TRANSACTIONS

There are no other transactions to report.

CHANGE IN CERTIFYING ACCOUNTANT

On May 8, 2002, following a recommendation from the Audit Committees, the Boards of Directors of Edison International and SCE decided to no longer engage Arthur Andersen LLP as Edison International's and SCE's independent accountants, and appointed PricewaterhouseCoopers LLP to serve as Edison International's and SCE's independent accountants for the balance of 2002.

From January 1, 2002 through May 8, 2002, there were no disagreements with Arthur Andersen LLP regarding the application of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that, if not resolved to Arthur Andersen LLP's satisfaction, would have caused them to make reference to that matter in connection with their reports on Edison International's and SCE's consolidated financial statements for those periods; and there were no reportable events, as listed in Item 304(a)(1)(v) of SEC Regulation S-K.

From January 1, 2002 through May 8, 2002, Edison International and SCE did not consult PricewaterhouseCoopers LLP with respect to the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on Edison International's and SCE's consolidated financial statements, or any other matters or reportable events listed in Item 304(a)(1)(v) of SEC Regulation S-K.

In connection with preparing Current Reports on Form 8-K dated May 8, 2002, to report the change in certifying accountant, Edison International and SCE provided Arthur Andersen LLP with substantial disclosures as appear above. By a letter dated May 10, 2002, Arthur Andersen LLP stated its agreement with the disclosures. Because Arthur Andersen LLP is no longer conducting business, the Companies have not received a copy of the specific disclosures appearing above. Edison International and SCE furnished PricewaterhouseCoopers LLP with a copy of the foregoing disclosures and gave them the opportunity to be included in this Proxy Statement if they believe the foregoing disclosures to be incomplete. PricewaterhouseCoopers did not present any response indicating its disagreement with the disclosures.

Page 45

AUDIT COMMITTEES' REPORT (1)

The Edison International and SCE Audit Committees have certain duties and powers as described in their charters. In 2004, the Committees developed updated charters which were approved by the Boards of Directors in 2004, and are attached to this Proxy Statement as Appendices A and B, respectively. The Audit Committees are currently composed of the same five non-employee Directors named at the end of this report each of whom is independent as defined by the New York Stock Exchange listing standards.

Management is responsible for the Companies' internal controls and the financial reporting process, including the integrity and objectivity of the financial statements. The independent accountants are responsible for performing an independent audit of the Companies' financial statements in accordance with generally accepted auditing standards and to issue a report thereon. The Committees monitor and oversee these processes. The Committees' members are not accountants or auditors by profession and, therefore, have relied on the representations from management and the independent accountants about the carrying out of their respective responsibilities.

In connection with the December 31, 2003, financial statements, the Audit Committees:

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

- o reviewed and discussed the audited financial statements with the Companies' management;
- o discussed with PricewaterhouseCoopers LLP, the Companies' independent accountants, the m by Statement on Auditing Standards No. 61 (Communication with Audit Committees); and
- o received the written disclosures required by Independence Standards Board Standard No. 1 Discussions with Audit Committees) and discussed with PricewaterhouseCoopers LLP its ind the Companies.

Based upon these reviews and discussions, the Edison International and SCE Audit Committees their respective Boards of Directors that the audited financial statements be included in the Edi International and SCE 2003 Annual Reports on Form 10-K to be filed with the SEC.

Audit Committees of the Edison International and SCE Boards of Directors	
Daniel M. Tellep (Chair)	Robert H. Smith
Bradford M. Freeman	Thomas C. Sutton
Richard T. Schlosberg, III	

(1) SEC filings sometimes "incorporate information by reference." This means the Companies are information that has previously been filed with the SEC, and that this information should be part of the filing you are reading. Unless Edison International or SCE specifically states report shall not be deemed to be incorporated by reference and shall not constitute soliciti otherwise be considered filed under the Securities Act or the Securities Exchange Act.

Page 46

INDEPENDENT ACCOUNTANT FEES

The following table sets forth the aggregate fees billed to Edison International (consolidat including Edison International and its subsidiaries) and SCE, respectively, for the fiscal years December 31, 2002 and December 31, 2003, by PricewaterhouseCoopers LLP and Arthur Andersen LLP:

	Edison International and Subsidiaries (\$000)		SCE (\$000)
	2002	2003	2002
Audit Fees			
PricewaterhouseCoopers	\$ 6,392	\$ 4,596	\$ 1,195
Arthur Andersen	256	--	97
Subtotal	6,648	4,596	1,292
Audit Related Fees(1)			
PricewaterhouseCoopers	20	1,763	20
Arthur Andersen	--	--	--
Subtotal	20	1,763	20

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

Tax Fees (2)			
PricewaterhouseCoopers	2,056	4,150	1,250
Arthur Andersen	1,659	--	183

Subtotal	3,715	4,150	1,433

All Other Fees (3)			
PricewaterhouseCoopers	--	--	--
Arthur Andersen	691	--	615

Subtotal	691	--	615

Totals	\$ 11,074	\$ 10,509	\$ 3,360
=====			

-
- (1) The nature of the services comprising these fees were assurance and related services to support the performance of the audit or review of the financial statements and not report "Other Fees" above, including the implementation of the requirements of the Sarbanes-Oxley Act.
 - (2) The nature of the services comprising these fees were to support compliance with U.S. and foreign tax reporting and payment requirements, including tax return review and preparation, laws, regulations or cases.
 - (3) The nature of the services comprising these fees were accounting support for SCE's regulatory case, analytical accounting projects, and assistance with implementing an upgrade of the financial information system.

The Edison International and SCE Audit Committees are required to review with management and the independent accountants all audit services to be performed by the independent accountants and all non-audit services that are not required to be pre-approved and that require pre-approval under the Securities Exchange Act. The

Page 47

The Edison International and SCE Audit Committees' pre-approval responsibilities may be delegated to one or more Committee members, provided that the delegates present any pre-approval decisions to the respective Committees at their next meeting. The independent accountants must assure that all audit and non-audit services provided to the Companies have been approved by the Audit Committees.

