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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 10, 2020

SEMPRA ENERGY
(Exact name of registrant as specified in its charter)

California	**1-14201**	**33-0732627**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

488 8th Avenue, San Diego, California	**92101**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (619) 696-2000

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Sempra Energy Common Stock, without par value	**SRE**	**NYSE**
Sempra Energy 6% Mandatory Convertible Preferred Stock, Series A, $100 liquidation preference	**SREPRA**	**NYSE**
Sempra Energy 6.75% Mandatory Convertible Preferred Stock, Series B, $100 liquidation preference	**SREPRB**	**NYSE**
Sempra Energy 5.75% Junior Subordinated Notes Due 2079, $25 par value	**SREA**	**NYSE**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 3.03 Material Modification to Rights of Security Holders.

On June 11, 2020, Sempra Energy (the "Company") filed a Certificate of Determination (the "Certificate of Determination") with the Secretary of State of the State of California to establish the designations, privileges, preferences, rights and restrictions of its 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C (the "Series C Preferred Stock"). The Certificate of Determination became effective on the date of its filing, and a copy is filed as an exhibit to this report and is incorporated herein by reference. The description of certain terms of the Series C Preferred Stock set forth in this Item 3.03 is qualified in its entirety by reference to such exhibit.

Pursuant to the Certificate of Determination, so long as any share of Series C Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Company's common stock or any other class or series of its capital stock established after the original issue date of the Series C Preferred Stock the terms of which do not expressly provide that such class or series will rank senior to or on parity with the Series C Preferred Stock as to dividend rights and distribution rights upon the Company's liquidation, winding-up or dissolution (collectively, "junior stock"), and no common stock or any other junior stock shall be purchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries unless, in each case, all accumulated and unpaid dividends for all preceding dividend periods have been declared and paid, or a sufficient sum of cash has been set aside for the payment of such dividends, on all outstanding shares of Series C Preferred Stock, subject, in each case, to certain exceptions. Additionally, when dividends on shares of the Series C Preferred Stock have not been declared and paid in full on any dividend payment date for the Series C Preferred Stock or have been declared but a sum of cash sufficient for payment thereof has not been set aside for the benefit of the holders thereof on the applicable record date, no dividends may be declared or paid on the Company's outstanding 6% Mandatory Convertible Preferred Stock, Series A or 6.75% Mandatory Convertible Preferred Stock, Series B or any other class or series of the Company's capital stock established after the original issue date of the Series C Preferred Stock the terms of which expressly provide that such class or series will rank on parity with the Series C Preferred Stock as to dividend rights and distribution rights upon the Company's liquidation, winding-up or dissolution (collectively, "parity stock"), unless dividends are declared on the shares of Series C Preferred Stock such that the respective amounts of such dividends declared on the shares of Series C Preferred Stock and such parity stock shall bear the same ratio to each other as all accumulated dividends and all declared and unpaid dividends per share on the shares of Series C Preferred Stock and such parity stock bear to each other.

In addition, whenever dividends on any shares of the Series C Preferred Stock have not been declared and paid or have been declared but a sum of cash sufficient for payment thereof has not been set aside for the benefit of the holders of Series C Preferred Stock on the applicable record date, for the equivalent of three or more dividend periods (as defined below), whether or not for consecutive dividend periods, the authorized number of directors on the Company's board of directors will automatically be increased by two and the holders of the Series C Preferred Stock, voting together as a single class with holders of any and all other series of voting preferred stock (as defined below) then outstanding, will be entitled, at the Company's next annual meeting, or at a special meeting (if any), of shareholders to elect two directors to fill such two newly created directorships. If and when all accumulated and unpaid dividends on the Series C Preferred Stock have been paid in full, the holders of the Series C Preferred Stock shall immediately be divested of the foregoing voting rights, and upon the divesting of such voting rights and the same voting rights of all other holders of voting preferred stock, the term of office of each director elected pursuant to such rights will terminate and the authorized number of directors shall automatically decrease by two, subject to the revesting of such rights in the event of each subsequent nonpayment of dividends as described above. A "dividend period" is the period from, and including, a dividend payment date for the Series C Preferred Stock to, but excluding, the next such dividend payment date, except that the initial dividend period will commence on, and include, the original issue date of the Series C Preferred Stock. "Voting preferred stock" means any series of preferred stock of the Company, other than the Series C Preferred Stock, ranking equally with the Series C Preferred Stock either as to dividends or to the distribution of assets upon the Company's liquidation, winding-up or dissolution and upon which like voting rights have been conferred and are exercisable (which includes the Company's 6% Mandatory Convertible Preferred Stock, Series A and 6.75% Mandatory Convertible Preferred Stock, Series B).

Additionally, in the event of the Company's voluntary or involuntary liquidation, winding-up or dissolution, each holder of the Series C Preferred Stock will be entitled to receive a liquidation preference in the amount of $1,000 per share of the Series C Preferred Stock, plus an amount equal to accumulated and unpaid dividends (whether or not declared) on such shares to, but excluding, the date fixed for liquidation, winding-up or dissolution to be paid out of the Company's assets legally available for distribution to its stockholders, after satisfaction of debt and other liabilities owed to the Company's creditors and holders of shares of any class or series of the Company's capital stock established after the original issue date of the Series C Preferred Stock the terms of which expressly provide that such class or series will rank senior to the Series C Preferred Stock as to dividend rights and distribution rights upon the Company's liquidation, winding-up or dissolution, and before any payment or distribution is made to holders of junior stock (including the Company's common stock). If, upon the Company's voluntary or involuntary liquidation, winding-up or dissolution, the foregoing amounts payable in respect of the Series C Preferred Stock

and the liquidation preference of, and the amount of accumulated and unpaid dividends (to, but excluding, the date fixed for such liquidation, winding-up or dissolution) on, all other parity stock are not paid in full, the holders of the Series C Preferred Stock and all holders of any such other parity stock will share equally and ratably in any distribution of the Company's assets in proportion to their respective liquidation preferences and amounts equal to accumulated and unpaid dividends to which they are entitled.

The terms of the Series C Preferred Stock, including such restrictions, are more fully described in the Certificate of Determination and below under Item 5.03.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

To the extent required by Item 5.03 of Form 8-K, the information regarding the Certificate of Determination contained in Item 3.03 of this report is incorporated in this Item 5.03 by reference. A copy of the Certificate of Determination is filed as an exhibit to this report and is incorporated herein by reference. The description of certain terms of the Series C Preferred Stock set forth in this Item 5.03 is qualified in its entirety by reference to such exhibit.

Holders of the Series C Preferred Stock will be entitled to receive, when, as and if declared by the Company's board of directors, or an authorized committee thereof, out of funds legally available for payment, cumulative cash dividends at the rate per annum described below on the liquidation preference of $1,000 per share, payable semi-annually in arrears on April 15 and October 15 of each year, commencing on October 15, 2020, and dividends will accumulate daily whether or not the Company has funds legally available for the payment of such dividends. The dividend rate on the Series C Preferred Stock from and including its original issue date to, but excluding, October 15, 2025 (the "First Reset Date") will be 4.875% per annum of the $1,000 liquidation preference per share. The dividend rate on the Series C Preferred Stock will reset on the First Reset Date and on October 15 of every fifth year after 2025 (each such date, including the First Reset Date, a "Reset Date") and, for each five-year period from and including a Reset Date to but excluding the next following Reset Date, will be a per annum rate equal to the Five-year U.S. Treasury Rate (as defined in the Certificate of Determination) as of the second business day (as defined in the Certificate of Determination) prior to the first day of such period, plus a spread of 4.550%, of the $1,000 liquidation preference per share.

The Series C Preferred Stock is perpetual and has no maturity date, but is redeemable at the Company's option, (i) in whole or in part, from time to time, on any day during the three month period from and including July 15, 2025 through and including the First Reset Date and during the three month period from and including July 15 through and including October 15 of every fifth year after 2025, at a redemption price in cash equal to $1,000 per share; or (ii) in whole but not in part, at any time within 120 days after the conclusion of any review or appeal process instituted by the Company following the occurrence of a Ratings Event (as defined in the Certificate of Determination), or, if no review or appeal process is available or sought with respect to such Ratings Event, at any time within 120 days after the occurrence of such Ratings Event, at a redemption price in cash equal to $1,020 per share (i.e., 102% of the liquidation preference of $1,000 per share); plus, in each case, but subject to certain exceptions, all accumulated and unpaid dividends (whether or not declared) to, but excluding, such redemption date.

Except as required by California law or as described in Item 3.03 of this report or the Certificate of Determination, the Series C Preferred Stock will not have voting rights.

Item 8.01 Other Events.

On June 10, 2020, the Company priced a registered public offering of 900,000 shares of its Series C Preferred Stock at a price to the public of $1,000 per share. The Company estimates that the net proceeds from the offering, after deducting the underwriting discount but before deducting estimated offering expenses payable by the Company, will be $891 million. In connection with the offering, the Company entered into an underwriting agreement dated June 10, 2020 with Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, as the representatives of the several underwriters named on Schedule I thereto (the "Underwriters"), pursuant to which the Company agreed to issue and sell to the Underwriters, severally and not jointly, such shares of Series C Preferred Stock for resale in such offering under a prospectus supplement and related prospectus filed with the U.S. Securities and Exchange Commission pursuant to the Company's effective shelf registration statement on Form S-3, as amended by post-effective Amendment No. 1 thereto (File No. 333-220257). Copies of the underwriting agreement and the Certificate of Determination establishing the terms of the Series C Preferred Stock (which includes the form of certificate evidencing the shares of the Series C Preferred Stock) are filed as exhibits to this report and are incorporated herein by reference. The description of certain terms of the Series C Preferred Stock and the Underwriting Agreement set forth above is qualified in its entirety by reference to such exhibits.

The Company expects to close the issuance and sale of its Series C Preferred Stock as described above on or about June 19, 2020.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number	Exhibit Description
1.1	Underwriting Agreement, dated June 10, 2020, by and among Sempra Energy and Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, as representatives of the several underwriters named therein.
3.1	Certificate of Determination of Preferences of 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C, of Sempra Energy (including the form of certificate representing the 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C), filed with the Secretary of State of the State of California and effective June 11, 2020.
4.1	Certificate of Determination of Preferences of 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C, of Sempra Energy (including the form of certificate representing the 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C), filed with the Secretary of State of the State of California and effective June 11, 2020 (filed as Exhibit 3.1 hereto).
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

Cautionary Note Regarding Forward-Looking Statements

This report contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to the future, involve risks and uncertainties, and are not guarantees of performance. Future results may differ materially from those expressed in the forward- looking statements. These forward-looking statements represent our estimates and assumptions only as of the filing date of this report. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

In this report, forward-looking statements can be identified by words such as "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "target," "pursue," "outlook," "maintain," or similar expressions, or when we discuss our guidance, strategy, goals, vision, mission, opportunities, projections or intentions. Such forward–looking statements include statements about, among other things, the timing and amount of dividends the Company may declare and pay on the Series C Preferred Stock, the Company's ability to pay dividends on the Series C Preferred Stock when anticipated or at all, the timing and amount, if at all, of any redemption of the shares of Series C Preferred Stock, and the completion of the Company's issuance and sale of shares of its Series C Preferred Stock.

