

EDISON INTERNATIONAL  
Form DEF 14A  
March 13, 2015

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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- |                                     |   |                          |                                       |
|-------------------------------------|---|--------------------------|---------------------------------------|
| <input type="checkbox"/>            | Preliminary Proxy Statement   | <input type="checkbox"/> | Soliciting Material Under Rule 14a-12 |
| <input type="checkbox"/>            | Confidential, For Use of the<br>Commission Only (as permitted<br>by Rule 14a-6(e)(2)) |                          |                                       |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement  |                          |                                       |
| <input type="checkbox"/>            | Definitive Additional Materials   |                          |                                       |

Edison International  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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| <input checked="" type="checkbox"/> | No fee required.  |
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**Edison International and  
Southern California Edison Company**

**2015 Joint Proxy Statement  
Notice of Annual Meeting  
to be held on Thursday, April 23, 2015**



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**LETTER FROM THE EDISON INTERNATIONAL CHAIRMAN**

**March 13, 2015**

Dear Fellow Shareholder:

We are pleased to invite you to attend the Edison International and Southern California Edison Company Annual Meeting of Shareholders to be held on Thursday, April 23, 2015, at 9:00 a.m., Pacific Time, at the Hilton Los Angeles/San Gabriel Hotel, 225 West Valley Blvd., San Gabriel, California 91776. During the meeting, we will report on the Company's strategy and performance, and provide an opportunity for shareholders to engage in a dialogue with management.

The Joint Proxy Statement includes information about our corporate governance and executive compensation program. In particular, I would like to direct your attention to the following issues discussed in the proxy statement:

- An overview of our key corporate governance attributes (page 3);
- The qualifications, experience and diversity of our director nominees (pages 7-11);
- Our Board oversight of cybersecurity issues (pages 14-15);
- Our engagement with major shareholders on corporate governance, proxy disclosure and executive compensation (page 32); and
- Our adoption of an incentive compensation clawback policy for executives (page 42).

Our Annual Report to Shareholders includes information on our 2014 financial performance. Notably:

- Our total shareholder return was 45%, the highest among Philadelphia Utility Index companies;
- Our stock price increased 41.4%, while the Philadelphia Utility Index increased 24.2%; and
- Our consolidated core earnings of \$4.59 per share exceeded our goal of \$3.70 per share.

We hope that you will participate in the Annual Meeting by attending and/or voting. Voting by any of the available methods will ensure that you are represented at the Annual Meeting, even if you are not present. You may vote your proxy via the Internet, by telephone, or by mail. Please follow the instructions on the Notice of Internet Availability of Proxy Materials that you received in the mail and/or your proxy card.

If you receive more than one copy of the Notice or more than one proxy card, it means your shares are held in more than one account. You should vote the shares in all of your accounts. **Please note that to vote your shares by Internet or telephone you will need the control number on your Notice or proxy card.**

Your vote is very important to us and to our business. Voting promptly will save us the cost of additional solicitations. If you vote by Internet or telephone, please cast your vote by the April 22 deadline (April 21 for shares held in the Edison 401(k) Savings Plan).

Thank you very much for your continued interest in our business.

Sincerely,

**Theodore F. Craver, Jr.**  
*Chairman of the Board,*  
*President and Chief Executive Officer*  
Edison International



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**NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS**

The Edison International ( EIX ) and Southern California Edison Company ( SCE ) Annual Meeting of Shareholders will be held on Thursday, April 23, 2015, at 9:00 a.m., Pacific Time, at the Hilton Los Angeles/San Gabriel Hotel, 225 West Valley Blvd., San Gabriel, California 91776, for the purpose of considering the following matters:

**For EIX and SCE shareholders:**

1. Election of nine Directors to the EIX Board and ten Directors to the SCE Board. The names of the Director nominees are as follows:

Jagjeet S. Bindra	Linda G. Stuntz
Vanessa C.L. Chang	William P. Sullivan
Theodore F. Craver, Jr.	Ellen O. Tauscher
Pedro J. Pizarro*	Peter J. Taylor
Richard T. Schlosberg, III	Brett White

\* *Pedro J. Pizarro is a director nominee for the SCE Board only.*

2. Ratification of the Appointment of the Independent Registered Public Accounting Firm.
3. Advisory Vote to Approve the Company's Executive Compensation.

**For EIX shareholders only:**

4. Shareholder Proposal Regarding Recovery of Unearned Management Bonuses.

**The EIX and SCE Boards of Directors recommend you vote FOR Items 1 through 3, and the EIX Board of Directors recommends you vote AGAINST Item 4.**

EIX and SCE shareholders may also vote on any other matters properly brought before the meeting. Only shareholders of record at the close of business on February 26, 2015 are entitled to receive notice of and to vote at the Annual Meeting. Directions to the Annual Meeting are on the last page of the Joint Proxy Statement, which can be viewed at [www.edison.com/annualmeeting](http://www.edison.com/annualmeeting).

For the Boards of Directors,

**Barbara E. Mathews**

*Vice President, Associate General Counsel,  
Chief Governance Officer and Corporate Secretary*  
Edison International  
Southern California Edison Company

**Dated: March 13, 2015**

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## PROXY STATEMENT

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on April 23, 2015: The Proxy Statement and Annual Report are available at [www.edison.com/annualmeeting](http://www.edison.com/annualmeeting).**

The EIX and SCE Boards of Directors are soliciting proxies from you for use at the Annual Meeting, or at any adjournment or postponement of the meeting. Proxies allow designated individuals to vote on your behalf at the Annual Meeting. The proxy materials are being mailed or made available to you via the Internet beginning on March 13, 2015.

The mailing address of the Company's principal executive offices is 2244 Walnut Grove Avenue, Rosemead, California 91770.

## Terms Used in this Proxy Statement

Holding shares as a **registered shareholder** or **of record** means your shares are registered in your own name on the Company's records. Shares held in your Dividend Reinvestment and Direct Stock Purchase Plan account are included.

Holding shares in **street name** means your shares are held in a brokerage account or through a trustee, custodian or other third party (referred to as a nominee), and you are considered the beneficial owner of those shares. Your name does not appear on the Company's records as a shareholder.

**401(k) Plan** is the employee benefit plan known as the Edison 401(k) Savings Plan through which participants may hold interests in EIX shares through the EIX Stock Fund.

**401(k) Plan shareholders** are participants in the 401(k) Plan who hold interests in EIX shares through the EIX Stock Fund.

**Annual Meeting** means the EIX and SCE annual meetings of shareholders, which are held jointly.

**Annual Report** means the EIX and SCE 2014 combined annual report on Form 10-K, which is prepared and filed with the SEC jointly.

**Board** means both the EIX and SCE Boards of Directors, unless otherwise indicated.

**Committee** means the applicable Board committees of both EIX and SCE, unless otherwise indicated.

**Company** means both EIX and SCE, unless otherwise indicated.

**Edison Energy** is a wholly-owned subsidiary of EIX and the holding company for EIX's competitive businesses in emerging sectors of the electric industry.

**EIX** is Edison International.

**EME** is Edison Mission Energy, an indirect wholly-owned subsidiary of EIX. EME was an independent power producer that filed for bankruptcy in December 2012. In April 2014, substantially all of EME's assets and liabilities were discharged in bankruptcy or transferred to third parties.

**ERISA** is the Employee Retirement Income Security Act of 1974.

**Notice of Internet Availability** or **Notice** is the notice regarding the availability on the Internet of the Company's proxy materials, which was mailed to most shareholders in lieu of printed copies of the proxy materials, as permitted under Securities and Exchange Commission rules.

**Proxy card** means either a proxy card, which you may receive if you are a registered shareholder, or a voting instruction form, which you may receive if you hold shares in street name or are a 401(k) Plan shareholder.