During the fiscal year ended December 31, 2003, all services performed by the independent accountants were pre-approved by the Edison International and SCE Audit Committees, irrespective of whether the services were pre-approved under the Securities Exchange Act.

INDEPENDENT ACCOUNTANTS FOR 2004

The Edison International and SCE Board Audit Committees have selected PricewaterhouseCoopers as the Edison International and SCE Companies' independent accountants for calendar year 2004. The Committees have considered whether the provision of the non-audit services described above is compatible with maintaining PricewaterhouseCoopers' independence. PricewaterhouseCoopers is an international accounting firm which provides leadership in public utility accounting matters.

Representatives of PricewaterhouseCoopers are expected to attend the Annual Meeting to respond to any appropriate questions and to make a statement if they wish.

**TO BE VOTED ON BY
EDISON INTERNATIONAL SHAREHOLDERS ONLY**

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

SHAREHOLDER PROPOSAL ON SHAREHOLDER RIGHTS AGREEMENT

Item 2 on Edison International Proxy Card

A shareholder of Edison International has given notice of his intention to present the following for action at the Annual Meeting. Pursuant to Rule 14a-8(1)(1) of the Securities Exchange Act, Edison International will provide the number of Edison International securities held by the proponent of the shareholder proposal promptly upon receipt of an oral or written request; his name and address are as follows. The following text and information was provided by the proponent of the shareholder proposal and has been endorsed or verified by Edison International. The Edison International Board of Directors response to the shareholder proposal appears below under "Recommendation of Your Board of Directors Against Item

2 - Shareholder Input on a Poison Pill

RESOLVED: Shareholders request that our Directors increase shareholder voting rights and submit any adoption, maintenance or extension of a poison pill to a shareholder vote as a separate ballot item at the earliest possible shareholder ballot. If this proposal is adopted, any material change or removal of this proposal is requested to be submitted to a shareholder vote as a separate ballot item at the earliest possible shareholder ballot.

Page 48

We as shareholders voted in support of this topic:

Year	Rate of Support
----	-----
2003	62%

These percentages are based on yes and no votes cast. I believe this level of shareholder support is more impressive than the raw percentage because this support followed our Directors' objections and we do not have confidential voting. The 38%-vote favoring management's objections equals only 28% of Edison shares outstanding and insiders own 14% of our stock. The Council of Institutional Investors formally recommends shareholder approval of poison pills and adoption of proposals which achieve a majority of votes cast. Institutional investors in general own 14% of our stock.

John Chevedden, 2215 Nelson Ave., No. 205, Redondo Beach, Calif. 90043 submitted the following proposal.

Poison Pill Negative

The key negative of poison pills is that pills can preserve management deadwood.
Source: Moringstar.com

Diluted Stock

An anti-democratic management scheme (poison pill) to flood the market with diluted stock is not a reason that a tender offer for our stock should fail.
Source: The Motley Fool

Like a Dictator

Poison pills are like a dictator who says, "Give up more of your freedom and I'll take care of you."

T.J. Dermot Dunphy, CEO of Sealed Air (NYSE) for 25 years

I believe that it is important to take at least a single step here to improve our corporate governance standards since I believe our 2003 governance standards were impeccable. For instance:

Our board materially ignored our 2003 majority shareholder vote on this topic.

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

No confidential voting.

No cumulative voting.

No independent Board Chairman.

Three of our Directors each had 16 to 23 years tenure and there are no tenure limits.

A relatively recent addition to our Board, Mr. Karatz, is potentially overqualified with 4 outside directorships (Avery, Honeywell, Kroger, National Golf) added to his CEO obligations at KB Home.

Mr. Karatz also serves on the Compensation Committee at a Honeywell (HON) company. Honeywell rewarded its CEO with \$65 million in 2002.

Mr. Olson is our Director who is also the senior partner in a law firm that has paid our company \$6 million in 2002.

Page 49

This topic won an overall 60% yes-vote at 79 companies in 2003. I believe that a majority of shareholder votes are a strong signal of shareholder concern on this topic. I can see how our Directors could object to this proposal because it gives our Directors flexibility to obtain our input and ignore our input if our Directors seriously believe they have a good reason.

Shareholder Input on a Poison Pill
Yes on 2

RECOMMENDATION OF YOUR BOARD OF DIRECTORS AGAINST ITEM 2

The Edison International Board recommends that you vote against the shareholder proposal (Item 2 on proxy card) because the Board already has substantially implemented the proposal.

At Edison International's 2003 annual meeting of shareholders, shareholders adopted a non-binding shareholder proposal recommending that the Board terminate our shareholder rights plan and not act without submitting the matter to a shareholder vote. The current year's shareholder proposal recommends that the Board take substantially the same actions. However, since the adoption of last year's shareholder proposal, the Board has taken actions to implement its recommendations.

The Nominating/Corporate Governance Committee of the Board reviewed the status of the Edison International shareholder rights plan, the reasons for its adoption, and the advisability of modifying the plan. Recommended by the Committee, the Board concluded that it would be in the best interests of Edison International and its shareholders to take the following actions:

- o Effective February 26, 2004, we amended our existing shareholder rights plan document to provide that the Board will not cause the rights plan to be triggered (i.e. making the rights exercisable) without prior approval by Edison International's shareholders. The terms of our shareholder rights plan provide that it will expire in November 2006 and that this expiration date cannot be accelerated by the Company. The action now taken by the Board does not incur the costs and delays that would be incurred in redeeming the rights issued under the existing plan and specifically enhances the shareholder's ability to participate in the operation of the plan.
- o The Board also has adopted a policy that (i) the Company's existing rights plan will not be amended and (ii) the Board would seek shareholder approval before adopting any future shareholder rights plan unless, due to timing constraints or other reasons consistent with the Board's fiduciary duty, a committee consisting solely of independent directors determines that it would be in the best interests of shareholders to adopt the plan before obtaining shareholder approval. Any rights plan adopted by the Board without such prior shareholder approval would automatically terminate on the first day after the adoption of the plan unless the plan is approved by the Company's shareholders before the plan terminates.