Factors, among others, that could cause our actual results and future actions to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: California wildfires and the risk that we may be found liable for damages regardless of fault and the risk that we may not be able to recover any such costs from insurance, the wildfire fund established by California Assembly Bill 1054 or in rates from customers; decisions, investigations, regulations, issuances of permits and other authorizations, renewal of franchises, and other actions by the Comisión Federal de Electricidad, California Public Utilities Commission, U.S. Department of Energy, Public Utility Commission of Texas, regulatory and governmental bodies and jurisdictions in the U.S. and other countries in which we operate; the success of business development efforts, construction projects and major acquisitions and divestitures, including risks in (i) the ability to make a final investment decision and completing construction projects on schedule and budget, (ii) obtaining the consent of partners, (iii) counterparties' financial or other ability to fulfill contractual commitments, (iv) the ability to complete contemplated acquisitions and/or divestitures, and (v) the ability to realize anticipated benefits from any of these efforts once completed; the impact of the COVID-19 pandemic on our (i) ability to commence and complete capital and other projects and obtain regulatory approvals, (ii) supply chain and current and prospective counterparties, contractors, customers, employees and partners, (iii) liquidity, resulting from bill payment challenges experienced by our customers, decreased stability and accessibility of the capital markets and other factors, and (iv) ability to sustain operations and satisfy compliance requirements due to social distancing measures or if employee absenteeism were to increase significantly; the resolution of civil and criminal litigation, regulatory investigations and proceedings, and arbitrations; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow at favorable interest rates; moves to reduce or eliminate reliance on natural gas and the impact of the extreme volatility and unprecedented decline of oil prices on our businesses and development projects; weather, natural disasters, accidents, equipment failures, computer system outages and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires and subject us to liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits), may be disputed by insurers or may otherwise not be

recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power and natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, limitations on the withdrawal or injection of natural gas from or into storage facilities, and equipment failures; cybersecurity threats to the energy grid, storage and pipeline infrastructure, the information and systems used to operate our businesses, and the confidentiality of our proprietary information and the personal information of our customers and employees; expropriation of assets, the failure of foreign governments and state-owned entities to honor the terms of contracts, and property disputes; the impact at San Diego Gas & Electric Company (SDG&E) on competitive customer rates and reliability due to the growth in distributed power generation and from departing retail load resulting from customers transferring to Direct Access, Community Choice Aggregation or other forms of distributed power generation and the risk of nonrecovery for stranded assets and contractual obligations; Oncor Electric Delivery Company LLC's (Oncor) ability to eliminate or reduce its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; volatility in foreign currency exchange, interest and inflation rates and commodity prices and our ability to effectively hedge the risk of such volatility; changes in trade policies, laws and regulations, including tariffs and revisions to or replacement of international trade agreements, such as the North American Free Trade Agreement, that may increase our costs or impair our ability to resolve trade disputes; the impact of changes to federal and state tax laws and our ability to mitigate adverse impacts; and other uncertainties, some of which may be difficult to predict and are beyond our control.

You should review and consider carefully the risks, uncertainties and other factors that affect our business as described herein and in our most recent Annual Report on Form 10-K and Quarterly Report on Form 0-Q and other reports that we file with the U.S. Securities and Exchange Commission. Investors should not rely unduly on any forward-looking statements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SEMPRA ENERGY

Date: June 15, 2020

By: /s/ Peter R. Wall
Peter R. Wall
Senior Vice President, Controller and Chief Accounting Officer

Exhibit 1.1

Execution Version

Sempra Energy

4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C

Underwriting Agreement

June 10, 2020

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, New York 10010

Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

As Representatives of the several Underwriters
Ladies and Gentlemen:

Sempra Energy, a California corporation (the "**Company**"), confirms its agreement with each of the Underwriters named in Schedule I hereto (collectively, the "**Underwriters**," which term shall also include any underwriter substituted as hereinafter provided in Section 8 hereof), for whom Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC are acting as representatives (the "**Representatives**"), with respect to the issue and sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of shares of the Company's 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C, no par value (the "**Preferred Stock**"), set forth under the heading "Number of Shares to be Purchased" in Schedule I hereto (collectively, the "**Shares**").

The terms of the Preferred Stock will be set forth in the Certificate of Determination (the "**Certificate of Determination**") to be filed by the Company with the Secretary of State of the State of California as an amendment to the Company's Articles of Incorporation.

The Company has filed with the Securities and Exchange Commission (the "**Commission**") an automatic shelf registration statement on Form S-3 (No. 333-220257), which registration statement became effective upon filing under Rule 462(e) of the rules and regulations of the Commission (the "**Rules and Regulations**") under the Securities Act of 1933, as amended (the "**Act**"). Such registration statement covers the registration of the Shares (among other securities) under the Act. Such registration statement, as amended through the date hereof (including by post-effective amendment No. 1 thereto) and including the information deemed pursuant to Rule 430B under the Rules and Regulations to be part of the registration statement at the time of its effectiveness with respect to the offering contemplated by this Agreement and all documents incorporated or deemed to be incorporated by reference therein through the date hereof, but excluding any Form T-1 (as defined below), is hereinafter referred to as the "**Registration Statement**." The Company proposes to file with the Commission pursuant to Rule 424(b) of the Rules and Regulations the Prospectus Supplement (as defined in Section 4(h) hereof) relating to the Shares and the prospectus dated June 13, 2019 (the "**Base Prospectus**"), and has previously advised you of all further information (financial and other) with respect to the Company set forth therein. The Base Prospectus together with the Prospectus Supplement, in their respective forms on the date hereof (being the forms in which they are to be filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations), including all documents incorporated or deemed to be incorporated by reference therein through the date hereof, are hereinafter referred to as, collectively, the "**Prospectus**," except that if any revised prospectus or prospectus supplement shall be provided to the Underwriters by the Company for use in connection with the offering and sale of the Shares which differs from the Prospectus (whether or not such revised prospectus or prospectus supplement is required to be filed by the Company pursuant to Rule 424(b) of the Rules and Regulations), the term "Prospectus" shall refer to such revised prospectus or prospectus supplement, as the case may be, from and after the time it is first provided to the Underwriters for such use. The term "**Preliminary Prospectus**," as used in this Agreement, means the preliminary prospectus supplement dated June 10, 2020 and filed with the Commission on June 10, 2020 pursuant to Rule 424(b) of the Rules and Regulations, together with the Base Prospectus used with such preliminary prospectus supplement in connection with the marketing of the Shares, in each case as amended or supplemented by the Company, including all documents incorporated or deemed to be incorporated by reference therein through the date thereof. Unless the context otherwise requires, all references in this Agreement to documents, financial statements and schedules and other information which is "contained," "included," "stated," "described in" or "referred to" in the Registration Statement, the Preliminary Prospectus or the Prospectus (and all other references of like import) shall be deemed to mean and include all such documents, financial statements and schedules and other information which is or is deemed to be incorporated by reference in the Registration Statement, the Preliminary Prospectus or the Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), after the date of this Agreement which is or is deemed to be incorporated by reference in the Registration Statement, the Preliminary Prospectus or the Prospectus, as the case may be.

At or prior to 5:30 p.m. (New York City time) on June 10, 2020 which was the time when sales of the Shares were first made (such time, the "**Applicable Time**"), the Company had prepared the following information (collectively the "**Pricing Disclosure Package**"): the Preliminary Prospectus and each "free-writing prospectus" (as defined pursuant to Rule 405 of the Rules and Regulations) listed on Schedule II hereto.

1. The Company represents and warrants to each Underwriter as of the date hereof (such date being hereinafter referred to as the "**Representation Date**"), as of the Applicable Time and as of the Time of Delivery referred to in Section 3 herein as follows:

(a) No order preventing or suspending the use of the Preliminary Prospectus has been issued by the Commission, and the Preliminary Prospectus, at the time of filing thereof, complied in all material respects with the Act and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (a) shall not apply to statements in or omissions from the Preliminary Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in the Preliminary Prospectus.

(b) The Pricing Disclosure Package, at the Applicable Time, did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (b) shall not apply to statements in or omissions from the Pricing Disclosure Package made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in such Pricing Disclosure Package.

(c) The Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, approved or referred to and will not prepare, make, use, approve or refer to any "written communication" (as defined in Rule 405 of the Rules and Regulations) that constitutes an offer to sell or solicitation of an offer to buy the Shares (each such communication by the Company or its agents and representatives other than the Underwriters in their capacity as such (other than a communication referred to in clauses (i), (ii) and (iii) below) an "**Issuer Free Writing Prospectus**") other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Act or Rule 134 of the Rules and Regulations, (ii) the Preliminary Prospectus, (iii) the Prospectus, (iv) the documents listed on Schedule II hereto and (v) any electronic road show or other written communications, in each case approved in advance by the Representatives. Each such Issuer Free Writing Prospectus complied in all material respects with the Act, has been or will be (within the time period specified in Rule 433 of the Rules and Regulations) filed (to the extent required thereby) in accordance with the Act and when taken together with the Preliminary Prospectus, did not, and at the Time of Delivery will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (c) shall not apply to statements in or omissions from any Issuer Free Writing Prospectus made in reliance upon and in conformity

with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in any Issuer Free Writing Prospectus. Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Shares or until any earlier date that the Company notified or notifies the Representatives as described in Section 4(c) with respect to such Issuer Free Writing Prospectus, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Prospectus or the Preliminary Prospectus that has not been superseded or modified.

(d) The Registration Statement is an "automatic shelf registration statement" as defined under Rule 405 of the Rules and Regulations that became effective not earlier than three years prior to the date hereof; and no notice of objection of the Commission to the use of such registration statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) of the Rules and Regulations has been received by the Company. The Registration Statement, at the respective times the Registration Statement and any post-effective amendments thereto became effective, and the Registration Statement and the Prospectus, as of the Representation Date, complied and comply in all material respects with the requirements of the Act and the Rules and Regulations (including Rule 415(a) of the Rules and Regulations), and the Registration Statement did not and as of the Representation Date and at the Time of Delivery does not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. No order suspending the effectiveness of the Registration Statement has been issued under the Act and no proceedings for that purpose or pursuant to Section 8A of the Act against the Company or related to the offering of the Shares have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with. The Prospectus, at the Representation Date (unless the term "Prospectus" refers to a prospectus which has been provided to the Underwriters by the Company for use in connection with the offering of the Shares which differs from the Prospectus filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations, in which case at the time it is first provided to the Underwriters for such use) and at the Time of Delivery, does not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (d) shall not apply to statements in or omissions from the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in the Registration Statement or the Prospectus or the information contained in any Statement of Eligibility and Qualification of a trustee under the Trust Indenture Act filed as an exhibit to the Registration Statement (a "**Form T-1**").