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**Proxy Statement** means the EIX and SCE proxy statements, which are prepared and filed with the SEC jointly.

**SCE** is Southern California Edison Company.

**2015 Proxy Statement 1**

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**Table of Contents****Proxy Summary****Items To Be Voted On****Proposal**

Item 1: Election of nine Directors to the EIX Board and ten Directors to the SCE Board  
 Item 2: Ratification of the Appointment of the Independent Registered Public Accounting Firm  
 Item 3: Advisory Vote to Approve the Company's Executive Compensation  
 Item 4: Shareholder Proposal Regarding Recovery of Unearned Management Bonuses.

Company	Board Recommendation
EIX and SCE	FOR
EIX and SCE	FOR
EIX and SCE	FOR
EIX Only	AGAINST

**Our Director Nominees**

Our director nominees reflect the diversity of ethnicity, gender, skills, background and qualifications valued by our Board. The range of tenure on our Board brings a variety of perspectives to strategic, financial and operational deliberations.

Director	Director Since	Industry Experience	Ethnicity/Gender	Independent	Committee Memberships	Other Public Company Boards	Mandatory Retirement Date
Jagjeet S. Bindra	2010	Energy	Asian/Male	Yes	Audit FOSO	1	2020
Vanessa C.L. Chang	2007	Accounting/ Real Estate	Asian/Female	Yes	Audit CEP	2	2025
Theodore F. Craver, Jr.	2007 (EIX) 2008 (SCE)	Electric Utilities	White/Male	No	None	1	N/A
Pedro J. Pizarro*	2014	Electric Utilities	Hispanic/Male	No	None	0	N/A
Richard T. Schlosberg, III	2002	Communications/ Publishing	White/Male	Yes	CEP NCG	1	2017
Linda G. Stuntz	2014	Law	White/Female	Yes	FOSO NCG	2	2027
William P. Sullivan	N/A	Information Technology/ Biotechnology	White/Male	Yes	None	1	2022
Ellen O. Tauscher	2013	Government/Finance	White/Female	Yes	Audit FOSO	3	2024
Peter J. Taylor	2011	Finance	African American/ Male	Yes	Audit CEP	0	2031
Brett White**	2007	Commercial Real Estate	White/Male	Yes	CEP NCG	2	2032

\*Mr. Pizarro is a director nominee for the SCE Board only

\*\*Mr. White is the Lead Director of EIX and SCE

Audit = Audit Committee

CEP = Compensation and Executive Personnel Committee

FOSO = Finance, Operations and Safety Oversight Committee

NCG = Nominating/Corporate Governance Committee



**Table of Contents****Our Corporate Governance Attributes**

<b>Board Characteristics</b>	Average Age of EIX Director Nominees	62
	Average Tenure of EIX Director Nominees (Number of Years)	5.3
	Percentage of EIX Director Nominees Who Are Independent	89%
	Percentage of EIX Director Nominees Who Are Female	33%
	Percentage of EIX Director Nominees From Diverse Ethnic Backgrounds	33%
<b>Board Oversight</b>	Strong Independent Lead Director Role	Yes
	Independent Directors Meet Regularly Without Management Present	Yes
	Key Board Committees Composed Solely of Independent Directors	Yes
	Board Oversight of Key Enterprise Risks, Including Cybersecurity	Yes
	Board Oversight of Political Contributions	Yes
	Annual Board and Committee Evaluations	Yes
<b>Executive Compensation</b>	Majority of Executive Compensation At Risk and Aligned with Shareholder Interests	Yes
	Incentive Compensation Clawback Policy	Yes
	Anti-Hedging and Anti-Pledging Policies	Yes
	Stock Ownership Guidelines for Directors and Executive Officers	Yes
<b>Shareholder Rights</b>	Annual Election of Directors	Yes
	Majority Voting for Directors in Uncontested Elections	Yes
	Threshold for Shareholders to Convene Special Meetings	10%
	Shareholder Ability to Act By Written Consent	Yes
	Annual Advisory Vote on Executive Compensation	Yes
<b>2014 Meetings</b>	Number of Board Meetings	11
	Number of Independent Director Executive Sessions	4
	Percentage of Current Directors Who Attended >75% of Applicable Board and Committee Meetings	100%
	Percentage of Current Directors Who Attended the Annual Meeting	100%
	Percentage of EIX Shareholder Votes Cast in Favor of Executive Compensation at the Annual Meeting	94%

**Our Executive Compensation Program**

Please refer to the Compensation Summary in the Compensation Discussion and Analysis section below for an overview of our executive compensation program.

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### **Information About the Meeting and Voting**

#### **Q: What is included in the proxy materials?**

**A:** The proxy materials include the Notice of Annual Meeting and Proxy Statement, the Annual Report, the Proxy card, and the Notice of Internet Availability.

#### **Q: Why did the Company mail a Notice of Internet Availability instead of a printed copy of the materials?**

**A:** Making the proxy materials available to shareholders via the Internet saves us the cost of printing and mailing documents and reduces the impact of the Annual Meeting on the environment.

If you received only a Notice of Internet Availability, you will not receive a printed copy of the proxy materials unless you request it. The Notice includes instructions on how to access and review the proxy materials, submit your proxy via the Internet, and request a printed copy of proxy materials by mail.

#### **Q: Why did some shareholders receive printed or email copies of the proxy materials?**

**A:** We are distributing printed copies of the proxy materials to shareholders who have previously requested printed copies. We are providing shareholders who have previously requested electronic delivery of proxy materials with an email containing a link to the website where the materials are available via the Internet.

#### **Q: Who can vote?**

**A:** All owners of voting stock at the close of business on February 26, 2015 (the record date) are entitled to vote.

On each Item of EIX business, holders of EIX Common Stock are entitled to one vote per share. On each Item of SCE business, holders of SCE Cumulative Preferred Stock are entitled to six votes per share and EIX, as the holder of SCE Common Stock, is entitled to one vote per share. All shares of SCE Common and Cumulative Preferred Stock vote together as one class.

#### **Q: Who can attend the Annual Meeting?**

**A:** All shareholders on the record date, or their duly appointed proxies, may attend the meeting. All shareholders will be required to pass through a security inspection area (where all packages will be subject to search) and check in at the registration desk at the meeting. The registration desk will open at 8:00 a.m. and meeting room doors will open at 8:30 a.m., Pacific Time. For the privacy of other attendees and to avoid distraction, shareholders will not be permitted to use cameras or recording devices at the meeting.

If you are a registered shareholder or a 401(k) Plan shareholder, we will be able to verify your share ownership from the share register with proper identification. No admission pass is required. To be admitted as a proxy for a registered shareholder, you must provide a written authorization from the registered shareholder.

If your shares are held in street name, you will need to bring proper identification and a letter or an account statement from your broker or other nominee reflecting your stock ownership as of the record date. To be admitted as a proxy for a broker, you must provide a written authorization from the broker together with a letter or account statement reflecting the broker's ownership as of the record date. If a nominee holds the shares, you must provide a written authorization from the nominee to the broker that is assignable, a written authorization from the broker, and a letter or account statement reflecting the nominee's ownership as of the record date.

Individual shareholders may bring one guest to the Annual Meeting. A shareholder that is a corporation, partnership, association or other entity is limited to three authorized representatives at the Annual Meeting.

**Q: How do I vote?**

**A:** Your vote is important. You can save us the expense of additional solicitations by voting promptly. Please follow the instructions described below:

**By Internet** Shareholders who received a Notice of Internet Availability may vote via the Internet by following the instructions on the Notice. Shareholders who received a proxy card by mail may vote via the Internet by following the instructions on the proxy card. When voting via the Internet, all shareholders must have available the control number included on their Notice of Internet Availability or proxy card. Under California law, you may transmit a proxy via the Internet.