The Board believes that these actions are responsive to and substantially implement both last

this year's shareholder proposals.

**FOR THE FOREGOING REASONS, YOUR BOARD RECOMMENDS THAT
YOU VOTE "AGAINST" ITEM 2.**

Page 50

**SHAREHOLDER PROPOSALS AND NOMINATIONS FOR
2005 ANNUAL MEETINGS**

To be considered for inclusion in the 2005 proxy statement, shareholder proposals for the Edison International and SCE 2005 annual meetings must be received by December 13, 2004.

Shareholders intending to bring any other business before an annual meeting, including Directors, must give written notice to the Edison International or SCE Secretary, as the case may be, of the business to be presented. The notice must be received at our offices within the periods, and with the information and supporting documents, specified in the Bylaws. A copy of the Bylaws may be obtained by writing to the Edison International or SCE Secretary and are available on Edison International's Internet website at www.edisoninvestor.com.

Assuming that the 2005 annual meetings of shareholders are held on May 19, 2005, as currently provided in the Bylaws, the period for the receipt by the Edison International or SCE Secretary of written notice of business to be brought by shareholders before the 2005 annual meetings of shareholders, including nominations, will begin on October 14, 2004, and end on December 13, 2004.

CODE OF BUSINESS CONDUCT AND ETHICS

The Edison International Code of Business Conduct and Ethics is applicable to all Directors, employees of Edison International and its majority-owned subsidiaries, including SCE. The Code of Business Conduct and Ethics is available on Edison International's Internet website at www.edisoninvestor.com and is available in print upon request from the Edison International or SCE Secretary. Any amendments or waivers of Code provisions for either of our principal executive officers, principal financial officers, principal accounting officers or controllers, or other persons performing similar functions, will be posted on Edison International's Internet website at www.edisoninvestor.com.

AVAILABILITY OF FORM 10-K AND OTHER INFORMATION

The Edison International and SCE 2003 Annual Reports on Form 10-K, including the financial statements and the financial statement schedules but excluding other exhibits, will be furnished without charge upon written request.

A copy may be requested by writing to:

**Ms. Betty Hutchinson
Law Department, Corporate Governance
Edison International (or SCE, as the case may be)
2244 Walnut Grove Avenue, P. O. Box 800
Rosemead, California 91770**

Page 51

OTHER PROPOSED MATTERS

The Edison International and SCE Boards were not aware by December 9, 2003 (the latest date to provide advance notice of business intended to be presented at the Annual Meeting) of any other matters that can properly be presented for action at the Annual Meeting.

If any other matters should properly come before the Annual Meeting, including matters incidental to the business of Edison International and SCE, they will be presented to the Annual Meeting.

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

conduct of the Annual Meeting, the proxies will vote the shares in accordance with their judgment authority to do so is included in the proxies.

Dated: April 12, 2004

For the Boards of Directors,

/s/ BEVERLY P. RYDER

BEVERLY P. RYDER
Vice President and Secretary
Edison International
Secretary
Southern California Edison Comp

Page 52

**EDISON INTERNATIONAL
CHARTER FOR THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

**Adopted by the Board of Directors
March 18, 2004**

Article I - Purpose

The purpose of the Audit Committee ("Committee") of the Board of Directors ("Board") of Edison International ("Company") is to assist the Board in its oversight of:

- o the integrity of the Company's financial statements;
- o the Company's systems of disclosure and internal control regarding finance, accounting, and ethics that management and the Board have established;
- o the Company's compliance with legal and regulatory requirements;
- o the qualifications and independence of the independent accountants retained by the Company ("Auditors") for the purpose of preparing or issuing an audit report or performing other attest services; and
- o the performance of the Auditors and of the Company's internal audit function;

and to produce a report of the Committee annually for inclusion in the Company's proxy statement, with applicable Securities and Exchange Commission ("SEC") rules and regulations.

Article II - Authority

The Committee shall have the authority (without having to seek Board approval) and appropriate funds by the Company, to obtain advice and assistance from the Auditors and from outside legal, accounting advisors, as it deems necessary to carry out its duties. The Committee may also request the Auditor, the Company's chief internal auditor ("General Auditor") or management and any other internal or external personnel to conduct any investigations, reviews or studies of any matter within the scope of the Committee's responsibilities. In connection with any such investigation, the Committee shall have unrestricted access to Company personnel and documents.

Article III - Composition of the Committee

1. Appointment. The Committee shall consist of not less than four nor more than seven members of the Board. Each Committee member shall be appointed by resolution adopted by a majority of the exact number of Directors and shall serve until a successor shall be appointed by the Board. In the event any member

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

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 have more than four members. The Board shall designate one of the Committee members as Chair ("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.

Page A-1

2. Independence of Members. Each member of the Committee shall be independent as determined pursuant to applicable law, regulation, stock exchange listing standard and director qualification standards of the Board's Nominating/Corporate Governance Committee, subject to any exceptions provided for in any applicable law, regulation, stock exchange listing standard and director qualification standards. No Committee member may be an "affiliated person" (as defined in Rule 10A-3(b)(1)(iv)(B) of the Securities Exchange Act of 1934, as amended, and hereinafter referred to as the "Act") of the Company or any of its subsidiaries, subject to the exception provided in SEC Rule 10A-3(b)(1)(iv)(B) that a Committee member may sit on the board of a Company affiliate provided that director also otherwise meets the independence requirements for such affiliate. No Committee member may accept, directly or indirectly from the Company or any of its subsidiaries, any consulting, advisory or other compensatory fee other than (a) fees paid to Directors for service on the Board, (b) additional fees paid to Directors for service on a committee of the Board (including the Committee) and/or for serving as the chair of such a committee and (c) fixed amounts of compensation from a retirement plan (including deferred compensation) for prior service with the Company that is not attributable to continued service on the Board. If a member of the Committee ceases to be independent for reasons beyond the member's reasonable control, that member, with notice by the Company to the applicable stock exchange, shall remain a Committee member until the earlier of the Company's next annual shareholders' meeting or the occurrence of the event that caused the member to be no longer independent.