(e) The documents filed by the Company and incorporated or deemed to be incorporated by reference into the Registration Statement, the Prospectus and the Pricing Disclosure Package pursuant to Item 12 of Form S-3 under the Act, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder and, when read together and with the other information in the Registration Statement, the Prospectus and the Pricing Disclosure Package, at the respective times the Registration

Statement and any amendments thereto became effective, at the Representation Date, at the Applicable Time and at the Time of Delivery did not, do not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) The Company and its subsidiaries, taken as a whole, have not sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus; and, since the date as of which information is given in the Pricing Disclosure Package and the Prospectus, there has not been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management or consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus.

(g) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of California, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole; and each of Southern California Gas Company, a California corporation ("**SCGC**"), San Diego Gas & Electric Company, a California corporation ("**SDG&E**"), Pacific Enterprises, a California corporation ("**PE**"), Enova Corporation, a California corporation ("**Enova**"), Sempra Global, a Delaware corporation ("**Global**"), Pacific Enterprises International, a California corporation ("**PEI**"), Sempra Energy International, a California corporation ("**SEI**") and Sempra Texas Holdings Corp., a Texas corporation, ("**Sempra Texas**" and, together with SCGC, SDG&E, PE, Enova, Global, PEI and SEI, the "**Significant Subsidiaries**"), has been duly incorporated or organized and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation.

(h) The Company has an authorized capitalization as set forth in the Pricing Disclosure Package and the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and conform to the description thereof contained in the Pricing Disclosure Package and the Prospectus; and all of the issued shares of capital stock of each Significant Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and, except for the outstanding preferred stock of SCGC, are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims.

(i) The Shares have been duly authorized for issuance and sale by the Company and, when Shares are issued and delivered pursuant to this Agreement, such Shares will be validly issued, fully paid and non-assessable, and will have the rights, preferences and priorities set forth in the Company's Articles of Incorporation (including the Certificate of Determination) and the issuance of such Shares will not be subject to any preemptive or similar rights.

(j) This Agreement has been duly authorized, executed and delivered by the Company.

(k) The Certificate of Determination, the proposed form of which has been furnished to you, has been duly authorized by the Company and will have been duly executed and delivered by the Company and duly filed with the Secretary of State of the State of California before the Time of Delivery. The holders of the Shares will have the rights set forth in the Certificate of Determination upon filing of the Certificate of Determination with the Secretary of State of the State of California.

(l) The form of certificate used to evidence the Shares complies in all material respects with all applicable requirements of the law of the State of California and the Company's Articles of Incorporation and Bylaws, and has been duly authorized and approved by the board of directors of the Company.

(m) [Intentionally omitted.]

(n) The issue and sale of the Shares and the compliance by the Company with all of the provisions of this Agreement and the Certificate of Determination, including the consummation of the transactions herein and therein contemplated, will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any contract, indenture, mortgage, deed of trust, loan agreement, note, lease or other agreement or instrument to which the Company or any of its Significant Subsidiaries is a party or by which the Company or any of its Significant Subsidiaries is bound or to which any of the properties or assets of the Company or any of its Significant Subsidiaries is subject, (ii) result in any violation of the provisions of the Articles or Certificate of Incorporation or Bylaws or other organizational documents of the Company or any of its Significant Subsidiaries, or (iii) result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its Significant Subsidiaries or any of their respective properties, except, solely in the case of clauses (i) and (iii) above, for such conflicts, breaches, violations or defaults that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement or the Certificate of Determination, except such as have been obtained under the Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters.

(o) The statements set forth in the Pricing Disclosure Package and the Prospectus, each as amended or supplemented, if applicable, under the captions "Description of Series C Preferred Stock," "Description of Series A Mandatory Convertible Preferred Stock," "Description of Series B Mandatory Convertible Preferred Stock" and "Description of Capital Stock," insofar as they purport to constitute a summary of the terms of the Preferred Stock, the Series A Mandatory Convertible Preferred Stock, the Series B Mandatory Convertible Preferred Stock, the Company's common stock, no par value (the "**Common Stock**"), the Company's authorized but unissued preferred stock, no par value, the Company's Articles of Incorporation (including the Certificate of Determination, the certificate of determination for the Series A Mandatory Convertible Preferred Stock and the certificate of determination for the Series B Mandatory Convertible Preferred Stock) or Bylaws or provisions of the laws of the State of California, and under the caption "Underwriting (Conflicts of Interest)," insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair in all material respects; and the statements under the caption "Description of Capital Stock" in Exhibit 4.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, insofar as they purport to constitute a summary of the Common Stock, the Company's authorized and unissued preferred stock, no par value, the Company's Articles of Incorporation or Bylaws, the laws of the State of California or the terms of the Series A Mandatory Convertible Preferred Stock or the Series B Mandatory Convertible Preferred Stock, are accurate, complete and fair in all respects.

(p) Neither the Company nor any of its Significant Subsidiaries is (i) in violation of its Articles or Certificate of Incorporation or Bylaws or other organizational documents or (ii) in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except in the case of clause (ii) for such defaults which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole.

(q) Other than as set forth in the Pricing Disclosure Package and the Prospectus, (i) there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject, except for such proceedings which, if determined adversely to the Company or any of its subsidiaries, would not reasonably be expected individually or in the aggregate to have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole and (ii) to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(r) The Company is not, and after giving effect to the offering and sale of the Shares will not be, an "investment company," as such term is defined in the Investment Company Act of 1940, as amended (the **"Investment Company Act"**).

(s) Deloitte & Touche LLP, who have certified certain financial statements of the Company and its subsidiaries, taken as a whole, is an independent registered public accounting

firm as required by the Act and the Rules and Regulations and the rules and regulations of the Public Company Accounting Oversight Board.

(t) To the Company's knowledge, Deloitte & Touche LLP, who have certified certain financial statements of Oncor Electric Delivery Holdings Company LLC ("**Oncor Holdings**") and its subsidiaries, taken as a whole, is an independent registered public accounting firm as required by the Act and the Rules and Regulations and the rules and regulations of the Public Company Accounting Oversight Board.

(u) The financial statements of the Company and its consolidated subsidiaries included (if applicable) and incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus present fairly in all material respects the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the consolidated results of their operations for the periods specified; and, except as stated therein, such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis. To the Company's knowledge, the financial statements of Oncor Holdings and its consolidated subsidiaries incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus present fairly in all material respects the consolidated financial position of Oncor Holdings and its consolidated subsidiaries as of the dates indicated and the consolidated results of their operations for the periods specified; and, except as stated therein, to the Company's knowledge, such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis.

(v) The Company and each of its consolidated subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences.

(w) The Company and each of its consolidated subsidiaries maintain "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) under the Exchange Act); such disclosure controls and procedures are effective.

(x) The Company and its subsidiaries possess such certificates, authorities or permits issued by the appropriate state, federal, local or foreign regulatory agencies or bodies necessary to conduct their businesses as described in the Pricing Disclosure Package and the Prospectus, except where the failure to possess such certificates, authorities or permits, individually or in the aggregate, would not have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the consolidated financial

position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole.

(y) The Company and its subsidiaries are in compliance with, and conduct their respective businesses in conformity with, all applicable state, federal, local and foreign laws and regulations relating to the operation and ownership of a public utility, including, without limitation, those relating to the distribution and transmission of natural gas, except to the extent that any failure so to comply or conform would not individually or in the aggregate have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole.

(z) The Company and its subsidiaries hold all franchises, certificates of public convenience and necessity, permits, licenses and easements necessary to own, operate and maintain their properties as described in the Pricing Disclosure Package and the Prospectus, except to the extent that such failure, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole.

(aa) Except as otherwise described in the Pricing Disclosure Package and the Prospectus and except as would not, singly or in the aggregate, result in a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the knowledge of the Company, threatened, administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violations, investigations or proceedings relating to any Environmental Law against the Company or any of its subsidiaries and (D) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

(bb) To the knowledge of the Company, since March 31, 2020, there has not been any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management or consolidated financial position, members' equity or results of operations of Oncor Holdings and its subsidiaries (including Oncor Electric Delivery Company LLC), taken as a whole.

(cc) The Company has not (A) engaged in any Testing-the-Waters Communication (as defined below) or (B) authorized anyone other than the Representatives to engage in Testing-the-Waters Communications; the Company has not distributed any Written Testing-the-Waters Communications (as defined below). "Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Act or Rule 163B promulgated under Section 5 of the Act. "Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a "written communication" within the meaning of Rule 405.

Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters pursuant to this Agreement shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Underwriter, and the officer(s) signing such certificate shall have no personal liability for any representation or warranty so made.

2. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, the number of Shares set forth in Schedule I hereto opposite such Underwriter's name, at a purchase price of $990 per share (the "**Purchase Price**").

3. Payment of the Purchase Price for, and delivery of certificates for, the Shares shall be made at the office of Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022 or at such other place as shall be agreed upon by the Representatives and the Company, at 10:00 a.m. (New York City time), on June 19, 2020, or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company (such time and date of payment and delivery being herein called the "**Time of Delivery**"). Payment for the Shares shall be made to the Company by wire transfer of Federal (same day) funds to the account specified by the Company to the Representatives at least forty-eight hours in advance against delivery to the Representatives for the respective accounts of the Underwriters of certificates (or book-entry credits) for the Shares to be purchased by them. Certificates (or book-entry credits) for the Shares shall be registered in such names and in such denominations as the Representatives may request upon at least forty-eight hours prior notice to the Company. It is understood that each Underwriter has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Shares which it has agreed to purchase. Citigroup Global Markets Inc., individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Shares to be purchased by any Underwriter whose check has not been received by the Time of Delivery, but such payment shall not release such Underwriter from its obligations hereunder. The certificates (if any) for the Shares will be made available for examination and packaging by the Representatives not later than 10:00 a.m. (New York City time), on the last business day prior to the Time of Delivery in New York, New York.

4. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus, as amended or supplemented, in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not

later than the Commission's close of business on the second business day following the date hereof or, if applicable, such earlier time as may be required by Rule 424(b); to make no further amendment or any supplement to the Registration Statement or Prospectus, as amended or supplemented, after the date hereof and on or prior to the Time of Delivery, which shall be reasonably disapproved by the Representatives promptly after reasonable notice thereof; to advise the Representatives promptly of any such amendment or supplement after the Time of Delivery and furnish the Representatives with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus (or a notice pursuant to Rule 173 of the Rules and Regulations) is required in connection with the offering or sale of the Shares, and during such same period to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any examination pursuant to Section 8(e) of the Act concerning the Registration Statement, or of the Company becoming the subject of a proceeding under Section 8A of the Act in connection with the offering of the Shares, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any prospectus relating to the Shares or suspending any such qualification, to promptly use reasonable best efforts to obtain the withdrawal of such order.