**By Telephone** Registered or 401(k) Plan shareholders may vote by telephone by calling 1-866-883-3382 and following the recorded instructions. Most shareholders who hold their shares in street name may vote by phone by calling the number provided by their broker. When voting by telephone, all shareholders must have available the control number included on their Notice of Internet Availability or proxy card.

**By Mail** Shareholders who received a printed copy of these proxy materials may vote by mail by completing, signing, dating and returning their proxy card as indicated.

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**In Person** Registered shareholders may vote in person by attending the Annual Meeting and completing a ballot distributed at the meeting. Shareholders who hold their shares in street name may vote in person by attending the Annual Meeting only if they have requested and received a legal proxy from their broker or other nominee, and deliver the proxy to the inspector of election before or at the meeting. 401(k) Plan shareholders may not cast votes in person at the Annual Meeting.

### **Q: What is the deadline to vote and how do I change my vote?**

**A:** If you are a registered shareholder, the inspector of election will accept your proxy by telephone or via the Internet until 9:00 p.m., Pacific Time, on April 22, 2015, and by mail if it is received by the inspector of election before the polls close at the Annual Meeting. Registered shareholders may change their vote prior to the deadline by writing to the Corporate Secretary at the address above (so that it is received prior to the deadline), voting again by mail, telephone or the Internet, or voting in person at the Annual Meeting.

If you hold shares in street name, most brokers will accept your proxy by telephone or the Internet until 9:00 p.m., Pacific Time, on April 22, 2015, and by mail if it is received by your broker's designated agent by 9:00 a.m., Pacific Time, on April 23, 2015. Contact your broker or other nominee before the Annual Meeting to determine the actual deadline and whether and how you can change your vote.

If you are a 401(k) Plan shareholder, your proxy must be received by 9:00 p.m., Pacific Time, on April 21, 2015 for the 401(k) Plan trustee to vote your shares. 401(k) Plan shareholders may change their vote at any time prior to this deadline by voting again. The last vote received within this timeframe will be the vote that is counted.

### **Q: What does it mean if I get more than one Notice of Internet Availability or proxy card?**

**A:** It indicates that your shares are held in more than one account, such as two brokerage accounts, or you hold both registered and street name shares, or you hold shares in both EIX and SCE. You should use the specific control numbers provided on each Notice of Internet Availability or proxy card and vote each Notice or proxy card to ensure that all of your shares are voted.

### **Q: What shares are covered by the proxy card?**

**A:** This depends on how you hold your shares, and whether you hold shares in EIX, SCE, or both EIX and SCE.

**Registered and 401(k) Plan Shareholders** For EIX registered and 401(k) Plan shareholders, you will receive or have Internet access to a single proxy card that covers all shares of EIX Common Stock in your registered and 401(k) Plan accounts, including fractional shares held in the 401(k) Plan but excluding fractional shares held in the Dividend Reinvestment and Direct Stock Purchase Plan.

For SCE registered shareholders, you will receive or have Internet access to separate proxy cards for each series of preferred stock registered in your name.

If you hold registered shares in both EIX and SCE, you will receive or have Internet access to separate proxy cards for each Company.

**Street Name Shareholders** If you hold shares of EIX and/or SCE in street name, you will receive or have Internet access to separate proxy cards from each broker or other nominee.

### **Q: What happens if I submit my proxy card but do not indicate my voting preference?**

**A:** The proxies and 401(k) Plan trustee will vote FOR election of all nominees for director (Item 1), FOR ratification of the appointment of the independent registered public accounting firm (Item 2), FOR approval of executive compensation (Item 3), and AGAINST the shareholder proposal regarding recovery of unearned management bonuses (Item 4, EIX only).

**Q: What happens if I submit my proxy card but do not sign or date my card?**

**A:** Those shares will be treated as unvoted shares on all matters and will not be considered as present and part of the quorum.

**Q: What happens if I do not vote?**

**A:** If you are a registered shareholder, your shares will not be voted.

If you hold your shares in street name, most brokers or other nominees will only have authority to vote your shares on ratification of the appointment of the independent registered public accounting firm (Item 2). With respect to each of the other Items, most brokers or other nominees will not have authority to vote your shares, and the shares will instead be treated as broker non-votes.

If you are a 401(k) Plan shareholder, the 401(k) Plan trustee will vote your shares in the same proportion to the 401(k) Plan shares voted by other 401(k) Plan shareholders, unless contrary to ERISA.

**Q: How many votes do you need to hold the meeting?**

**A:** A quorum is required for the Company to conduct business at the Annual Meeting. The presence at the Annual Meeting, in person or by proxy, of shareholders entitled to cast a majority of the votes that all shareholders are entitled to cast constitutes a quorum. All shares represented by a properly signed proxy will be considered as present and part of the quorum, even if you or your broker or other nominee doesn't vote or abstains on any or all matters.



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As of the record date, EIX had 325,811,206 shares of Common Stock outstanding, 325,799,900 of which are entitled to cast a total of 325,799,900 votes. Therefore, a quorum for EIX is 162,899,951 shares. SCE had 4,800,198 shares of Cumulative Preferred Stock outstanding and entitled to cast a total of 28,801,188 votes, and 434,888,104 shares of Common Stock outstanding and entitled to cast a total of 434,888,104 votes. Voting together as a class, the SCE shareholders have the right to cast a total of 463,689,292 votes. Therefore, a quorum for SCE is 231,844,647 shares.

### **Q: What vote is required to adopt each Item at the meeting?**

**A:** A director nominee will be elected and a proposal will be approved if the following two votes are obtained:

The affirmative vote of at least a majority of the votes cast on the director or proposal. Abstentions and broker non-votes are not treated as votes cast, and therefore will not affect this vote; and

The affirmative vote of at least a majority of the votes required to constitute a quorum. Abstentions and broker non-votes are not treated as votes cast and therefore will have the effect of votes cast against the director or proposal for this vote.

### **Q: Who will count the votes?**

**A:** Wells Fargo Bank, N.A., will tabulate the votes and is expected to act as the inspector of election. To protect the confidentiality of votes cast under the 401(k) Plan, 401(k) Plan shareholders' voting instructions are given directly to Wells Fargo. Wells Fargo will tabulate those votes and provide aggregate voting results directly to the 401(k) Plan trustee. EIX will not have access to any of the 401(k) Plan shareholders' voting instructions, and 401(k) Plan voting results are only reported to EIX in the aggregate.

### **Q: How much will this proxy solicitation cost?**

**A:** We have retained D.F. King & Co., Inc. to assist us with the solicitation of proxies and will pay an aggregate fee of \$22,500 (EIX \$20,000 and SCE \$2,500) plus expenses. This fee does not include the costs of printing and mailing the proxy materials. Some of the directors, officers and other employees of the Company also may solicit proxies personally, by mail, by telephone or by other electronic means for no additional compensation. We will also reimburse brokers and other nominees for their reasonable out-of-pocket and other actual expenses for forwarding proxy materials to beneficial owners and obtaining voting instructions.

### **Q: Whom may I call with questions about the meeting or voting?**

**A:** You may call Wells Fargo at 1-800-347-8625 or visit their Internet website at [www.shareowneronline.com](http://www.shareowneronline.com).

### **Q: What happens if additional matters are presented at the Annual Meeting?**

**A:** The Board is not aware of, and does not intend to present, any business to be acted upon at the Annual Meeting other than the Items described in this Proxy Statement. If you submit a proxy and any other matters properly come before the Annual Meeting, including matters incident to the conduct of the Annual Meeting, the persons named as proxy holders will have the discretionary authority to vote your shares in accordance with their best judgment. If any of the nominees for election to the Board become unavailable to stand for election as a director, the proxies will also have the authority to vote for substitute nominees chosen by the Board.