3. 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 member shall have accounting or related financial management expertise, as determined by the Board. The Board shall determine and disclose in the Company's annual proxy statement or Annual Report on Form 10-K whether each member of the Committee qualifies as an "audit committee financial expert" in compliance with the requirements described in Item 401 of Regulation S-K under the Act. If the Board determines that a member of the Committee does not qualify, the Board may presume that such Committee member has accounting or related financial management expertise.

4. Other Audit Committee Appointments. No Director may serve as a member of the Committee if such Director also 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.

5. Subcommittees. Except as otherwise expressly provided in this Charter, neither the Board nor the Committee may delegate to any Subcommittee of this Committee the authority to perform any responsibilities 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 IV - Meetings and Other Actions

The Committee shall meet at least four times per year, with one meeting to be held at the completion of the annual audit and before the Company's annual financial statements are published, and three meetings to be scheduled at the direction of the Chair in connection with the review and release of quarterly financial results. Additional meetings may be held as needed to fulfill the Committee's responsibilities. Any meeting may be requested by any Committee member. 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 agenda. Periodically, the Committee shall meet with Company management, the General Auditor and the Audit Committee in executive sessions to discuss any matters.

Page A-2

that the Committee believes warrant Committee attention. The Committee shall also meet separately or in combinations of the foregoing groups in carrying out its duties and responsibilities set forth in this Charter.

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

A majority of the members of the Committee shall constitute a quorum for the transaction of business and all meetings shall be held at the principal offices of the Company or as directed by the Chair.

The Company's Secretary shall keep, or appoint an appropriate person to keep, regular minutes of the 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 be a permanent corporate record maintained by the Company's Secretary. A report on the Committee's activities and any other matters required to be reported by this Charter in connection with execution of its duties and responsibilities shall be provided to the Board after each meeting.

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.

Article V - Duties and Responsibilities

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

External Audit Responsibilities

1. The Committee shall exercise the exclusive authority and direct responsibility to appoint, reappoint, and oversee the Auditors, who shall report directly to the Committee. Under the Committee's oversight, the Auditors shall interact with management to the fullest extent necessary to fulfill the Auditors' duties and responsibilities.
2. At least annually, the Committee shall obtain and review a report from the Auditors describing:
 - o their internal quality-control procedures;
 - o any material issues raised by their most recent internal quality-control review or peer review, or any inquiry or investigation by governmental or professional authorities, within the preceding three years, with respect to any independent audit carried out by the Auditors, and any steps taken to address with any such issues; and
 - o to assist the Committee in its determination of the objectivity and independence of the Auditors and the relationships between the Auditors and the Company, including the matters covered by Indenture Standard Board Standard Number 1.

After reviewing the report and the Auditors' work throughout the year, the Committee shall evaluate the Auditors' qualifications, performance and independence. This evaluation shall include a review of the lead audit partner. In addition, 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 Audit

Page A-3

In making its evaluation, the Committee shall take into account the opinions of the Company's management and the General Auditor.

The Committee shall present its conclusions to the Board.

3. The Committee shall review with management and pre-approve all the audit services to be performed by the Auditors, including the Auditors' engagement letter for the annual audit of the Company in accordance with the standards of the Public Company Accounting Oversight Board (United States) and the proposed fees to be paid with such audit.
4. The Committee shall discuss with the Auditors the scope, plans for and results of, the annual

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

by the Auditors, and any additional work the Committee has requested that the Auditors perform.

5. Prior to the filing with the SEC of the Company's Annual Report on Form 10-K, the Committee shall review with the Auditors:

- o the matters required to be discussed by Statement on Auditing Standards No. 61 relating to communications with audit committees;
- o all critical accounting policies and practices to be used by the Company;
- o alternative treatments within generally accepted accounting principles ("GAAP") for policies and practices related to material items discussed with Company management, the effects of using such treatments and the Auditors' preferred treatment; and
- o any other material written communications between the Auditors and Company management, including management or internal control letter or schedule of unadjusted differences.

6. Prior to the filing with the SEC of the Company's Annual Report on Form 10-K, the Committee shall review with the Auditors, the General Auditor and the Company's chief financial and accounting officer the comments and recommendations contained in the Auditors' and the internal auditors' internal control reports presented to the Committee.

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

8. The Committee shall review with management and pre-approve the scope and extent of all non-audit services to be performed by the Auditors that are not prohibited under the Act and that require pre-approval by the Committee and consider whether the Auditors' performance of those services is compatible with the Auditors' primary responsibilities. The Committee's pre-approval responsibilities under this paragraph and under paragraph 3 above 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.

9. The Committee shall review with the Auditors any audit problems or difficulties and significant findings 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 review shall include any accounting adjustments that were noted or proposed by the Auditors but were deemed immaterial or otherwise). Such review shall include a discussion of the budget, staffing and resources of the Company's internal audit organization. The

Page A-4

The Committee is directly responsible for resolving any disagreements between Company management and the Auditors regarding financial reporting.

Internal Audit Responsibilities

1. The Committee shall concur in the appointment and the dismissal of the General Auditor. At least annually, the Committee shall review the performance of the General Auditor, and shall review with the General Auditor the activities, organization, resources and qualifications of the Company's internal audit organization. The Committee shall examine and make recommendations, if any, with respect to the internal audit plan.

2. At least annually, the Committee shall review the progress made with respect to executing the internal audit plan as well as any modifications made to the plan.

3. The Committee shall review with the General Auditor any audit problems or difficulties and significant findings with management encountered in the course of the internal audits, and management's response thereto.