(b) To prepare a final term sheet or sheets, as the case may be (in either such case, the "**Final Term Sheet**") reflecting the final terms of the Shares and the offering thereof, in the form of Schedule III hereto (and containing such other information as the Company and the Representatives may agree), and file such Final Term Sheet as an "issuer free writing prospectus" pursuant to Rule 433 prior to the close of business two business days after the date hereof; provided that the Company shall furnish the Representatives with copies of such Final Term Sheet a reasonable amount of time prior to such proposed filing and will not use or file any such document to which the Representatives or counsel to the Underwriters shall reasonably object;

(c) If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the Preliminary Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, to notify the Representatives and, upon their request, to file such document and to prepare and furnish without charge to each Underwriter as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance;

(d) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Shares for offering and sale under the securities laws of such domestic jurisdictions and (with the prior consent of the Company) foreign jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(e) Prior to 10:00 a.m., New York City time, on the second business day succeeding the date hereof, or such later time or date as agreed to by the Company and the Representatives, and from time to time, to furnish the Underwriters with copies of the Prospectus in New York City, as amended or supplemented, in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus (or a notice pursuant to Rule 173 of the Rules and Regulations) is required at any time in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act or the Exchange Act, to notify the Representatives and upon their request to file such document and to prepare and furnish without charge to each Underwriter and to any securities dealer participating in the offering of the Shares as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance;

(f) To make generally available to its securityholders as soon as practicable, but in any event not later than fifteen months after the date hereof, an earnings statement of the Company and its consolidated subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the Rules and Regulations (including, at the option of the Company, Rule 158);

(g) Without the prior written consent of each of the Representatives, the Company will not, during the period from and including the date hereof through and including the 30th day after the date hereof, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Preferred Stock, any securities of the Company that are substantially similar to the Preferred Stock ("**Similar Securities**"), or any securities convertible into or exercisable or exchangeable for Preferred Stock or Similar Securities; provided that the foregoing provisions of this paragraph shall not apply to the Shares sold to the Underwriters pursuant to this Agreement.

(h) Immediately following the execution of this Agreement, the Company will prepare a prospectus supplement, dated the date hereof (the "**Prospectus Supplement**"), containing the terms of the Shares, the plan of distribution thereof and such other information as

may be required by the Act or the Rules and Regulations or as the Representatives and the Company deem appropriate, and will file or transmit for filing with the Commission in accordance with Rule 424(b) of the Rules and Regulations copies of the Prospectus (including such Prospectus Supplement);

(i) To apply the net proceeds from the sale of the Shares as set forth in the Prospectus; and

(j) The Company represents and agrees that, unless it obtains the prior consent of the Representatives, and each Underwriter represents and agrees that, unless it obtains the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute an Issuer Free Writing Prospectus, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission; provided, however, that the prior consent of the Representatives and the Company shall be deemed to have been given in respect of the Final Term Sheet and any other Issuer Free Writing Prospectuses included in Schedule II hereto; and provided further, however, that prior to the preparation of the Final Term Sheet in accordance with Section 4(b), the Underwriters are authorized to use the information with respect to the final terms of the Shares in communications conveying information relating to the offering to investors. Any such free writing prospectus consented to by the Company and the Representatives or otherwise permitted by the immediately preceding sentence is hereinafter referred to as a "**Permitted Free Writing Prospectus**." For purposes of clarity, it is understood and agreed that the term Issuer Free Writing Prospectus, as used in this Agreement, includes all Permitted Free Writing Prospectuses.

5. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, the Preliminary Prospectus, any Permitted Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, any Blue Sky and Legal Investment Memoranda, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 4(d) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky and Legal Investment Memoranda; (iv) any fees charged by securities rating services for rating the Shares; (v) any filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, any required review by The Financial Industry Regulatory Authority, Inc. of the terms of the sale of the Shares (up to a maximum aggregate amount of $5,000); (vi) the cost of preparing the certificates representing the Shares, if any; (vii) the costs and charges of any transfer agent, registrar or depositary; (viii) the preparation and filing of the Certificate of Determination with the Secretary of State of the State of California; and (ix) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 7 and 10 hereof, the Underwriters will pay all of their own

costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

6. The obligations of the Underwriters shall be subject, in the discretion of the Representatives, to the condition that all representations and warranties and other statements of the Company in or incorporated by reference in this Agreement are, at and as of the Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus, as amended or supplemented, shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing (without reliance on Rule 424(b)(8) of the Rules and Regulations and in accordance with Section 4(a) hereof); no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information from the Commission shall have been complied with to the Representatives' reasonable satisfaction.

(b) Counsel for the Underwriters shall have furnished to the Representatives such written opinion or opinions, dated the Time of Delivery with respect to the Registration Statement and the Prospectus, as amended or supplemented, as well as such other related matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(c) The Company's general counsel, or any associate or assistant general counsel of the Company, shall have furnished to the Representatives a written opinion, dated the Time of Delivery, in the form previously agreed and satisfactory to the Representatives.

(d) Latham & Watkins LLP shall have furnished to the Representatives their written opinion or opinions and negative assurances letter, dated the Time of Delivery, in the forms previously agreed and satisfactory to the Representatives.

(e) On the date hereof at a time prior to the execution of this Agreement, Deloitte & Touche LLP shall have furnished to the Representatives a letter with respect to the Company, dated the date hereof, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters, and at the Time of Delivery, Deloitte & Touche LLP shall have furnished to the Representatives a letter dated the Time of Delivery reaffirming the statements made in their letter dated the date hereof, except that the specified date referred to in such letter delivered on the Time of Delivery shall be a date not more than three days prior to the Time of Delivery and with respect to such letter dated the Time of Delivery as to such other matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives.

(f) On the date hereof at a time prior to the execution of this Agreement, Deloitte & Touche LLP shall have furnished to the Representatives a letter with respect to Oncor Holdings, dated the date hereof, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountants' "comfort

letters" to underwriters, and at the Time of Delivery, Deloitte & Touche LLP shall have furnished to the Representatives a letter dated the Time of Delivery reaffirming the statements made in their letter dated the date hereof, except that the specified date referred to in such letter delivered on the Time of Delivery shall be a date not more than three days prior to the Time of Delivery and with respect to such letter dated the Time of Delivery as to such other matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives.

(g) [Intentionally omitted.]

(h) The Certificate of Determination shall have been filed with the Secretary of State of the State of California and become effective and the Company shall have delivered evidence of such filing and effectiveness to the Representatives in form and substance satisfactory to the Representatives, and the Company shall not have received any comments or objections with respect to the Certificate of Determination or the terms of the Preferred Stock from the California Department of Corporations, the California Secretary of State or any other applicable governmental body or official of the State of California that shall not have been resolved to the satisfaction of the Representatives.

(i) [Intentionally omitted.]

(j) The Company and its subsidiaries, taken as a whole, (i) shall have not sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus, as amended prior to the date hereof, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus, as amended prior to the date hereof, and (ii) since the respective dates as of which information is given in the Pricing Disclosure Package and the Prospectus, as amended prior to the date hereof, there shall not have been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management or consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, in each case otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus, as amended prior to the date hereof, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse to the Company and its subsidiaries, taken as a whole, as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus as first amended or supplemented.

(k) At or after the Applicable Time (i) no downgrading shall have occurred in the rating accorded any of the Company's debt securities by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Section 3(a)(62) under the Exchange Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities, in each case described in clause (i) or (ii) other than such a

downgrade or announcement as set forth or contemplated in the Prospectus Supplement and Prospectus under the caption "Risk Factors—Risks Related to the Series C Preferred Stock— Certain credit rating agencies may downgrade our credit ratings or place those ratings on negative outlook, which may adversely affect the market price of our Series C Preferred Stock."

(l) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange (the "**NYSE**") or the Nasdaq Global Market; (ii) a suspension or material limitation in trading in the Company's securities on the NYSE; (iii) a general moratorium on commercial banking activities declared by either Federal or New York or California State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, if the effect of any such event specified in this clause (iv) in the judgment of the Representatives (A) is material and adverse and (B) makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus as first amended or supplemented.

(m) The Company shall have complied with the provisions of Section 4(e) hereof with respect to the furnishing of prospectuses on the second business day succeeding the date hereof.

(n) The Company shall have furnished or caused to be furnished to the Representatives at the Time of Delivery a certificate of officers of the Company satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company herein at and as of the Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to the Time of Delivery, as to the matters set forth in subsections (a) and (j) of this Section and as to such other matters as the Representatives may reasonably request.

7. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Shares, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Shares or any

amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use therein.

(b) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Shares, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Shares or any such amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information consists of the following: the information in the fourth paragraph of text under the caption "Underwriting (Conflicts of Interest)" in the Preliminary Prospectus and the Prospectus concerning the terms of the offering by the Underwriters, and the information in the three paragraphs of text (solely with respect to the statements attributable to the Underwriters) under the subcaption "Price Stabilization and Short Positions" under the caption "Underwriting (Conflicts of Interest)" in the Preliminary Prospectus and the Prospectus, insofar as such information relates to stabilization, penalty bids, overallotment, short positions and purchases to cover short positions by the Underwriters; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party under such subsection to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation; provided, however, that the Representatives shall have the right to employ counsel to represent jointly the Underwriters and their respective

directors, officers, employees, agents and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Underwriters against the Company under this Section 7 if the Representatives shall have reasonably concluded that there may be one or more legal defenses available to the Underwriters and their respective directors, officers, employees, agents and controlling persons that are different from or additional to those available to the Company and its officers, directors, employees and controlling persons, and in each case the fees and expenses of a single separate counsel for the Underwriters and their respective directors, officers, employees, agents and controlling persons (in addition to local counsel) shall be paid by the Company. The indemnifying party shall not be liable for any settlement or compromise of, or the consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification may be sought hereunder effected without the prior written consent of the indemnifying party (which consent shall not be unreasonably withheld), but, if settled or compromised with the indemnifying party's consent, or if judgment shall be entered following consent to the entry of such judgment given with the indemnifying party's consent, or if there shall otherwise be a final judgment for the plaintiff, the indemnifying party agrees to indemnify and hold harmless each indemnified party against any and all losses, claims, damages, liabilities and expenses, joint or several, by reason of such settlement, compromise or judgment, as the case may be. No indemnifying party shall, without the written consent of the indemnified party (which consent shall not be unreasonably withheld), effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand, and the Underwriters on the other, from the offering of the Shares contemplated by this Agreement. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, or if the indemnified party failed to give the notice required under subsection (c) above, then in each case each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Shares contemplated by this Agreement (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged

omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to the Shares and not joint.

(e) The obligations of the Company under this Section 7 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each director, officer, employee and agent of any Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 7 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and employee of the Company and to each person, if any, who controls the Company within the meaning of the Act.

8. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase under this Agreement at the Time of Delivery, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties reasonably satisfactory to the Representatives to purchase such Shares on such terms. In the event that, within the respective prescribed period, the Representatives notify the Company that they have so arranged for the purchase of such Shares, or the Company notifies the Representatives that it has so arranged for the purchase of such Shares, the Representatives or the Company shall have the right to postpone the Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, as amended or supplemented, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the opinion of the Representatives may thereby be made necessary. The term **"Underwriter"** as used in this

Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate number of Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of Shares set forth in Schedule I hereto, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase under this Agreement and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase under this Agreement) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate number of Shares which remains unpurchased exceeds one-eleventh of the aggregate number of Shares set forth in Schedule I hereto, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 5 hereof and the indemnity and contribution agreements in Section 7 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

9. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Shares.