### **Q: What is the deadline to submit shareholder proposals or other business for the 2016 Annual Meeting?**

**A:** The deadline to submit shareholder proposals for the Company's 2015 Annual Meeting was November 14, 2014. To be considered for inclusion in the 2016 Proxy Statement, shareholder proposals for the Company's 2016 Annual Meeting must be received by November 13, 2015.

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Shareholders intending to bring any other business before an Annual Meeting, including director nominations, must give written notice to the Corporate Secretary of the business to be presented. The notice must be received at our office within the periods, and with the information and documents, specified in the Bylaws.

Assuming that the 2016 Annual Meeting is held on April 28, 2016, as currently specified by the Bylaws, the period for the receipt by the Corporate Secretary of written notice of other business to be brought by shareholders before the 2016 Annual Meeting, including director nominations, will begin on September 14, 2015 and end on November 13, 2015.

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**2015 Proxy Statement**

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**Table of Contents****ITEM 1: ELECTION OF DIRECTORS**

Nine directors have been nominated for election to the EIX Board and ten directors have been nominated for election to the SCE Board, each to hold office until the next Annual Meeting. The director nominees of EIX and SCE are the same, except that Mr. Pizarro is a nominee for the SCE Board only. Director Luis G. Nogales, our longest-tenured director with 22 years of service on the Board, and Bradford M. Freeman and Thomas C. Sutton, who reached the mandatory retirement age of 72, will leave the Board effective as of the date of the Annual Meeting.

A biography of each nominee describing his or her age as of the date of this Proxy Statement, current Board committee service, business experience during the past five years, and other relevant business experience is presented below. The biography includes the specific experience, qualifications, attributes, and skills that led the Board to conclude that the nominee should serve as a director. While each nominee's entire range of experience and skills is considered important, particular experience that contributes to the diversity and effectiveness of the Board is identified below.

<p><b>Jagjeet S. Bindra</b> Age 67 Director Since 2010 <b>Board Committees:</b> Audit Finance, Operations &amp; Safety Oversight</p> <p><b>Other Public Company Boards:</b> LyondellBasell Industries N.V.</p>	<p><b>Biographical Information</b></p> <p>Mr. Bindra served as president of Chevron Global Manufacturing, responsible for Chevron Corporation's worldwide refining operations, from 2004 until his retirement in 2009. During his 32-year career at Chevron, Mr. Bindra also served as managing director and chief executive officer of Caltex Australia Limited, president of Chevron Pipeline Co., and senior vice president, pipelines, of Chevron Overseas Petroleum, Inc. He is a director of LyondellBasell Industries N.V. and previously served as a director of Transocean Ltd. Mr. Bindra is a graduate of the Indian Institute of Technology in Kanpur, India, and holds a Master of Science degree in Chemical Engineering from the University of Washington and an MBA degree from Saint Mary's College of California.</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>Mr. Bindra brings to the Board global experience in a capital intensive industry in the energy sector, which is particularly relevant to the Company's capital and infrastructure investment program. He has expertise in energy value chain and asset management, and in safety and operational risk management, which he brings to Board deliberations. Mr. Bindra's experience as a director of other public companies also brings value to the Board.</p>
<p><b>Vanessa C.L. Chang</b> Age 62 Director Since 2007 <b>Board Committees:</b> Audit (Chair) Compensation &amp; Executive Personnel</p> <p><b>Other Public Company Boards:</b> Transocean Ltd. American Funds Family</p>	<p><b>Biographical Information</b></p> <p>Ms. Chang has been a director of EL &amp; EL Investments, a private real estate investment business, since 1999. She previously served as chief executive officer and president of ResolvItNow.com, an online dispute resolution service, senior vice president of Secured Capital Corporation, a real estate investment bank, and a partner of the accounting firm KPMG Peat Marwick LLP. Ms. Chang is a director of Transocean Ltd. and a director or trustee of seven funds in the American Funds family, advised by Capital Research and Management Company. She is a graduate of the University of British Columbia and a Certified Public Accountant (inactive).</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>Ms. Chang brings to the Board experience in accounting and financial reporting and oversight matters. This experience is valuable in her role as the Company's Audit Committee Chair and financial expert. Ms. Chang spent most of her career in the Southern California area and brings knowledge of the community served by SCE. She also brings experience as a director of public, private, and non-profit organizations, and securities regulation and corporate governance knowledge.</p>



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<p><b>Theodore F. Craver, Jr.</b>                  Age 63                  EIX Director                  Since 2007                  SCE Director                  Since 2008</p> <p><b>Other Public Company Boards:</b>                  Health Net, Inc.</p>	<p><b>Biographical Information</b></p> <p>Mr. Craver has been the Chairman of the Board, President, and Chief Executive Officer of EIX since 2008. He served as Chairman of the Board, President and Chief Executive Officer of EME from 2005 to 2008, and, prior to that, Executive Vice President, Chief Financial Officer and Treasurer of EIX. Before joining the Company as Vice President and Treasurer in 1996, Mr. Craver served as executive vice president and corporate treasurer of First Interstate Bancorp and executive vice president and chief financial officer of First Interstate's wholesale banking subsidiary. He is a director of Health Net, Inc. Mr. Craver is a graduate of the University of Southern California, where he also received his MBA degree.</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>Mr. Craver brings to the Board in-depth knowledge of the Company's business, industry and strategy, experienced leadership and a finance background. He has had experience dealing with difficult challenges faced by the Company, including the California energy crisis. He is a leader in the electric utility industry, currently serving as chairman of the Edison Electric Institute, an association of U.S. shareholder-owned electric companies, and serving as a director of the Electric Power Research Institute, which provides independent, public-benefit research and development relating to the generation, delivery and use of electricity.</p>
<p><b>Pedro J. Pizarro</b>                  Age 49                  SCE Director                  Since 2014</p> <p><b>Other Public Company Boards:</b>                  None</p>	<p><b>Biographical Information</b></p> <p>Mr. Pizarro has been the President of SCE since October 2014. He has held a wide range of executive positions at the EIX companies since joining EIX in 1999. From 2011 through March 2014, Mr. Pizarro served as President of EME, an indirect subsidiary of EIX that filed for bankruptcy in December 2012. Prior to that, he served as Executive Vice President of SCE from 2008 to 2011, responsible for SCE's transmission and distribution system, procurement unit for conventional and renewable power contracts, and gas-fired and hydroelectric power production facilities. Mr. Pizarro also previously served as Vice President and Senior Vice President of SCE responsible for power procurement, and Vice President of SCE responsible for strategy and business development, among other executive roles. Prior to his work at the EIX companies, he was a senior engagement manager with McKinsey &amp; Company, providing management consulting services to energy, technology, engineering services, and banking clients. Mr. Pizarro is a graduate of Harvard University and earned a Ph.D. in chemistry from the California Institute of Technology.</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>Mr. Pizarro brings to the SCE Board in-depth knowledge of the Company's business, experienced leadership, and operations and strategic planning experience and background. His leadership and experience dealing with difficult challenges during the EME bankruptcy adds value to the SCE Board. He also brings experience as a director of various non-profit organizations.</p>