Financial Reporting Processes and Financial Statements

1. Prior to the filing with the SEC of the Company's Annual Report on Form 10-K, in consultation

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

management (including the chief executive officer and the chief financial officer), the General Auditors and/or representatives of the Company's Disclosure Committee, the Committee shall review

- o the effectiveness of the Company's external financial reporting processes, and the internal control over financial reporting (including systems of disclosure);
- o disclosures made by the Company's chief executive officer and chief financial officer regarding compliance with their certification obligations under the Act; and
- o the Auditors' attestation report on management's evaluation of the Company's internal control over financial reporting, to be included in the Company's Annual Report on Form 10-K, to the extent required by the Act.

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

3. The Committee shall prepare and approve a report annually for inclusion in the Company's proxy statement in accordance with applicable SEC rules and regulations, and such other reports as may from time to time be necessary or appropriate.

4. Review and discuss with Company management (including the Company's chief executive officer and chief financial officer) and the Auditors:

- o the Company's annual audited and quarterly financial statements, including all notes thereto, and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations"; and
- o any change in the Company's internal controls over financial reporting that occurred in any fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Page A-5

5. The Committee periodically shall review and discuss:

- o major issues regarding accounting principles and financial statement presentations, including significant changes in the Company's selection or application of accounting principles, and as to the adequacy of the Company's internal controls and any special audit steps adopted to address material control deficiencies;
- o analyses prepared by management or the Auditors setting forth significant financial reporting judgments and estimates made in connection with the preparation of the financial statements, and analyses of the effects of alternative GAAP methods on the financial statements; and
- o the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.

6. In conjunction with the filing with the SEC of the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, the Committee shall receive oral or written reports from management or the Disclosure Committee if there are any matters of concern as of the end of the last fiscal quarter regarding the Company's systems of disclosure and the Disclosure Committee's quarterly process.

7. 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 information provided to analysts and rating agencies, on a general basis (i.e., types of information to be disclosed and the presentation to be made).

Compliance and Risk Management

1. At least annually, the Committee shall review the Company's procedures for communicating to C

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

employees, officers and Directors the Company's code of business conduct and ethics ("Ethics Code" making the Ethics Code available on the Company's Internet website and in print to any requesting disclosed in the Company's Annual Report on Form 10-K.

2. At least annually, the Committee shall review with the Company's Ethics Compliance Officer the monitoring compliance with the Ethics Code, and shall establish and update procedures for reviewing and, to the extent required by any applicable law, regulation or stock exchange listing standard, disclosing any waivers of the Ethics Code for Directors and Company executive officers.

3. The Committee periodically shall review information provided by management and the Company's issues such as litigation and regulatory proceedings, environmental compliance, health and safety information technology security and legal compliance.

4. The Committee periodically shall discuss the Company's guidelines and policies with respect to assessment and risk management, the Company's major financial risk exposures and the steps managed to monitor and control these exposures.

Page A-6

Other Responsibilities

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

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

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

4. The Committee shall perform such additional functions as are necessary or prudent to fulfill its duties and responsibilities.

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

Article VI - Posting of Charter

This Charter shall be available on the Company's Internet website and in print to any requesting disclosed in the Company's Annual Report on Form 10-K.

Page A-7

APPENDIX B

SOUTHERN CALIFORNIA EDISON COMPANY CHARTER FOR THE AUDIT COMMITTEE

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

OF THE BOARD OF DIRECTORS

Adopted by the Board of Directors
March 18, 2004

Article I - Purpose

The purpose of the Audit Committee ("Committee") of the Board of Directors ("Board") of Southern Edison Company ("Company") is to assist the Board in its oversight of:

- o the integrity of the Company's financial statements;
- o the Company's systems of disclosure and internal control regarding finance, accounting, and ethics that management and the Board have established;
- o the Company's compliance with legal and regulatory requirements;
- o the qualifications and independence of the independent accountants retained by the Company ("Auditors") for the purpose of preparing or issuing an audit report or performing other attest services; and
- o the performance of the Auditors and of the Company's internal audit function;

and to produce a report of the Committee annually for inclusion in the Company's proxy statement, with applicable Securities and Exchange Commission ("SEC") rules and regulations.

Article II - Authority

The Committee shall have the authority (without having to seek Board approval) and appropriate funds by the Company, to obtain advice and assistance from the Auditors and from outside legal, accounting advisors, as it deems necessary to carry out its duties. The Committee may also request the Auditor, the Company's chief internal auditor ("General Auditor") or management and any other internal or external personnel to conduct any investigations, reviews or studies of any matter within the scope of the Committee's responsibilities. In connection with any such investigation, the Committee shall have unrestricted access to Company personnel and documents.

Article III - Composition of the Committee

1. Appointment. The Committee shall consist of not less than four nor more than seven members. Each Committee member shall be appointed by resolution adopted by a majority of the exact number of Directors and shall serve until a successor shall be appointed by the Board. 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 four members. The Board shall designate one of the Committee members as Chair ("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.

Page B-1

2. Independence of Members. Each member of the Committee shall be independent as determined pursuant to applicable law, regulation, stock exchange listing standard and director qualification standards of the Board's Nominating/Corporate Governance Committee, subject to any exceptions provided for in any applicable law, regulation, stock exchange listing standard and director qualification standards. No Committee member may be an "affiliated person" (as defined in Rule 10A-3(b)(1)(iv)(B) of the Securities Exchange Act of 1934, as amended, and hereinafter referred to as the "Act") of the Company or any of its subsidiaries, subject to the exception provided in SEC Rule 10A-3(b)(1)(iv)(B) that a Committee member may sit on the board of a Company affiliate provided that director also otherwise meets the independence requirements for such affiliate. No Committee member may accept, directly or indirectly from the Company or any of its subsidiaries, any consulting, advisory or other compensatory fee other than (a) fees paid to Directors for service on the Board, (b) additional fees paid to Directors for service on a committee of the Board.

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

the Committee) and/or for serving as the chair of such a committee and (c) fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company that is not payable upon the member's continued service on the Board. If a member of the Committee ceases to be independent for reasons beyond the member's reasonable control, that member, with notice by the Company to the applicable stock exchange, shall remain a Committee member until the earlier of the Company's next annual shareholders' meeting or the occurrence of the event that caused the member to be no longer independent.