10. If this Agreement shall be terminated pursuant to Section 8 hereof, the Company shall not then be under any liability to any Underwriter with respect to the Shares except as provided in Sections 5 and 7 hereof; but, if for any other reason Shares are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares, but the Company shall then be under no further liability to any Underwriter with respect to the Shares except as provided in Sections 5 and 7 hereof.

11. In all dealings hereunder, the Representatives of the Underwriters shall act on behalf of each of such Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such

Representatives jointly or by such of the Representatives, if any, as may be designated for such purpose in this Agreement.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, overnight courier or facsimile transmission, if to the Underwriters, to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration, Facsimile: (646) 834-8133, Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013, Attention: General Counsel, Facsimile: (646) 291-1469, Credit Suisse Securities (USA) LLC, 11 Madison Avenue, New York, New York 10010, Attention: IBCM-Legal, Facsimile: (212) 325-4296, Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Equity Syndicate Desk, and Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Department, with a copy to the Legal Department; and if to the Company shall be delivered or sent by mail or overnight courier to Sempra Energy, 488 8th Avenue, San Diego, California 92101, Attention: Secretary, with a copy to the General Counsel; provided, however, that any notice to an Underwriter pursuant to Section 7(c) hereof shall be delivered or sent by mail, overnight courier or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or email or facsimile transmission constituting such Questionnaire, which address will be supplied to the Company by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

12. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 7 and 9 hereof, the directors, officers, employees and agents of each Underwriter, the officers, directors and employees of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

13. The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of the Shares contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. The Company agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company, in connection with the transactions contemplated hereby or the process leading thereto. Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the

transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

14. (a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

For the purposes of this Section 14, a "**BHC Act Affiliate**" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k). "**Covered Entity**" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). "**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. "**U.S. Special Resolution Regime**" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

15. Time shall be of the essence of this Agreement. As used herein, **"business day"** shall mean, unless otherwise expressly stated, any day when the Commission's office in Washington, D.C. is open for business.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

The words "execution," "signed," "signature," and words of like import in this Agreement or in any instruments, agreements, certificates, legal opinions, negative assurance letters or other documents entered into or delivered pursuant to or in connection with this Agreement or the Certificate of Determination shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign

and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

(Signature Page Follows)

If the foregoing is in accordance with your understanding, please sign and return to us one for the Company and for each of the Representatives plus one for each counsel counterparts hereof.

Very truly yours,

Sempra Energy

By: /s/ Bruce MacNeil
Name: Bruce MacNeil
Title: Vice President and Treasurer

Accepted as of the date hereof:

Barclays Capital Inc.

By: /s/ Robert Stowe
Name: Robert Stowe
Title: Managing Director

Citigroup Global Markets Inc.

By: /s/ Brian D. Bednarski
Name: Brian D. Bednarski
Title: Managing Director

Credit Suisse Securities (USA) LLC

By: /s/ Salvatore J Seguna
Name: Salvatore J Seguna
Title: Managing Director

Goldman Sachs & Co. LLC

By: /s/ Adam T. Greene
Name: Adam T. Greene
Title: Managing Director

Morgan Stanley & Co. LLC

By: /s/ Ian Drewe
Name: Ian Drewe
Title: Executive Director

Acting as Representatives of the several Underwriters, on behalf of each of the Underwriters

SCHEDULE I

Underwriters	Number of Shares to be Purchased
Barclays Capital Inc.	144,000
Citigroup Global Markets Inc.	157,500
Credit Suisse Securities (USA) LLC	144,000
Goldman Sachs & Co. LLC	144,000
Morgan Stanley & Co. LLC	144,000
Deutsche Bank Securities Inc.	27,000
MUFG Securities Americas Inc.	27,000
RBC Capital Markets, LLC	27,000
Credit Agricole Securities (USA) Inc.	18,000
Santander Investment Securities Inc.	18,000
Scotia Capital (USA) Inc.	18,000
TD Securities (USA) LLC	18,000
WR Securities, LLC	13,500
Total	900,000

Free Writing Prospectus dated June 10, 2020

SCHEDULE III

Pricing Term Sheet

Sempra Energy

Pricing Term Sheet
June 10, 2020

900,000 Shares of 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C

This pricing term sheet relates only to the securities described below and should be read together with Sempra Energy's preliminary prospectus supplement dated June 10, 2020 (the "Preliminary Prospectus Supplement"), the accompanying prospectus dated June 13, 2019 and the documents incorporated and deemed to be incorporated by reference therein. The information in this pricing term sheet supplements and, to the extent inconsistent therewith, supersedes the information in the Preliminary Prospectus Supplement. Terms used in this pricing term sheet that are not defined herein but that are defined in the Preliminary Prospectus Supplement have the respective meanings given to such terms in the Preliminary Prospectus Supplement.

Issuer:	Sempra Energy, (the "Company")
Trade Date:	June 10, 2020
Settlement Date:	June 19, 2020 (T+7)[1]
Securities Offered:	4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C (the "Series C Preferred Stock")
Number of Shares Offered:	900,000 shares
Term:	Perpetual (unless redeemed by the Company as described below under "Optional Redemption")
Public Offering Price:	$1,000 per share
Underwriting Discount:	$10.00 per share
Net Proceeds:	The Company estimates that the net proceeds to it from this offering, after deducting the underwriting discount but before deducting estimated offering expenses payable by the Company, will be $891,000,000.
Liquidation Preference:	$1,000 per share
Aggregate Liquidation Preference:	$900,000,000

[1] The Company expects that the delivery of the Series C Preferred Stock will be made against payment therefor on or about the Settlement Date, which will be the seventh business day following the date of this pricing term sheet. Under rules of the SEC, trades in the secondary market generally are required to settle in two business days, unless the parties to that trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Series C Preferred Stock before the second business day prior to the Settlement Date will be required, by virtue of the fact that the normal settlement date for that trade would occur prior to the Settlement Date, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement, and should consult their own advisers with respect to these matters.

Dividend Rate:	The dividend rate on the Series C Preferred Stock from and including the initial issue date (as defined below) to, but excluding, October 15, 2025 (the "First Reset Date") will be 4.875% per annum of the $1,000 liquidation preference per share. On and after the First Reset Date, the dividend rate on the Series C Preferred Stock for each Reset Period (as defined below) will be a per annum rate equal to the Five-year U.S. Treasury Rate (as defined below) as of the most recent Reset Dividend Determination Date (as defined below), plus a spread of 4.550%, of the $1,000 liquidation preference per share. See "Description of Series C Preferred Stock—Dividends" in the Preliminary Prospectus Supplement for further terms and provisions applicable to the dividend rate on the Series C Preferred Stock.
Dividend Payment Dates:	April 15 and October 15 of each year, commencing on October 15, 2020.
Optional Redemption:	The Company may, at its option, redeem the Series C Preferred Stock: • in whole or in part, from time to time, on any day during any Par Call Period (as defined below) at a redemption price in cash equal to $1,000 per share; or • in whole but not in part, at any time within 120 days after the conclusion of any review or appeal process instituted by the Company following the occurrence of a Ratings Event (as defined below), or, if no review or appeal process is available or sought with respect to such Ratings Event, at any time within 120 days after the occurrence of such Ratings Event, at a redemption price in cash equal to $1,020 per share (102% of the Series C Preferred Stock liquidation preference of $1,000 per share), plus, in each case, but subject to certain exceptions, all accumulated and unpaid dividends (whether or not declared) to, but excluding, such redemption date. See "Description of Series C Preferred Stock—Optional Redemption" and "—Redemption Procedures" in the Preliminary Prospectus Supplement for further terms and provisions applicable to the redemption of the Series C Preferred Stock.
No Listing:	Sempra Energy does not intend to apply to list the Series C Preferred Stock on any securities exchange.
CUSIP / ISIN:	816851 BK4 / US816851BK46
Joint Book-Running Managers:	Barclays Capital Inc. Citigroup Global Markets Inc. Credit Suisse Securities (USA) LLC

	Goldman Sachs & Co. LLC Morgan Stanley & Co. LLC
Senior Co-Managers:	Deutsche Bank Securities Inc. MUFG Securities Americas Inc. RBC Capital Markets, LLC
Co-Managers:	Credit Agricole Securities (USA) Inc. Santander Investment Securities Inc. Scotia Capital (USA) Inc. TD Securities (USA) LLC WR Securities, LLC

“business day” means any day other than a Saturday or Sunday or any other day on which commercial banks in New York City are authorized or required by law or executive order to close.

“initial issue date” means the original issue date of the Series C Preferred Stock.

“Five-year U.S. Treasury Rate” means, as of any Reset Dividend Determination Date, as applicable, (i) an interest rate (expressed as a decimal) determined to be the per annum rate equal to the arithmetic mean of the five most recent daily yields to maturity for U.S. Treasury securities with a maturity of five years from the next Reset Date (as defined below) and trading in the public securities markets, as published in the most recent H.15, or (ii) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate will be determined by interpolation between the arithmetic mean of the five most recent daily yields to maturity for each of the two series of U.S. Treasury securities trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Reset Dividend Determination Date, and (B) the other maturing as close as possible to, but later than, the Reset Date following the next succeeding Reset Dividend Determination Date, in each case as published in the most recent H.15. If the Five-year U.S. Treasury Rate cannot be determined pursuant to the methods described in clauses (i) or (ii) above, then the Five-year U.S. Treasury Rate will be the same interest rate determined for the prior Reset Dividend Determination Date.

“H.15” means the statistical release designated as such, or any successor publication, published by the Board of Governors of the U.S. Federal Reserve System (or any successor thereto).

“most recent H.15” means the H.15 published closest in time but prior to the close of business on the second business day prior to the applicable Reset Date.

“Reset Date” means the First Reset Date and October 15 of every fifth year after 2025.

“Reset Dividend Determination Date” means, in respect of any Reset Period, the day falling two business days prior to the first day of such Reset Period.

“Reset Period” means the period from and including the First Reset Date to, but excluding, the next following Reset Date and thereafter each period from and including a Reset Date to, but excluding, the next following Reset Date.

“Par Call Period” means any period from and including the July 15 immediately preceding a Reset Date through and including such Reset Date.

“Ratings Event” means that any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended, or in any successor provision thereto, that then publishes a rating for the Company (a “rating agency”) amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Series C Preferred Stock, which amendment, clarification or change results in:

- the shortening of the length of time the Series C Preferred Stock is assigned a particular level of equity credit by that rating agency as compared to the length of time the Series C Preferred Stock would have been assigned that level of equity credit by that rating agency or its predecessor on the initial issue date of the Series C Preferred Stock; or
- the lowering of the equity credit (including up to a lesser amount) assigned to the Series C Preferred Stock by that rating agency as compared to the equity credit assigned by that rating agency or its predecessor on the initial issue date of the Series C Preferred Stock.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the preliminary prospectus supplement referred to above and other documents the issuer has filed with the SEC for more complete information about the issuer and the offering. You may get these documents for free by visiting EDGAR on the SEC website at *www.sec.gov*. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus and the preliminary prospectus supplement if you request it by calling Barclays Capital Inc. toll-free at (888) 603-5847, by calling Citigroup Global Markets Inc. toll-free at (800) 831-9146, by calling Credit Suisse Securities (USA) LLC toll-free at (800) 221-1037, by calling Goldman Sachs & Co. LLC toll-free at (866) 471-2526, or by calling Morgan Stanley & Co. LLC toll-free at (866) 718-1649.