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<p><b>Richard T. Schlosberg, III</b>                  Age 70                  Director Since 2002  <b>Board Committees:</b>                  Compensation &amp;                  Executive Personnel                  Nominating/                  Corporate                  Governance (Chair)</p> <p><b>Other Public                  Company Boards:</b>                  eBay Inc.</p>	<p><b>Biographical Information</b></p> <p>Mr. Schlosberg served as president and chief executive officer of The David and Lucile Packard Foundation, a private family foundation, from 1999 until his retirement in 2004. Prior to joining the foundation, he was publisher and chief executive officer of The Los Angeles Times, and executive vice president and director of The Times Mirror Company, a media communications company. He is a director of eBay Inc. and chairman of the board of the Kaiser Family Foundation. Mr. Schlosberg is a graduate of the United States Air Force Academy, and holds an MBA degree from Harvard Business School.</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>Mr. Schlosberg brings to the Board business, management and chief executive leadership experience in the communications industry, including in the local markets served by SCE. He also brings independent leadership, corporate governance and executive compensation experience to the Board as the Company's current Nominating/Corporate Governance Committee Chair and previous Lead Director and Compensation and Executive Personnel Committee Chair. He brings the perspective and insight of a director of other public and private companies.</p>
<p><b>Linda G. Stuntz</b>                  Age 60                  Director Since 2014</p> <p><b>Board Committees:</b>                  Finance, Operations                  &amp; Safety Oversight                  Nominating/                  Corporate                  Governance</p> <p><b>Other Public                  Company Boards:</b>                  Raytheon Company                  Royal Dutch Shell plc</p>	<p><b>Biographical Information</b></p> <p>Ms. Stuntz has been a partner of the law firm of Stuntz, Davis &amp; Staffier, P.C. since 1995, and served as a partner of the law firm of Van Ness Feldman LLP from 1993 to 1995. Her practice includes energy and environmental regulation. Ms. Stuntz previously served as Deputy Secretary of, and held senior policy positions in, the U.S. Department of Energy from 1989 to 1993, and served as associate minority counsel and minority counsel to the Energy and Commerce Committee of the U.S. House of Representatives from 1981 to 1987. She is a director of Raytheon Company and Royal Dutch Shell plc, and previously served as a director of Schlumberger, Ltd. and American Electric Power Company. Ms. Stuntz is a graduate of Wittenberg University and received her law degree from Harvard University.</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>Ms. Stuntz brings to the Board utility and environmental law and public policy experience, which is particularly relevant to the Company's business. Her experience as a director of other public companies, including in the energy and electric utilities industries, also brings value to the Board.</p>

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<p><b>William P. Sullivan</b> Age 65 New Director Nominee</p> <p><b>Other Public Company Boards:</b> Agilent Technologies</p>	<p><b>Biographical Information</b></p> <p>Mr. Sullivan served as chief executive officer of Agilent Technologies, a global provider of scientific instruments, software, services and consumables in life sciences, diagnostics and applied chemical markets, from 2005 to March 2015. In addition, he was Agilent’s president from 2005 to 2012 and 2013 to 2014. Prior to that, Mr. Sullivan was executive vice president and chief operating officer of Agilent from 2002 to 2005. He had been senior vice president and general manager of Agilent’s Semiconductor Products Group from 1999 to 2002. Mr. Sullivan is a director of Agilent (until its March 2015 annual meeting) and previously served as a director of Avnet, Inc. and URS Corporation. He is a graduate of the University of California, Davis.</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>If elected, Mr. Sullivan will bring to the Board experience as president and chief executive officer of a large public company. He will also bring significant operational experience, including leadership of successful company transformation. His experience in the technology sector will be very valuable to the Board in the changing electric industry.</p>
<p><b>Ellen O. Tauscher</b> Age 63 Director Since 2013</p> <p><b>Board Committees:</b> Audit Finance, Operations &amp; Safety Oversight</p> <p><b>Other Public Company Boards:</b> eHealth Inc. Invacare Corporation SeaWorld Entertainment, Inc.</p>	<p><b>Biographical Information</b></p> <p>Ms. Tauscher has been a strategic advisor with the law firm of Baker, Donelson, Bearman, Caldwell &amp; Berkowitz, PC since 2012. Ms. Tauscher served as Under Secretary of State for Arms Control and International Security from 2009 to 2012. Prior to joining the State Department, she served from 1997 to 2009 as a member of the U.S. House of Representatives from California’s 10<sup>th</sup> Congressional District. While a member of Congress, Ms. Tauscher served on the House Armed Services Committee, the House Transportation and Infrastructure Committee and as Chairman of the House Armed Services Subcommittee on Strategic Forces. Prior to serving in Congress, she worked in investment banking and the financial industry in various roles for Bache Halsey Stuart Shields, Bear Stearns &amp; Co., Drexel Burnham Lambert and as an officer of the American Stock Exchange. Ms. Tauscher is a director of eHealth, Inc., SeaWorld Entertainment, Inc., and Invacare Corporation (until its 2015 annual meeting). She serves on the Board of Governors of Lawrence Livermore National Security, LLC and on the Secretary of Energy Advisory Board. Ms. Tauscher is a graduate of Seton Hall University.</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>Ms. Tauscher brings to the Board extensive government affairs and public policy experience, which is particularly relevant to the Company’s business and valuable in assessing the Company’s strategy. She also brings business and financial acumen. Her experience in national security and in the State Department and in Congress is particularly valuable in the oversight of cybersecurity risk.</p>

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<p><b>Peter J. Taylor</b> Age 56 Director Since 2011</p> <p><b>Board Committees:</b> Audit Compensation &amp; Executive Personnel</p> <p><b>Other Public Company Boards:</b> None</p>	<p><b>Biographical Information</b></p> <p>Mr. Taylor has been the president of ECMC Foundation, a nonprofit corporation dedicated to educational attainment for low-income students, since May 2014. Prior to that he served as executive vice president and chief financial officer of the University of California from 2009 to 2014 and managing director of public finance at Lehman Brothers and Barclays Capital from 2002 to 2009. Mr. Taylor is a director of the Kaiser Family Foundation and a member of the Board of Trustees of the J. Paul Getty Trust, serving as chair of the audit committee. Previously, he was chair of the UCLA African American Admissions Task Force and a commissioner on the California Performance Review Commission. Mr. Taylor is a graduate of the University of California Los Angeles and holds a Master’s degree in public policy analysis from Claremont Graduate University.</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>Mr. Taylor brings to the Board finance and public policy experience, which is particularly relevant to the Company’s infrastructure investment strategy in a highly regulated business. He also brings experience in risk management, accounting and financial reporting.</p>
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<p><b>Brett White</b> Age 55 Director Since 2007 Lead Director</p> <p><b>Board Committees:</b> Compensation &amp; Executive Personnel (Chair) Nominating/ Corporate Governance</p> <p><b>Other Public Company Boards:</b> Realogy Holdings Corporation</p>	<p><b>Biographical Information</b></p> <p>Mr. White has been executive chairman of DTZ, a commercial real estate services company, since March 2015. He served previously served as a senior advisor to TPG Capital, a private equity firm, from July 2014 to December 2014 and as a managing partner at Blum Capital, a private equity firm, from January 2013 to December 2013. Prior to that, Mr. White served as chief executive officer of CBRE Group, Inc., a commercial real estate services firm, from 2005 to 2012, president of CBRE Group from 2001 to 2010 and, prior to that, as chairman of the Americas of CB Richard Ellis Services, Inc. He is a director of Realogy Holdings Corporation and a trustee of the University of San Francisco, and previously served as a director of Ares Commercial Real Estate Corporation and CBRE Group, Inc. Mr. White is a graduate of the University of California, Santa Barbara.</p> <p><b>Specific Qualifications and Experience Relevant to the Company</b></p> <p>Mr. White brings to the Board the experience, strategic perspective, critical judgment and analytical skills of a chief executive officer of a public company. His real estate services industry experience is particularly relevant to the Company’s infrastructure investment strategy. He also brings the perspective of a business headquartered and doing business in the local markets served by SCE developed from his years of service at CBRE Group. This experience is valuable in Mr. White’s role as the Company’s Lead Director and Compensation and Executive Personnel Committee Chair.</p>
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**The Board recommends you vote  
FOR the EIX and SCE director nominees, as applicable.**



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### **Information About Our Corporate Governance**

#### **Q: How are potential director nominees identified and selected by the Board to become nominees?**

**A:** The Nominating/Corporate Governance Committee, comprised solely of independent directors under New York Stock Exchange LLC ( NYSE ) rules and our Corporate Governance Guidelines, is responsible for recommending director candidates to the Board.