3. 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 member shall have accounting or related financial management expertise, as determined by the Board. The Board shall determine and disclose in the Company's annual proxy statement or Annual Report on Form 10-K whether each member of the Committee qualifies as an "audit committee financial expert" in compliance with the requirements described in Item 401 of Regulation S-K under the Act. If the Board determines that a member of the Committee does not qualify, the Board may presume that such Committee member has accounting or related financial management expertise.

4. Other Audit Committee Appointments. No Director may serve as a member of the Committee if such Director also 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.

5. Subcommittees. Except as otherwise expressly provided in this Charter, neither the Board nor the Committee may delegate to any Subcommittee of this Committee the authority to perform any responsibilities set forth in this Charter. The Board or the Committee may form Subcommittees from time to time to conduct research and information, carry out investigations, or prepare reports, for consideration and action by the Committee.

Article IV - Meetings and Other Actions

The Committee shall meet at least four times per year, with one meeting to be held at the completion of the annual audit and before the Company's annual financial statements are published, and three meetings to be scheduled at the direction of the Chair in connection with the review and release of quarterly financial statements and results. Additional meetings may be held as needed to fulfill the Committee's responsibilities. Any member of the Committee may request meetings may be requested by any Committee member. 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 General Auditor and the Audit Committee in executive sessions to discuss matters.

Page B-2

that the Committee believes warrant Committee attention. The Committee shall also meet separately or in combinations of the foregoing groups in carrying out its duties and responsibilities set forth in this Charter.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. Meetings shall be held at the principal offices of the Company or as directed by the Chair.

The Company's Secretary shall keep, or appoint an appropriate person to keep, regular minutes of the Committee's 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 be maintained in the permanent corporate record maintained by the Company's Secretary. A report on the Committee's activities and any other matters required to be reported by this Charter in connection with execution of its duties and responsibilities shall be provided to the Board after each meeting.

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.

Article V - Duties and Responsibilities

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

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

Board Committee.

External Audit Responsibilities

1. The Committee shall exercise the exclusive authority and direct responsibility to appoint, re-appoint and oversee the Auditors, who shall report directly to the Committee. Under the Committee's oversight, the Auditors shall interact with management to the fullest extent necessary to fulfill the Auditors' responsibilities.
2. At least annually, the Committee shall obtain and review a report from the Auditors describing:
 - o their internal quality-control procedures;
 - o any material issues raised by their most recent internal quality-control review or peer review, or any inquiry or investigation by governmental or professional authorities, within the preceding three years, with respect to any independent audit carried out by the Auditors, and any steps taken to address with any such issues; and
 - o to assist the Committee in its determination of the objectivity and independence of the Auditors and the relationships between the Auditors and the Company, including the matters covered by International Standards Board Standard Number 1.

After reviewing the report and the Auditors' work throughout the year, the Committee shall evaluate the Auditors' qualifications, performance and independence. This evaluation shall include a review of the lead Auditors. In addition, 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.

Page B-3

In making its evaluation, the Committee shall take into account the opinions of the Company's management and the General Auditor.

The Committee shall present its conclusions to the Board.

3. The Committee shall review with management and pre-approve all the audit services to be performed by the Auditors, including the Auditors' engagement letter for the annual audit of the Company in accordance with the standards of the Public Company Accounting Oversight Board (United States) and the proposed fees to be paid with such audit.
4. The Committee shall discuss with the Auditors the scope, plans for and results of, the annual audit performed by the Auditors, and any additional work the Committee has requested that the Auditors perform.
5. Prior to the filing with the SEC of the Company's Annual Report on Form 10-K, the Committee shall discuss with the Auditors:
 - o the matters required to be discussed by Statement on Auditing Standards No. 61 relating to communications with audit committees;
 - o all critical accounting policies and practices to be used by the Company;
 - o alternative treatments within generally accepted accounting principles ("GAAP") for policies and practices related to material items discussed with Company management, the effects of using such treatments and the Auditors' preferred treatment; and
 - o any other material written communications between the Auditors and Company management, including the management or internal control letter or schedule of unadjusted differences.
6. Prior to the filing with the SEC of the Company's Annual Report on Form 10-K, the Committee shall discuss with the Auditors, the General Auditor and the Company's chief financial and accounting officer the comments and recommendations contained in the Auditors' and the internal auditors' internal control

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

presented to the Committee.

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

8. The Committee shall review with management and pre-approve the scope and extent of all non-audit services to be performed by the Auditors that are not prohibited under the Act and that require pre-approval by the Committee, and consider whether the Auditors' performance of those services is compatible with the Auditors' independence. The Committee's pre-approval responsibilities under this paragraph and under paragraph 3 above 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.

9. The Committee shall review with the Auditors any audit problems or difficulties and significant findings with management encountered in the course of the audit, and management's response thereto. Such reviews shall include any restrictions on the scope of the Auditors' activities or on access to requested information. The review shall include any accounting adjustments that were noted or proposed by the Auditors but were not adopted (or immaterial or otherwise). Such review shall include a discussion of the budget, staffing and resources of the Company's internal audit organization.

Page B-4

The Committee is directly responsible for resolving any disagreements between Company management and the Auditors regarding financial reporting.

Internal Audit Responsibilities

1. The Committee shall concur in the appointment and the dismissal of the General Auditor. At least annually, the Committee shall review the performance of the General Auditor, and shall review with the General Auditor the activities, organization, resources and qualifications of the Company's internal audit organization. The Committee shall examine and make recommendations, if any, with respect to the internal audit plan.

2. At least annually, the Committee shall review the progress made with respect to executing the internal audit plan as well as any modifications made to the plan.

3. The Committee shall review with the General Auditor any audit problems or difficulties and significant findings with management encountered in the course of the internal audits, and management's response thereto.