Any legends, disclaimers or other notices that may appear below are not applicable to this communication and should be disregarded. Such legends, disclaimers or other notices have been automatically generated as a result of this communication having been sent via Bloomberg or another system.

CERTIFICATE OF DETERMINATION OF PREFERENCES
OF
4.875% FIXED-RATE RESET CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK, SERIES C
OF
SEMPRA ENERGY

Pursuant to Section 401 of the Corporations Code of the State of California, the undersigned, Bruce E. MacNeil, Vice President and Treasurer, and Jennifer F. Jett, Vice President – Governance and Corporate Secretary, of SEMPRA ENERGY, a California corporation (the "**Corporation**"), do hereby certify:

FIRST: The Amended and Restated Articles of Incorporation of the Corporation authorize the issuance of 50,000,000 shares of stock, designated "preferred stock," issuable from time to time in one or more series, and authorize the Board of Directors of the Corporation to fix the number of shares constituting any such series, to determine the designation of any such series, and to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any such series of such preferred stock.

SECOND: A duly authorized committee of the Board of Directors of the Corporation (the "**Committee**") did duly adopt the following resolutions authorizing and providing for the creation of a series of preferred stock to be known as "4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C", the number of shares of such series being 900,000, unless increased as permitted by the terms of Exhibit A hereto and authorized by the Board of Directors or a duly authorized committee thereof, none of the shares of such series having been issued:

NOW, THEREFORE, BE IT RESOLVED, that, as more fully provided in Exhibit A hereto, there is hereby created a series of Preferred Stock of the Corporation to be known as the "4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C" (the "**Series C Preferred Stock**"), and the number of shares of the Series C Preferred Stock shall be 900,000, unless increased as permitted by the terms of Exhibit A hereto and authorized by the Board of Directors or a duly authorized committee thereof.

RESOLVED FURTHER, pursuant to the authority vested in the Board of Directors of the Corporation according to the provisions of its Amended and Restated Articles of Incorporation and delegated to this Committee pursuant to resolutions duly adopted by the Board of Directors of the Corporation, this Committee does hereby create, authorize and provide for the issuance of the Series C Preferred Stock having the rights, preferences, privileges, restrictions and other terms set forth in Exhibit A hereto and incorporated by reference herein, and the terms of the shares of Series C Preferred Stock, including without limitation, the liquidation value per share of Series C Preferred Stock, the dividend rate (including the terms on which such dividend rate shall be reset from time to time) and dividend payment dates of the Series C Preferred Stock, the dates on which the Series C Preferred Stock may be redeemed at the option of the Corporation, and the redemption price or prices of the Series C Preferred Stock shall be as set forth in Exhibit A hereto.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

IN WITNESS WHEREOF, the undersigned have executed this certificate in the City of San Diego, State of California, this June 11, 2020.

/s/ Bruce E. MacNeil

Name: Bruce E. MacNeil
Title: Vice President and Treasurer

/s/ Jennifer F. Jett

Name: Jennifer F. Jett
Title: Vice President – Governance and Corporate Secretary

[*Signature Page to Certificate of Determination*]

EXHIBIT A

Section 1. *General Matters; Ranking.* Each share of the Series C Preferred Stock shall be identical in all respects to every other share of the Series C Preferred Stock. The Series C Preferred Stock, with respect to dividend rights and distribution rights upon the liquidation, winding-up or dissolution of the Corporation, shall rank (a) senior to each class or series of Junior Stock; (b) on parity with each class or series of Parity Stock; (c) junior to each class or series of Senior Stock; and (d) junior to the Corporation's existing and future indebtedness and other liabilities.

Section 2. *Standard Definitions.* As used herein with respect to the Series C Preferred Stock:

"**Agent Members**" shall have the meaning set forth in Section 16.

"**Board of Directors**" means the Board of Directors of the Corporation.

"**Business Day**" means any day other than a Saturday or Sunday or any other day on which commercial banks in New York City are authorized or required by law or executive order to close.

"**By-laws**" means the By-laws of the Corporation, as they may be amended or restated from time to time.

"**Calculation Agent**" means, at any time, the Person appointed by the Corporation and serving as such agent with respect to the Series C Preferred Stock at such time.

"**Certificate of Determination**" means the Certificate of Determination of which this Exhibit A forms a part establishing the terms of the Series C Preferred Stock.

"**Charter**" means the Amended and Restated Articles of Incorporation of the Corporation, as the same may be amended, modified or restated from time to time.

The term "**close of business**" means 5:00 p.m., New York City time.

"**Common Stock**" means the common stock, no par value, of the Corporation.

"**Corporation**" means Sempra Energy, a California corporation.

"**Depositary**" means DTC or any successor thereto as depositary for the Global Preferred Shares, in each case including, unless otherwise expressly stated or the context otherwise requires, its nominee.

"**Dividend Disbursing Agent**" means American Stock Transfer & Trust Company, LLC, the Corporation's duly appointed dividend disbursing agent for the Series C Preferred Stock, and any successor appointed under Section 9.

"**Dividend Payment Date**" means April 15 and October 15 of each year, commencing on October 15, 2020.

"**Dividend Period**" means the period from, and including, a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period shall commence on, and include, the Initial Issue Date of the Series C Preferred Stock.

"**Dividend Rate**" shall have the meaning set forth in Section 3(a).

"**DTC**" means The Depository Trust Corporation or any successor thereto.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"**First Reset Date**" means October 15, 2025.

"**Five-year U.S. Treasury Rate**" means, as of any Reset Dividend Determination Date, as applicable, (i) an interest rate (expressed as a decimal) determined to be the per annum rate equal to the arithmetic mean of the five most recent daily yields to maturity for U.S. Treasury securities with a maturity of five years from the next Reset Date and trading in the public securities markets, as published in the most recent H.15, or (ii) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate shall be determined by interpolation between the arithmetic mean of the five most recent daily yields to maturity for each of the two series of U.S. Treasury securities trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Reset Dividend Determination Date, and (B) the other maturing as close as possible to, but later than, the Reset Date following the next succeeding Reset Dividend Determination Date, in each case as published in the most recent H.15. If the Five-year U.S. Treasury Rate cannot be determined pursuant to the methods described in clauses (i) or (ii) above, then the Five-year U.S. Treasury Rate shall be the same interest rate determined for the prior Reset Dividend Determination Date.

"**Global Preferred Shares**" shall have the meaning set forth in Section 16.

"**H.15**" means the statistical release designated as such, or any successor publication, published by the Board of Governors of the U.S. Federal Reserve System (or any successor thereto).

"**Holder**" means each Person in whose name any share of the Series C Preferred Stock is registered, who shall be treated by the Corporation and the Registrar as the absolute owner of such share of the Series C Preferred Stock for the purpose of making payment and for all other purposes.

"**Initial Issue Date**" means June 19, 2020, the original issue date of shares of the Series C Preferred Stock.

"**Junior Stock**" means (a) the Common Stock; and (b) each other class or series of capital stock of the Corporation established after the Initial Issue Date the terms of which do not

expressly provide that such class or series ranks senior to or on parity with the Series C Preferred Stock as to dividend rights and distribution rights upon the Corporation's liquidation, winding-up or dissolution.

"**Liquidation Dividend Amount**" shall have the meaning set forth in Section 7(a).

"**Liquidation Preference**" means, as to the Series C Preferred Stock, $1,000.00 per share thereof.

The "**most recent H.15**" means the H.15 published closest in time but prior to the close of business on the second Business Day prior to the applicable Reset Date.

"**Nonpayment**" shall have the meaning set forth in Section 8(b)(i).

"**Nonpayment Remedy**" shall have the meaning set forth in Section 8(b)(iv).

"**Officer**" means the Chairman, the Vice Chairman, the President, the Chief Financial Officer, a Vice President, the Secretary, an Assistant Secretary or an Assistant Treasurer of the Corporation.

"**Par Call Period**" means any period from and including the July 15 immediately preceding a Reset Date through and including such Reset Date.

"**Parity Stock**" means the Corporation's outstanding 6% Mandatory Convertible Preferred Stock, Series A and 6.75% Mandatory Convertible Preferred Stock, Series B and each class or series of capital stock of the Corporation established after the Initial Issue Date the terms of which expressly provide that such class or series shall rank on parity with the Series C Preferred Stock as to dividend rights and distribution rights upon the Corporation's liquidation, winding-up or dissolution.

"**Person**" means any individual, partnership, firm, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

"**Preferred Stock**" means the preferred stock of the Corporation.

"**Preferred Stock Directors**" shall have the meaning set forth in Section 8(b)(i).

"**Prospectus Supplement**" means the preliminary prospectus supplement dated June 10, 2020, as supplemented by the related pricing term sheet dated June 10, 2020, relating to the initial offering and sale of the Series C Preferred Stock.

"**Ratings Event**" means that any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act, or in any successor provision thereto, that then publishes a rating for the Corporation (a "**Rating Agency**"), amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Series C Preferred Stock, which amendment, clarification or change results in:

(a) the shortening of the length of time the Series C Preferred Stock is assigned a particular level of equity credit by that Rating Agency as compared to the length of time the Series C Preferred Stock would have been assigned that level of equity credit by that Rating Agency or its predecessor on the Initial Issue Date of the Series C Preferred Stock; or

(b) the lowering of the equity credit (including up to a lesser amount) assigned to the Series C Preferred Stock by that Rating Agency as compared to the equity credit assigned by that Rating Agency or its predecessor on the Initial Issue Date of the Series C Preferred Stock.

"**Record Date**" means, with respect to any Dividend Payment Date, the April 1 and October 1 immediately preceding the applicable April 15 and October 15 Dividend Payment Date, respectively. These Record Dates shall apply regardless of whether a particular Record Date is a Business Day.

"**Record Holder**" means, with respect to any Dividend Payment Date, a Holder of record of the Series C Preferred Stock as such Holder appears on the stock register of the Corporation at the close of business on the related Record Date.

"**Redemption Date**" means any date fixed for redemption of any shares of Series C Preferred Stock pursuant to the provisions of Section 5.

"**Registrar**" initially means American Stock Transfer & Trust Company LLC, the Corporation's duly appointed registrar for the Series C Preferred Stock and any successor appointed under Section 9.

"**Reset Date**" means the First Reset Date and October 15 of every fifth year after 2025.

"**Reset Dividend Determination Date**" means, in respect of any Reset Period, the day falling two Business Days prior to the first day of such Reset Period.