The Committee will consider candidates recommended by shareholders if they are submitted in writing to the Corporate Secretary and include all of the information required by Article II, Section 4 of our Bylaws plus a written description, together with any supporting materials, of the following:

Any direct or indirect business relationships or transactions within the last three years between EIX and its subsidiaries and senior management, on the one hand, and the candidate and his or her affiliates and immediate family members, on the other hand; and

The qualifications, qualities, and skills of the candidate that the shareholder deems appropriate to submit to the Committee to assist in its consideration of the candidate.

The Committee also considers candidates recommended by our directors, senior management, and any director search firm retained by the Committee. Mr. Sullivan, who is a first-time director nominee, was recommended by a non-management director. The search firm supports the process of identifying director candidates, coordinating the interview process and conducting reference checks. There are no differences in the manner in which the Committee evaluates a candidate based on the source of the recommendation.

If, based on an evaluation of the candidate's qualifications, qualities and skills, the Committee determines to continue its consideration of a candidate, Committee members and other directors as determined by the Committee, interview the candidate. The Committee conducts any further research on the candidate that it deems appropriate. The Committee then determines whether to recommend that the candidate be nominated as a director. The Board considers the recommendation and determines whether to nominate the candidate for election.

#### **Q: What information does the Nominating/Corporate Governance Committee consider when recommending a director nominee?**

**A:** For the Committee to recommend a director nominee, the candidate must at a minimum possess the qualifications, qualities and skills in our Corporate Governance Guidelines, including:

A reputation for integrity, honesty and adherence to high ethical standards;

Experience in a generally recognized position of leadership; and

The demonstrated business acumen, experience and ability to exercise sound judgment in matters that relate to the current and long-term objectives of the Company.

The Committee also considers other factors and information, including the Board's current need for additional members, the candidate's potential for increasing the Board's range of experience, skills and diversity, the candidate's independence, and specific skills and experience that are relevant to our business strategy.

In nominating candidates for re-election to the Board, the Committee also considers the nature and time invested in a director's service on other boards, the director's Board, Board committee and annual meeting attendance, and the vote received at the prior annual meeting.

#### **Q: How does the Nominating/Corporate Governance Committee consider diversity in identifying director candidates?**

**A:** Our Corporate Governance Guidelines state the Board's policy that the value of diversity on the Board should be considered. The Committee considers ethnic and gender diversity, as well as diversity of skills, backgrounds and qualifications represented on

the Board, in recommending nominees for election. The Committee has instructed its director search firm to identify candidates reflecting ethnic and gender diversity.

The Committee evaluates its effectiveness in achieving diversity on the Board through its annual review of Board composition, which identifies ethnicity, gender and industry experience prior to recommending nominees for election.

**Q: How does the Board determine which directors are considered independent?**

**A:** Our Corporate Governance Guidelines require that the Board consist of at least a majority of independent directors and that the Audit, Compensation and Executive Personnel, and Nominating/Corporate Governance Committees be comprised solely of independent directors. The Company uses the NYSE listing standards to determine independence. Also, the Compensation Committee charter contains additional independence requirements for committee membership.

No director will be considered independent to serve on the Board or an independent Board committee if he or she would not qualify as independent under NYSE rules. Directors who qualify as independent to serve on the Board are determined to be independent unless the director has a material relationship with the Company or its subsidiaries. Directors who qualify as independent to serve on an independent Board committee must meet any additional independence criteria prescribed by the NYSE listing standards and the applicable committee charter.

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The Board has determined that the types of relationships described in Section B of Exhibit A-1 to our Corporate Governance Guidelines, which are posted on our website at [www.edison.com/corpgov](http://www.edison.com/corpgov), are not material for purposes of determining directors independence to serve on the Board. As a result, the Board does not consider these relationships in making independence determinations to serve on the Board.

For relationships not prohibited by NYSE rules and not covered under the categories of immaterial relationships in our Guidelines, the determination of whether a relationship is material or not, and therefore whether a director is independent to serve on the Board or not, is made in good faith by the directors. The director whose relationship is under consideration abstains from the vote regarding his or her independence.

### **Q: Which directors has the Board determined are independent to serve on the Board?**

**A:** The Board has determined that all directors and director nominees other than Messrs. Craver and Pizarro are independent to serve on the Board. The Board previously determined that Dr. France A. Córdova, who resigned from the Board on March 13, 2014, was independent.

The Board reviews the independence of our directors to serve on the Board or an independent Board committee at least annually, and periodically as needed. On a monthly basis, the Company also monitors director relationships and transactions that might disqualify them as independent. In February 2015, prior to recommending director nominees for election, the Board confirmed that the independent directors had no relationships or transactions that disqualified them as independent to serve on the Board.

### **Q: Who is the Lead Director and what are the Lead Director s duties and responsibilities?**

**A:** The Lead Director is designated annually by the independent directors, must be independent, and is expected to devote a greater amount of time to Board service than the other directors. The current Lead Director is Mr. White, who has served in that role since April 2014.

The Lead Director s duties and responsibilities are described in our Corporate Governance Guidelines and include all of the following:

In consultation with the non-employee directors, approve agendas and schedules for Board meetings, and approve the flow of information to the Board;

Preside at all meetings at which the Chairman is not present, including executive sessions of the non-employee and the independent directors, and apprise the Chairman of the issues considered;

Be available to serve as a liaison between the Chairman and the independent directors;

Be available for consultation and direct communication with the Company s shareholders and other interested parties;

Call meetings of the non-employee and the independent directors when necessary and appropriate; and

Perform other duties delegated by the non-employee directors.

The Lead Director s term is one year, consistent with annual elections of directors; in practice, however, our Lead Directors have served for at least two years since 2008.

### **Q: Why does the Board believe that its Board leadership structure is appropriate?**

**A:** The EIX Board has determined that the combined role of Chairman and CEO, together with an independent Lead Director having the duties described above, is currently in the best interest of our shareholders because it provides the appropriate balance between effective leadership of the Company and independent oversight of management. We have the following corporate governance practices that provide for strong independent leadership on the Board and effective oversight of management and CEO performance:

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A strong independent Lead Director role;

A Board with all independent directors, except for Mr. Craver, and no former employees of the Company;

Key Board committees comprised entirely of independent directors;

Regular meetings in executive session with only the independent directors (four meetings in 2014);

A Compensation Committee that annually evaluates CEO performance in achieving company goals and objectives relevant to his compensation, determines his compensation based on its evaluation, and reports to the Board, all in executive session without the CEO present;

Annual Board discussion of CEO performance in executive session without the CEO present; and

Performance feedback annually provided to the CEO by the Lead Director.

The EIX Board also believes having Mr. Craver serve in the combined role of EIX Chairman and CEO is in the best interests of our shareholders because:

He is most familiar with our business and industry and most capable of identifying strategic priorities and leading the Board's review of strategy;

His day-to-day presence at the Company and interaction with management make him most capable of identifying and prioritizing issues and risks for the Board's attention;

The combined role conveys the Board's confidence in his leadership to shareholders and other stakeholders; and

The combined role provides clear accountability for effective leadership and results.

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The EIX Board continues to monitor trends in this area and could, under different circumstances, reach a different conclusion.

The SCE Bylaws provide that the President of SCE has the duties of the Chairman. The Lead Director of EIX also serves as Lead Director of SCE. All directors of SCE are independent, except for Messrs. Craver and Pizarro, and the key Board committees are composed entirely of independent directors. The SCE Board has determined that the current leadership structure is appropriate for SCE as a subsidiary of EIX.