Financial Reporting Processes and Financial Statements

1. Prior to the filing with the SEC of the Company's Annual Report on Form 10-K, in consultation with management (including the chief executive officer and the chief financial officer), the General Auditor, the Auditors and/or representatives of the Company's Disclosure Committee, the Committee shall review

- o the effectiveness of the Company's external financial reporting processes, and the internal controls over financial reporting (including systems of disclosure);
- o disclosures made by the Company's chief executive officer and chief financial officer regarding compliance with their certification obligations under the Act; and
- o the Auditors' attestation report on management's evaluation of the Company's internal controls over financial reporting, to be included in the Company's Annual Report on Form 10-K, to the extent required by the Act.

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

3. The Committee shall prepare and approve a report annually for inclusion in the Company's proxy statement in accordance with applicable SEC rules and regulations, and such other reports as may from time to time be necessary or appropriate.

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

4. Review and discuss with Company management (including the Company's chief executive officer and chief financial officer) and the Auditors:

- o the Company's annual audited and quarterly financial statements, including all notes to the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Operations"; and
- o any change in the Company's internal controls over financial reporting that occurred in the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Page B-5

5. The Committee periodically shall review and discuss:

- o major issues regarding accounting principles and financial statement presentations, including significant changes in the Company's selection or application of accounting principles, and as to the adequacy of the Company's internal controls and any special audit steps adopted to address material control deficiencies;
- o analyses prepared by management or the Auditors setting forth significant financial reporting judgments and estimates made in connection with the preparation of the financial statements, and analyses of the effects of alternative GAAP methods on the financial statements; and
- o the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.

6. In conjunction with the filing with the SEC of the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, the Committee shall receive oral or written reports from management or the Disclosure Committee if there are any matters of concern as of the end of the last fiscal quarter regarding the Company's systems of disclosure and the Disclosure Committee's quarterly process.

7. 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 information provided to analysts and rating agencies, on a general basis (i.e., types of information to be disclosed and presentation to be made).

Compliance and Risk Management

1. At least annually, the Committee shall review the Company's procedures for communicating to Company employees, officers and Directors the Company's code of business conduct and ethics ("Ethics Code") and making the Ethics Code available on the Company's Internet website and in print to any requesting party, as disclosed in the Company's Annual Report on Form 10-K.

2. At least annually, the Committee shall review with the Company's Ethics Compliance Officer the Company's monitoring compliance with the Ethics Code, and shall establish and update procedures for reviewing and, to the extent required by any applicable law, regulation or stock exchange listing standard, disclosing any waivers of the Ethics Code for Directors and Company executive officers.

3. The Committee periodically shall review information provided by management and the Company's legal counsel on issues such as litigation and regulatory proceedings, environmental compliance, health and safety, information technology security and legal compliance.

4. The Committee periodically shall discuss the Company's guidelines and policies with respect to environmental assessment and risk management, the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures.

Page B-6

Other Responsibilities

1. The Committee shall perform an annual evaluation of its own performance and of the adequacy of its procedures and submit to the Board that evaluation, including any recommended changes to the Committee's membership or procedures.
2. The Committee shall establish and maintain procedures for the receipt, retention and treatment of confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.
3. The Committee shall review with the Board any issues that arise with respect to the quality 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.
4. The Committee shall perform such additional functions as are necessary or prudent to fulfill its duties and responsibilities.

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 assurance as to the Company's financial statements or internal controls or any professional certification of 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 monitors the Company's adherence to laws, regulations, stock exchange listing standards, the Ethics Code and the Company's policies, procedures and practices, it is not the Committee's duty to assure compliance therewith.

Article VI - Posting of Charter

This Charter shall be available on the Company's Internet website and in print to any requesting shareholder and shall be disclosed in the Company's Annual Report on Form 10-K.

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

Toll Free: 1-877-779-8683

1. Welcome to the electronic voting system. Please have your proxy card or voting instruction ballot available before voting.
2. Enter the series of numbers printed in the gray shaded box on your card followed by the pound key.
3. One moment please while we verify your information.
4. Enter the last four digits of the U.S. social security number or the U.S. taxpayer identification number for this account followed by the pound sign.
5. The company that you are voting is Edison International.
6. Your vote is subject to the same terms and authorizations as indicated on the proxy card. The proxy card authorizes the named proxies to vote according to the instructions at the meeting of the shareholders.
7. To vote all proposals in accordance with the recommendations of the Board of directors, press 1. If you wish to vote on one proposal at a time, press 2.
If 1, go to 10.
If 2, go to 8.
8. Item # 1. To vote for all nominees press 1. To withhold from all nominees press 2. To vote on individual nominees press 3.
If 1, go to 9.
If 2, go to 9.
If 3, go to Director Exception.

Director Exception

Enter the 2-digit number next to the nominee from whom you would like to withhold your vote followed by the pound key. Or, if you have completed voting on directors, press 1 again.

If pound key entered, go to 8.

If valid nominee number, go to Next Nominee.

Next Nominee

To withhold your vote from another nominee enter the 2-digit number next to the nominee followed by the pound key. Or if you have completed voting on directors press 1 again.

If pound key entered, go to 8.

If valid nominee number, go to Next Nominee.

Invalid Nominee Number

You have entered an invalid nominee number.

{Go to Next Nominee.}

9. Item # 2. To vote for, press 1; against, press 2; to abstain, press 3.

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

If 1, go to 10.
If 2, go to 10.
If 3, go to 10.

10. If you would like to attend the annual meeting, press 1. If not, press 2.
If 1, go to 11.
If 2, go to 11.

11. If you receive more than one set of proxy materials at the address shown on your proxy card, you do not need for the extra copies, please press 1. If not, press 2.
If 1, go to 12.
If 2, go to 12.

12. If you are interested in receiving shareholder communications, including annual meeting materials, electronically, press 1. If not, press 2.
If 1, go to 13.
If 2, go to 13.

13. You have cast your vote as follows:

{Playback back the appropriate vote for this proxy card.}

Default Playback

You have voted in the manner recommended by the board of directors.

Director Proposal Playback

Item 1. You have voted for all nominees

Or

Item 1. You have voted to withhold your vote from all nominees

Or

Item 1. You have voted for all for all nominees except for the following nominee

Item 2.