"**Reset Period**" means the period from and including the First Reset Date to, but excluding, the next following Reset Date and thereafter each period from and including a Reset Date to, but excluding, the next following Reset Date.

"**Senior Stock**" means each class or series of capital stock of the Corporation established after the Initial Issue Date the terms of which expressly provide that such class or series shall rank senior to the Series C Preferred Stock as to dividend rights and distribution rights upon the Corporation's liquidation, winding-up or dissolution.

"**Series C Preferred Stock**" means a series of Preferred Stock, no par value, designated as "4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C".

"**Share Dilution Amount**" means the increase in the number of diluted shares outstanding (determined in accordance with accounting principles generally accepted in the United States, and as measured from the Initial Issue Date) resulting from the grant, vesting or

exercise of equity-based compensation to directors, employees and agents and equitably adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

"**Transfer Agent**" shall initially mean American Stock Transfer & Trust Company LLC, the Corporation's duly appointed transfer agent for the Series C Preferred Stock and any successor appointed under Section 9.

"**Voting Preferred Stock**" means any series of Preferred Stock, other than the Series C Preferred Stock, ranking equally with the Series C Preferred Stock either as to dividends or to the distribution of assets upon liquidation, dissolution or winding-up and upon which like voting rights for the election of directors have been conferred and are exercisable. For the avoidance of doubt, Voting Preferred Stock includes the Corporation's outstanding 6% Mandatory Convertible Preferred Stock, Series A and the Corporation's outstanding 6.75% Mandatory Convertible Preferred Stock, Series B.

Section 3. *Dividends.*

(a) *Rate*. Subject to the rights of holders of any class or series of capital stock of the Corporation ranking senior to the Series C Preferred Stock with respect to dividends, Holders shall be entitled to receive, when, as and if declared by the Board of Directors (or an authorized committee thereof) out of funds of the Corporation legally available for payment, cumulative cash dividends at the Dividend Rate on the Liquidation Preference per share of the Series C Preferred Stock. Declared dividends on the Series C Preferred Stock shall be payable semi-annually in arrears on each Dividend Payment Date at the Dividend Rate, and dividends shall accumulate daily from and including the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the Initial Issue Date (or such other date as may be set forth in the certificate evidencing the relevant shares of Series C Preferred Stock), whether or not in any Dividend Period or Dividend Periods there have been funds legally available for the payment of such dividends. Declared dividends shall be payable on the relevant Dividend Payment Date to Record Holders on the immediately preceding Record Date. If a Dividend Payment Date is not a Business Day, payment shall be made on the next succeeding Business Day, without any interest or other payment in lieu of interest accruing with respect to this delay.

The Dividend Rate on the Series C Preferred Stock from and including the Initial Issue Date to, but excluding, the First Reset Date shall be 4.875% per annum of the Liquidation Preference. On and after the First Reset Date, the dividend rate on the Series C Preferred Stock for each Reset Period shall be a per annum rate equal to the Five-year U.S. Treasury Rate as of the most recent Reset Dividend Determination Date, plus a spread of 4.550%, of the Liquidation Preference. "**Dividend Rate**" means the per annum dividend rate on the Series C Preferred Stock from time to time, as determined pursuant to this paragraph.

The applicable Dividend Rate for each Reset Period shall be determined by the Calculation Agent, as of the applicable Reset Dividend Determination Date. Promptly upon such determination, the Calculation Agent shall notify the Corporation of the Dividend Rate for the Reset Period. The Calculation Agent's determination of any Dividend Rate, and its calculation of the amount of dividends for any Dividend Period beginning on or after the First Reset Date shall be on file at the Corporation's principal offices, shall be made available to any Holder or

beneficial owner of the Series C Preferred Stock upon request and shall be final and binding in the absence of manifest error.

The Corporation shall give notice of the relevant Five-year U.S. Treasury Rate as soon as reasonably practicable following each Reset Dividend Determination Date to the Transfer Agent and Registrar for the Series C Preferred Stock and the Holders.

Dividends payable on the Series C Preferred Stock for any Dividend Period (or portion thereof) shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Accumulations of dividends on shares of the Series C Preferred Stock shall not bear interest.

Dividends on the Series C Preferred Stock shall be cumulative (i) whether or not the Corporation has earnings, (ii) whether or not the payment of such dividends is then permitted under California law, (iii) whether or not such dividends are authorized or declared and (iv) whether or not any agreements to which the Corporation is a party prohibit the current payment of dividends, including any agreement relating to the Corporation's indebtedness. Accordingly, if the Board of Directors (or an authorized committee thereof) does not declare a dividend on the Series C Preferred Stock payable in respect of any Dividend Period before the related Dividend Payment Date, such dividend shall accumulate and an amount equal to such accumulated dividend shall become payable out of funds legally available therefor upon the Corporation's liquidation, winding-up or dissolution (or earlier redemption of such shares of Series C Preferred Stock), to the extent not paid prior to such liquidation, winding-up or dissolution or earlier redemption, as the case may be.

No dividend shall be declared or paid on, or any sum of cash set aside for the payment of dividends on, any outstanding shares of Series C Preferred Stock with respect to any Dividend Period unless all dividends for all preceding Dividend Periods have been declared and paid on, or a sufficient sum of cash has been set aside for the payment of such dividends on, all outstanding shares of Series C Preferred Stock.

(b) *Priority of Dividends*. So long as any share of the Series C Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on Common Stock or any other Junior Stock, and no Common Stock or any other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries unless, in each case, all accumulated and unpaid dividends for all preceding Dividend Periods have been declared and paid, or a sufficient sum of cash has been set aside for the payment of such dividends, on all outstanding shares of the Series C Preferred Stock. The foregoing limitation shall not apply to (i) any dividend or distribution payable in shares of Common Stock or other Junior Stock, together with cash in lieu of any fractional share; (ii) purchases, redemptions or other acquisitions of Common Stock or other Junior Stock in connection with the administration of any benefit or other incentive plan, including any employment contract, including, without limitation, (x) purchases to offset the Share Dilution Amount pursuant to a publicly announced repurchase plan; *provided* that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount, (y) the forfeiture of unvested shares of restricted stock or share withholdings or other surrender of shares to which the holder may otherwise be entitled upon exercise, delivery or vesting of equity awards (whether in payment of applicable taxes, the exercise price or otherwise), and (z) the payment of cash in lieu

of fractional shares; (iii) purchases of fractional interests in shares of Common Stock or other Junior Stock pursuant to the conversion or exchange provisions of such shares of other Junior Stock or any securities exchangeable for or convertible into shares of Common Stock or other Junior Stock; (iv) any dividends or distributions of rights or Common Stock or other Junior Stock in connection with a shareholders' rights plan or any redemption or repurchase of rights pursuant to any shareholders' rights plan; (v) purchases of Common Stock or other Junior Stock pursuant to a contractually binding requirement to buy Common Stock or other Junior Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan; (vi) the deemed purchase or acquisition of fractional interests in shares of Common Stock or other Junior Stock pursuant to the conversion or exchange provisions of such shares or the security being converted or exchanged; (vii) the acquisition by the Corporation or any of its subsidiaries of record ownership in Common Stock or other Junior Stock or Parity Stock for the beneficial ownership of any other Persons (other than for the Corporation or any of its subsidiaries), including as trustees or custodians, and the payment of cash in lieu of fractional shares; and (viii) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock and the payment of cash in lieu of fractional shares.

When dividends on shares of the Series C Preferred Stock (A) have not been declared and paid in full on any Dividend Payment Date; or (B) have been declared but a sum of cash sufficient for payment thereof has not been set aside for the benefit of the Holders thereof on the applicable Record Date, no dividends may be declared or paid on any Parity Stock unless dividends are declared on the shares of Series C Preferred Stock such that the respective amounts of such dividends declared on the shares of Series C Preferred Stock and such Parity Stock shall bear the same ratio to each other as all accumulated dividends and all declared and unpaid dividends per share on the shares of Series C Preferred Stock and such Parity Stock bear to each other; *provided, however,* that any unpaid dividends will continue to accumulate.

Subject only to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors (or an authorized committee thereof) may be declared and paid on any securities, including Common Stock, from time to time out of any funds legally available for such payment, and Holders shall not be entitled to participate in any such dividends declared on securities other than the Series C Preferred Stock.

No dividends on the Series C Preferred Stock shall be declared and paid (or declared and a sufficient sum of cash set aside for the payment thereof) at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to the Corporation's indebtedness, prohibit such declaration and payment (or declaration and setting aside of a sufficient sum of cash for the payment thereof) or if the declaration and payment (or the declaration and setting aside of a sufficient sum of cash for the payment thereof) would constitute a breach of or default under any such agreement or be restricted or prohibited by law.

(c) Any declared dividend (or any portion of any declared dividend) on the shares of Series C Preferred Stock, whether for a current Dividend Period or any prior Dividend Period shall be paid by the Corporation in cash.

Section 4. *Calculation Agent.*

Unless the Corporation has validly called all shares of the Series C Preferred Stock for redemption during the first Par Call Period, the Corporation will appoint a Calculation Agent for the Series C Preferred Stock prior to the Reset Dividend Determination Date preceding the First Reset Date. The Corporation may terminate any such appointment and may appoint a successor Calculation Agent at any time and from time to time. The Corporation may appoint itself or any of its affiliates as Calculation Agent.

Section 5. *Optional Redemption.*

The Corporation may, at its option, redeem the Series C Preferred Stock:

(a) in whole or in part, from time to time, on any day during any Par Call Period at a redemption price in cash equal to $1,000 per share; or

(b) in whole but not in part, at any time within 120 days after the conclusion of any review or appeal process instituted by the Corporation following the occurrence of a Ratings Event, or, if no review or appeal process is available or sought with respect to such Ratings Event, at any time within 120 days after the occurrence of such Ratings Event, at a redemption price in cash equal to $1,020 per share (102% of the Liquidation Preference),

plus, in each case, all accumulated and unpaid dividends (whether or not declared) to, but excluding, such Redemption Date; *provided* that, notwithstanding the foregoing, if a Redemption Date for any shares of Series C Preferred Stock occurs subsequent to a Record Date and on or prior to the next succeeding Dividend Payment Date, then the full amount of accumulated and unpaid dividends (whether or not declared) on such shares of Series C Preferred Stock to, but excluding, such Dividend Payment Date shall be paid on such Dividend Payment Date to the Persons who were the Record Holders of such shares at the close of business on such Record Date and such accumulated and unpaid dividends shall not constitute a part of the redemption price of such shares.