### **Q: What is the Board's role in CEO succession planning?**

**A:** The Board believes CEO succession planning is one of its most important responsibilities. Our Corporate Governance Guidelines provide that the Board will annually review and evaluate succession planning and management development for the Company's senior officers, including the CEO.

At least annually, the Board meets in executive session with the EIX CEO to discuss talent and succession planning. The discussion includes CEO succession in the ordinary course, CEO succession in the event of an emergency, and succession for other key senior management positions. The frequency of the Board's CEO succession planning discussions depends in part on the period until the CEO's expected retirement.

In the succession planning process, internal CEO succession candidates are identified and evaluated based on criteria considered predictive of success at the CEO level, taking into account the Company's business strategy. The Board uses a common talent assessment format for each individual. The assessment includes a development plan for each individual.

Our Corporate Governance Guidelines provide that the Board will have opportunities to become acquainted with the senior officers of the Company and others who may have the potential to handle significant management positions. This is carried out through opportunities for officers to make presentations to the Board and Board committees, director education sessions, other business interactions, and social events intended for this purpose.

In addition to the succession planning process, the Compensation and Executive Personnel Committee annually assesses the performance of the CEO and other senior officers against individual and corporate goals. The performance review process is discussed under "Role of Compensation Committee and Executive Officers" in the Compensation Discussion and Analysis below. The Committee reports on the results to the Board.

### **Q: What is the Board's role in risk oversight?**

**A:** Our Corporate Governance Guidelines provide that one of the Board's primary functions is to review the Company's enterprise risk management process and monitor strategic and emerging risks. The Board annually reviews key enterprise risks identified by management, such as financial, reputational, safety, physical and cyber security, and compliance risks, and monitors key risks through reports and discussions regarding key risk areas at Board meetings. The Board also focuses on specific strategic and emerging risks in periodic strategy reviews. The Board annually reviews corporate goals and approves capital budgets.

Board committees have responsibility for risk oversight in specific areas as follows:

The Audit Committee is responsible for oversight of (i) risk assessment and risk management policies, (ii) major financial risk exposures, and (iii) the steps management has taken to monitor and control these exposures. In carrying out these responsibilities, the Committee semi-annually reviews the Company's risk management processes and key enterprise risks, reviews the EIX risk management committee charter, receives regular reports on litigation, internal audits and compliance, receives deep dive reports on specific risk topics at meetings, and receives semi-annual reports of the Company's political contributions. The Committee also annually reviews and approves the internal audit plan. The EIX Vice President for Risk Management regularly attends Committee meetings and reports on risk issues.

The Compensation and Executive Personnel Committee assesses and monitors risks in the Company's compensation program. The Committee's risk assessment process and factors considered in assessing risk are discussed under "Risk Considerations" in the Compensation Discussion and Analysis below.

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The Finance, Operations and Safety Oversight Committee is responsible for oversight of risks in the Company's capital investment activities and operations. The Committee regularly monitors the level of capital spending relative to approved capital budgets and must approve significant capital spending variances and projects that are not included in approved capital budgets. The Committee also monitors safety and operational performance metrics, significant developments related to safety, physical and cyber security, reliability and affordability, and the availability of appropriate resources in these areas. In carrying out its responsibility for oversight of risks in the Company's operations, the Committee receives "deep dive" reports on key topics related to this responsibility at each meeting. To the extent topics involve key Company risks, members of the Audit Committee may be invited to attend Finance, Operations and Safety Oversight Committee meetings.

The Nominating/Corporate Governance Committee advises the Board with respect to Board size and composition, Board committee composition and responsibilities, Lead Director selection and corporate governance practices that help position the Board to effectively carry out its risk oversight responsibility.

The Board believes its leadership structure supports the Board's risk oversight function. Independent directors chair the Board committees responsible for risk oversight, the Company has an independent Lead Director who facilitates communication between management and directors, and all directors are involved in the review of key enterprise risks.

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### **Q: What is the Board's role in cybersecurity oversight?**

**A:** The Company has identified cybersecurity as a key enterprise risk. As a result, cyber risks are included in the key risk reports to the Board and Audit Committee discussed above. In addition, the Board has assigned responsibility for cybersecurity oversight to the Finance, Operations and Safety Oversight Committee, which receives an annual "deep dive" report and written cybersecurity updates with each meeting. Among other things, these reports focus on the Company's most critical assets, cybersecurity drills, exercises and breaches, mitigation of cyber risks, and assessments by third-party experts. In 2014, the Board also received an annual "deep dive" report with a similar focus.

### **Q: Do the Board and Board committees conduct an annual evaluation of their performance?**

**A:** The Board and Board committees complete a self-evaluation questionnaire and discuss the results of their evaluation in executive session during the applicable Board or committee meeting. The Nominating/Corporate Governance Committee oversees the annual evaluation of the Board and Board committees.

### **Q: How many times did the Board meet in 2014?**

**A:** The Board met eleven times in 2014. Each current director attended 75% or more of all Board and Board committee meetings he or she was eligible to attend. The Board held four executive sessions of the independent directors.

### **Q: Does the Company have a policy on attendance of Director nominees at Annual Meetings?**

**A:** Director nominees are expected to attend Annual Meetings. All of the EIX and SCE directors attended the 2014 Annual Meeting.

### **Q: Are directors required to hold EIX Common Stock?**

**A:** Within five years from the date of their initial election to the Board, directors are required to own an aggregate number of shares of EIX Common Stock or derivative securities convertible into EIX Common Stock, excluding stock options, having a value equivalent to five times the amount of the annual Board retainer. All deferred stock units held by a director count toward this ownership requirement.

All directors comply with this stock ownership requirement.

### **Q: Does EIX have a policy on shareholder rights plans?**

**A:** The EIX Board has a policy to seek prior shareholder approval of the adoption of any shareholder rights plan unless, due to time constraints or other reasons consistent with the EIX Board's fiduciary duties, a committee consisting solely of independent directors determines that it would be in the best interests of EIX shareholders to adopt the plan prior to shareholder approval. Any rights plan adopted by the EIX Board without prior shareholder approval will automatically terminate one year after adoption of the plan unless the plan is approved by EIX shareholders prior to such termination.

### **Q: Is SCE subject to the same corporate governance stock exchange rules as EIX?**

**A:** EIX is subject to NYSE rules and SCE is subject to the NYSE MKT LLC rules, which exempt SCE from designated corporate governance rules for Board and Board committee composition, including director independence, the director nominations process, and the process to determine executive compensation. SCE is exempt from these rules because (i) it is a controlled company with over 50% of the voting power held by its parent company, EIX, and (ii) it has listed only preferred stock on the exchange. However, SCE closely follows the EIX corporate governance practices required under the NYSE rules.

### **Q: How may I communicate with the Board?**

**A:** Shareholders and other interested parties may communicate with the Board or individual directors by following the procedures described on our website at [www.edison.com/corpgov](http://www.edison.com/corpgov).

**Q: Where can I find the Company's corporate governance documents?**

**A:** The EIX Bylaws, Corporate Governance Guidelines, and Board committee charters, the Director Ethics and Compliance Code applicable to all directors of EIX and SCE, and the Employee Ethics and Compliance Code applicable to all EIX and SCE officers and employees, are posted on our website at [www.edison.com/corpgov](http://www.edison.com/corpgov).

The SCE Bylaws, Corporate Governance Guidelines and Board committee charters are posted on our website at [www.sce.com/corpgov](http://www.sce.com/corpgov).