For/Against/Abstain Proposal Playback

Item # {For | Against | Abstain}

14. Your vote has been successfully recorded. It is not necessary for you to mail in your proxy card. If you wish to vote another card or change your vote, press 1. Otherwise, please hang up. Thank you.

No Key Pressed

Go to the same item (repeat three times); otherwise, go to Error.

Invalid Option

Go to the same item (repeat three times); otherwise, go to Error.

Error

We are unable to process your request at this time. Thank you for calling.

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

{Call ends.}

LOGO EQUISERVE

VOTE

BY NET

VOTE BY NET

Step 1

Welcome to the EquiServe online voting wizard!

Just follow a few simple steps to complete the secure online voting process:

Authentication:	Login using your authentication information
Delivery preference:	Setup future delivery of your annual meeting materials
Voting:	Cast your vote and receive your confirmation online
Finish:	Update your address and review other options

If you have more than one proxy card, instruction card or ballot, please vote them one card at a time. To get started now, login below and click "Continue".

Step 1: Authentication

Enter the series of numbers printed in the gray shaded box on your proxy card, voting instruction sheet or ballot

Enter the last 4 digits of the U.S. social security number (SSN) or the U.S. taxpayer identification number (TIN) for this Account.*

*If you do not have a SSN or TIN for this account, please leave this box blank.

CONTI

Home/About Security/Privacy Policy/Back to Top

(C)2002 EquiServe(R). All rights reserved

LOGO EQUISERVE

VOTE

BY NET

VOTE BY NET

LOGO EDISON INTERNATIONAL

Step 2

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

Welcome

Name line
Address line
City, State, Zip line

Home/About Security/Privacy Policy/Back to Top
(C)2002 EquiServe(R). All rights reserved

LOGO EQUISERVE

VOTE BY NET

LOGO EDISON INTERNATIONAL

Step 3

Proxy/Voting Instruction Card

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

JOHN E. BRYSON and THEODORE F. CRAVER, JR., are hereby appointed proxies of the undersigned with substitution to vote all shares of stock the undersigned is entitled to vote at the annual meeting shareholders of Edison International to be held at the Hyatt Regency Long Beach, 200 South Pine A Beach, California, on May 20, 2004, at 10:00 a.m., Pacific Time, or at any adjournment or postpon meeting, with all the powers and discretionary authority the undersigned would possess if persona the meeting on the matters listed below.

The shares will be voted as indicated on this card. WHERE NO INDICATION IS SHOWN, THE SHARES REP CARD WILL BE VOTED FOR ITEM 1 AND AGAINST ITEM 2. In addition, the appointed proxies may vote in discretion on such other matters as may properly come before the meeting.

VOTING INSTRUCTIONS TO THE EDISON INTERNATIONAL STOCK FUND INVESTMENT MANAGER,
STATE STREET BANK AND TRUST COMPANY

If I hold shares through the Edison 401(k) Savings Plan, this card also provides the following vo instructions to the Edison International stock fund investment manager: You are instructed to vot as described above the shares of stock credited and conditionally credited to my account through I understand that the stock will be voted as directed provided the Edison International stock fun manager receives this card by 9:00 a.m., Pacific Time, on May 17, 2004, and all stock for which t International stock fund investment manager has not received instructions by this card at the des be voted in its discretion.

Edison International Directors recommend a vote:
"FOR" all nominees
"AGAINST" Proposal 2

Check this box to cast your vote in accordance with the recommendation of Edison International

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

Directors on all matters to be voted on at the meeting:

Edison International Directors recommend a vote "FOR" all Nominees.

1. Election of Directors FOR ALL NOMINEES, except as noted below WITHHOLD AS T
- | | | |
|---------------------------------------|--|--------------------------|
| <input type="checkbox"/> J.E. Bryson | <input type="checkbox"/> F. A. Cordova | <input type="checkbox"/> |
| <input type="checkbox"/> B. Karatz | <input type="checkbox"/> L. G. Nogales | <input type="checkbox"/> |
| <input type="checkbox"/> J. M. Rosser | <input type="checkbox"/> R. T. Schlosberg, III | <input type="checkbox"/> |
| <input type="checkbox"/> T. C. Sutton | | |

Directors recommend a vote "AGAINST" Proposal 2.

2. Shareholder Proposal on Shareholder Rights Agreement FOR AGAINST ABSTA

If applicable, click the option box Mark here if you plan to attend the

If you receive more than one set of at the address shown on this proxy need for the extra copies, please m cards will continue to be mailed to Please make sure that at least one to receive these materials.

If you wish to receive shareholder including Proxy Statements and Annu Internet as described in the Proxy Mark here.

To cast your vote please click "Submit"

(Note: Your vote will not be counted until you click "Submit".)

Home/About Security/Privacy Policy/Tabk to Tope

(C)2002 EquiServe(R). All rights reserved.

LOGO EQUISERVE

VOTE BY NET

LOGO EDISON INTERNATIONAL

Step 3

Name line
Address line
City, State, Zip line

Edgar Filing: EDISON INTERNATIONAL - Form DEF 14A

Control Number:
Confirmation Number:
Date:

Thank you for using Equiserve's Vote-By-Net facility.

Step 3: Summary of your vote

Your vote was recorded by EquiServe as follows:

-
- 1. Election of Directors _____
 - 2. Shareholder Proposal on Shareholder Rights Agreement _____
-

Mark here if you plan to attend the annual meeting. _____

If you receive more than one set of Proxy Materials at the address shown on this proxy card and have no need for the extra copies, please mark here. Proxy cards will continue to be mailed to this account. Please make sure that at least one account continues to receive these materials. _____

If you wish to receive shareholder communications including Proxy Statements and Annual Reports via Internet as described in the Proxy Statement, please mark here. _____

Please keep a copy for your records. To change your vote click "Back".

You can now vote another ballot or click "Finish" to exit to EquiServe Homepage.

BACK

Home/About Security/Privacy Policy/Back to Top

(C)2002 EquiServe(R). All rights reserved.