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**Certain Relationships and Related Transactions**

It is the Company's policy that the Nominating/Corporate Governance Committee review at least annually, and periodically as needed, any transaction in the prior calendar year or any proposed transaction between the EIX companies and a related person in which the amount involved exceeds \$120,000 and the related person has a material interest. A related person is generally a director, a director nominee, an executive officer, or a greater than 5% beneficial owner of any class of voting securities of EIX or SCE, and their immediate family members. This policy is stated in writing in the Committee's charter.

The Committee's regular procedure is to obtain from management annually, and periodically as needed, a list of the transactions with related persons described above, and to review these transactions at a meeting held in advance of recommending director nominations to the Board. The list is based on information from questionnaires completed by our directors, director nominees, and executive officers, together with information obtained from our accounts payable and receivable records and is reviewed by legal counsel. The Committee's procedure is evidenced in the minutes and records for the Committee meeting at which the review occurred.

**Linda G. Stuntz**

Director Linda Stuntz is an equity partner at the law firm of Stuntz, Davis & Staffier, P.C. ( SD&S ), which paid the Company approximately \$233,000 in 2014 to sublease approximately 4,344 square feet of office space in Washington, D.C. Effective upon the completion of pending tenant improvements, the sublease has been amended to reduce the subleased space to 3,625 square feet at a monthly rent of \$16,325, which will increase annually by 4%. The sublease will expire two years following completion of the tenant improvements, unless SD&S elects to renew the lease for up to two additional one year terms.

**Adam S. Umanoff**

On October 8, 2014, Adam S. Umanoff was elected EIX Vice President and General Counsel, effective January 2, 2015. In connection with his election, EIX entered into an agreement with Akin Gump Strauss Hauer and Feld LLP, Mr. Umanoff's previous employer, to retain Mr. Umanoff's legal services from November 10, 2014 through December 31, 2014 as he prepared to assume his new position. The amount paid to Akin Gump in connection with Mr. Umanoff's services was \$166,127.

**Table of Contents****Board Committees**

The current membership and primary functions of our Audit, Compensation and Executive Personnel, Nominating/Corporate Governance, and Finance, Operations and Safety Oversight Committees are described below. The duties and powers of each Committee are described in its charter.

Director	Audit Committee	Compensation & Executive Personnel Committee	Nominating/Corporate Governance Committee	Finance, Operations & Safety Oversight Committee
Jagjeet S. Bindra				
Vanessa C.L. Chang	Chair Financial Expert			
Bradford M. Freeman				Chair
Luis G. Nogales				
Richard T. Schlosberg, III			Chair	
Linda G. Stuntz				
Thomas C. Sutton				
Ellen O. Tauscher				
Peter J. Taylor				
Brett White		Chair		
<b>Number of Meetings Held in 2014 (EIX/SCE)</b>	<b>6/6</b>	<b>4/4</b>	<b>4/4</b>	<b>4/4</b>

**Audit Committee**

The Audit Committee's duties and powers include the following:

Appoint the independent registered public accounting firm.

Assist the Board in its oversight of:

- the integrity of financial statements;
- finance, accounting, ethics and compliance and internal control systems;
- compliance with legal and regulatory requirements;
- the qualifications, independence and performance of the Company's independent registered public accounting firm;
- the General Auditor's performance and the internal audit function, including how the function is organized and its responsibilities, budget, staffing and skills; and
- the ethics and compliance program, including goals and plans, program effectiveness, and compliance processes for the employees' ethics code.

Meet regularly, including in executive sessions, with management, the independent registered public accounting firm, and the internal auditors to make inquiries regarding the manner in which the responsibilities of each are being discharged and any management biases with respect to judgments estimates, significant accounting policies and disclosures, or difficulties in obtaining appropriate information.

Meet regularly in executive sessions with the EIX Chief Ethics and Compliance Officer to address ethics and compliance issues.

Recommend to the Board the inclusion of the year-end audited financial statements in the Company's Annual Report.

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Review with the independent registered public accounting firm management's estimates for significant transactions that impact financial reporting.

Review with the independent registered public accounting firm the scope of audit and other engagements and the related fees, their independence, the adequacy of internal accounting controls, the firm's quarterly reports on critical accounting matters that arose during the quarter, and the year-end audited financial statements.

Oversee the Company's (i) risk assessment and risk management policies, (ii) major financial risk exposures and (iii) the steps management has taken to monitor and control these exposures.

Establish and maintain procedures for the receipt, retention and treatment of complaints the Company receives regarding accounting, internal accounting controls or auditing matters.

The EIX Audit Committee also reviews at least semi-annually (i) any changes to the Company's political contribution policies and (ii) a written report of political contributions and related political expenditures of the Company and its consolidated subsidiaries, political action committee and civic action committee. The EIX Board approves all political contributions in excess of \$1 million.

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### **Compensation and Executive Personnel Committee**

The Compensation and Executive Personnel Committee's duties and powers include the following:

- Review the performance and set the compensation of designated elected officers, including the executive officers.
- Review director compensation for consideration and action by the Board.
- Approve the design of executive and director compensation programs, plans and arrangements.
- Approve stock ownership guidelines for officers and recommend guideline changes for directors.
- Review and assess whether any risks arising from compensation policies and practices are reasonably likely to have a material adverse effect on the Company.

### **Nominating/Corporate Governance Committee**

The Nominating/Corporate Governance Committee's duties and powers include the following:

- Periodically review Board size and composition and identify and recommend director candidates.
- Make recommendations to the Board regarding Board committee, committee chair and Lead Director assignments.
- Review related party transactions.
- Periodically review and recommend updates to the Corporate Governance Guidelines and Board committee charters.
- Advise the Board with respect to corporate governance matters.
- Oversee the annual evaluation of the Board and Board committees.
- Review the orientation program for new directors and continuing education activities for all directors.

### **Finance, Operations and Safety Oversight Committee**

The Finance, Operations and Safety Oversight Committee's duties and powers include the following:

- Review and monitor capital spending compared to the annual budget or equity investment plan approved by the Board, and receive post-completion reports from management on all major capital projects.
- Monitor operational and service excellence performance metrics and significant developments relating to safety, reliability and affordability, specifically including performance and developments in the areas of cybersecurity, business resiliency and emergency response, and the availability of appropriate resources to achieve objectives in these areas.

The EIX Finance, Operations and Safety Oversight Committee has the following additional duties and powers:

- Approve capital investments in, and extensions of credit to, Edison Energy and its subsidiaries, of more than \$100 million over the amount previously approved by the Board or Committee.
- Review and monitor capital commitments by Edison Energy and its subsidiaries, and approve any transaction not in the ordinary course of business that is required to be approved by EIX as the shareholder of Edison Energy.

Table of Contents**Director Compensation**

The following table presents information regarding the compensation paid for 2014 to our non-employee directors. The compensation paid to any director who is also an employee is presented in the EIX and SCE Summary Compensation Tables and the related explanatory tables.

**Director Compensation Table Fiscal Year 2014**

Name (a)	Fees Earned or Paid in Cash (\$) (b)	Stock Awards <sup>(1)(2)</sup> (\$) (c)	Option Awards <sup>(3)</sup> (\$) (d)	Non-Equity Incentive Plan Compensation (\$) (e)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings <sup>(4)</sup> (\$) (f)	All Other Compensation <sup>(5)</sup> (\$) (g)	Total (\$) (h)
	Jagjeet S. Bindra	117,000	115,012				10,000
Vanessa C.L. Chang	135,000	115,012			15,621	10,000	275,633
France A. Córdova <sup>(6)</sup>	38,750				20,142		58,892
Bradford M. Freeman	115,000	115,012			29,341	10,000	269,353
Luis G. Nogales	115,000	115,012			14,169	10,000	254,181
Ronald L. Olson <sup>(7)</sup>	46,500				35,066		81,566
Richard T. Schlosberg, III	127,000	115,012			32,148		