Section 6. *Redemption Procedures.*

If the Series C Preferred Stock is to be redeemed, the notice of redemption shall be given by first class mail, postage prepaid, to the Holders of the Series C Preferred Stock to be redeemed, mailed not less than 30 days, nor more than 60 days, prior to the Redemption Date (*provided* that, if the Series C Preferred Stock is in the form of Global Preferred Shares, the Corporation may give such notice in any manner permitted or required by the Depositary). Each notice of redemption shall include a statement setting forth:

(a) the Redemption Date;

(b) the number of shares of Series C Preferred Stock to be redeemed and, if less than all the shares of Series C Preferred Stock held by such Holder are to be redeemed, the number of such shares of Series C Preferred Stock to be redeemed from such Holder;

(c) the redemption price;

(d) the place or places where Holders may surrender certificates evidencing the Series C Preferred Stock for payment of the redemption price or, in the case of Series C Preferred Stock held in the form of Global Preferred Shares, that Holders must follow the applicable procedures of the Depositary to deliver such shares for payment of the redemption price; and

(e) that dividends on the shares of Series C Preferred Stock to be redeemed shall cease to accumulate from and after such Redemption Date.

If notice of redemption of any shares of Series C Preferred Stock has been given, and if the funds necessary for such redemption have been set aside by the Corporation for the benefit of the Holders of the shares of Series C Preferred Stock so called for redemption, then, from and after the Redemption Date, dividends shall cease to accrue on such shares of Series C Preferred Stock, and such shares of Series C Preferred Stock shall no longer be deemed outstanding and all rights of the Holders of such shares of Series C Preferred Stock shall terminate, except for (i) the right of the Holders thereof to receive the amount payable on such redemption, without interest and (ii) if the Redemption Date occurs subsequent to a Record Date and on or prior to the next succeeding Dividend Payment Date, the right of the Persons who were the Record Holders of such shares at the close of business on such Record Date to receive, on such Dividend Payment Date, the full amount of accumulated and unpaid dividends (whether or not declared) on such shares to, but excluding, such Dividend Payment Date. Any funds unclaimed at the end of one year from the Redemption Date shall, to the extent permitted by law, be released by the Corporation, after which time the Holders of such Series C Preferred Stock so called for redemption shall look only to the Corporation for payment of the redemption price of such Series C Preferred Stock. If a Redemption Date is not a Business Day, payment shall be made on the next succeeding Business Day, without any interest or other payment in lieu of interest accruing with respect to this delay.

In case of any redemption of only part of the Series C Preferred Stock at the time outstanding, the Series C Preferred Stock to be redeemed shall be selected either pro rata or by lot (or, in the event the Series C Preferred Stock is in the form of Global Preferred Shares, in accordance with the applicable procedures of the Depositary). If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

These redemption procedures shall apply in lieu of those provided in Sections 509(b), (c) and (d) of the California Corporations Code (or any successor provisions thereto) and the provisions of such Sections of the California Corporations Code (or any successor provisions thereto) shall not be applicable to the Series C Preferred Stock.

Section 7. *Liquidation, Dissolution or Winding-Up.*

(a) In the event of any liquidation, winding-up or dissolution of the Corporation, whether voluntary or involuntary, each Holder shall be entitled to receive the Liquidation Preference per share of the Series C Preferred Stock, plus an amount (the "**Liquidation Dividend Amount**") equal to accumulated and unpaid dividends (whether or not declared) on

such shares to (but excluding) the date fixed for liquidation, winding-up or dissolution to be paid out of the assets of the Corporation legally available for distribution to its shareholders, after satisfaction of debt and other liabilities owed to the Corporation's creditors and holders of shares of any Senior Stock and before any payment or distribution is made to holders of any Junior Stock, including, without limitation, Common Stock.

(b) If, upon the voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, the amounts payable with respect to (i) the Liquidation Preference plus the Liquidation Dividend Amount on the shares of Series C Preferred Stock and (ii) the liquidation preference of, and the amount of accumulated and unpaid dividends (to, but excluding, the date fixed for such liquidation, winding-up or dissolution) on, all other Parity Stock are not paid in full, the Holders and all holders of any such other Parity Stock shall share equally and ratably in any distribution of the Corporation's assets in proportion to their respective liquidation preferences and amounts equal to the accumulated and unpaid dividends to which they are entitled.

(c) After the payment to any Holder of the full amount of the Liquidation Preference and the Liquidation Dividend Amount for each of such Holder's shares of Series C Preferred Stock, such Holder as such shall have no right or claim to any of the remaining assets of the Corporation.

(d) Neither the sale, lease or exchange of all or substantially all of Corporation's assets, nor its merger or consolidation into or with any other Person, shall be deemed to be the voluntary or involuntary liquidation, winding-up or dissolution of the Corporation.

Section 8. *Voting Rights*.

(a) *General*. Holders shall not have any voting rights except as set forth in this Section 8 and as otherwise from time to time specifically required by California law.

(b) *Right to Elect Two Directors Upon Nonpayment*.

(i) Whenever dividends on any shares of the Series C Preferred Stock (A) have not been declared and paid, or (B) have been declared but a sum of cash sufficient for payment thereof has not been set aside for the benefit of the Holders on the applicable Record Date, for the equivalent of three or more Dividend Periods, whether or not for consecutive Dividend Periods (a "**Nonpayment**"), the authorized number of directors of the Board of Directors shall, at the next annual meeting of the shareholders or at a special meeting of shareholders as provided below, automatically be increased by two and Holders, voting together as a single class with holders of any and all other series of Voting Preferred Stock then outstanding, shall be entitled, at the Corporation's next annual meeting or at a special meeting of shareholders, if any, to fill such newly created directorships by electing two additional members of the Board of Directors (the "**Preferred Stock Directors**"); *provided, however*, that the election of any such directors will not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or any other exchange or automated quotation system on which the Corporation's securities may be listed or quoted) for listed or quoted

companies to have a majority of independent directors; and *provided, further,* that the Board of Directors shall, at no time, include more than two Preferred Stock Directors. In the event of a Nonpayment, the holders of record of at least 25% in voting power of the then outstanding Series C Preferred Stock and any other series of Voting Preferred Stock may request that a special meeting of shareholders be called to elect such Preferred Stock Directors (*provided, however,* that if the next annual or a special meeting of shareholders is scheduled to be held within 90 days of the receipt of such request, the election of such Preferred Stock Directors, to the extent otherwise permitted by the By-laws, shall, instead, be included in the agenda for and shall be held at such scheduled annual or special meeting of shareholders). The Preferred Stock Directors will stand for reelection annually, and at each subsequent annual meeting of the shareholders, so long as the Holders continue to have such voting rights.

(ii) At any meeting at which the Holders are entitled to elect Preferred Stock Directors, the holders of record of a majority in voting power of the then outstanding shares of the Series C Preferred Stock and all other series of Voting Preferred Stock, present in person or represented by proxy, shall constitute a quorum and the vote of the holders of a majority in voting power of the Series C Preferred Stock and other Voting Preferred Stock so present or represented by proxy at any such meeting at which there shall be a quorum shall be sufficient to elect the Preferred Stock Directors. Whether a plurality, majority or other portion in voting power of the Series C Preferred Stock and any other Voting Preferred Stock have been voted in favor of any matter or whether a quorum is present at any meeting shall be determined by reference to the respective liquidation preference amounts of the Series C Preferred Stock and such other Voting Preferred Stock voted.

(iii) Any request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment shall be made by written notice, signed by the requisite holders of the Series C Preferred Stock or other series of Voting Preferred Stock then outstanding, and delivered to the Corporation in such manner as provided for in Section 11 below, or as may otherwise be required by law.

(iv) If and when all accumulated and unpaid dividends on the Series C Preferred Stock have been paid in full (a "**Nonpayment Remedy**"), the Holders shall immediately and, without any further action by the Corporation, be divested of the foregoing voting rights, subject to the revesting of such rights in the event of each subsequent Nonpayment. If such voting rights for the Holders and all other holders of Voting Preferred Stock shall have terminated, the term of office of each Preferred Stock Director so elected shall terminate at such time and the authorized number of directors on the Board of Directors shall automatically decrease by two.

(v) Any Preferred Stock Director may be removed at any time, with cause as provided by law or without cause with the approval (as defined in Section 152 of the California Corporations Code (or any successor provision thereto)) of the outstanding shares of Series C Preferred Stock and any other series of Voting Preferred Stock (voting together as a single class), when they have the voting rights set forth above; *provided*, that, notwithstanding the foregoing, no Preferred Stock Director may be removed (unless

the entire Board of Directors is removed) when the votes cast against removal, or not consenting in writing to the removal, would be sufficient to elect the Preferred Stock Director if voted cumulatively at an election at which the same total number of votes were cast (or, if the action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of the Preferred Stock Director's most recent election were then being elected. In the event that a Nonpayment shall have occurred and there shall not have been a Nonpayment Remedy, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment) may be filled by the written consent of the Preferred Stock Director remaining in office or, if none remains in office, by a vote of the holders of record of a majority in voting power of the outstanding shares of the Series C Preferred Stock and any other series of Voting Preferred Stock then outstanding (voting together as a single class) when they have the voting rights set forth above; *provided, however,* that the filling of each vacancy will not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or any other exchange or automated quotation system on which the Corporation's securities may be listed or quoted) for listed or quoted companies to have a majority of independent directors. Any such vote of shareholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such shareholders, called as provided above for an initial election of Preferred Stock Directors after a Nonpayment (*provided*, that such request is received at least 90 days before the date fixed for the next annual or special meeting of shareholders, failing which such election shall be included in the agenda for and shall be held at the next scheduled annual or special meeting of shareholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of shareholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the shareholders if such office shall not have previously terminated and such Preferred Stock Director shall not have been removed from such office, in each case as above provided.

(c) *Other Voting Rights*. So long as any shares of the Series C Preferred Stock are outstanding, in addition to any other vote or consent of shareholders required by law or by the Charter, the affirmative vote or consent of the holders of at least two-thirds in voting power of the outstanding Series C Preferred Stock and all other series of Voting Preferred Stock (subject to the last paragraph of this Section 8(c)) at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at an annual or special meeting of such shareholders, shall be necessary for effecting or validating:

(i) *Authorization of Senior Stock*. Any amendment or alteration of the Charter, including this Certificate of Determination, so as to authorize or create, or increase the authorized amount of, any class or series of Senior Stock;

(ii) *Amendment of the Series C Preferred Stock*. Any amendment, alteration or repeal of any provision of the Charter, including this Certificate of Determination, so as to adversely affect the special rights, preferences, privileges or voting powers of the

Series C Preferred Stock; or

(iii) *Share Exchanges, Reclassifications, Mergers and Consolidations*. Any consummation of a binding share exchange or reclassification involving the shares of the Series C Preferred Stock, or of a merger or consolidation of the Corporation with or into another entity, unless in each case (x) the shares of the Series C Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity (or the Series C Preferred Stock is otherwise exchanged or reclassified), are converted or reclassified into or exchanged for preferred stock of the surviving or resulting entity or its ultimate parent, and (y) the shares of the Series C Preferred Stock that remain outstanding or such shares of preferred stock, as the case may be, have rights, preferences, privileges and voting powers that, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, taken as a whole, of the Series C Preferred Stock immediately prior to the consummation of such transaction;

provided, *however*, that, for the avoidance of doubt, for all purposes of this Section 8(c), (1) any increase in the amount of the Corporation's authorized but unissued shares of Preferred Stock, (2) any increase in the amount of the Corporation's authorized Series C Preferred Stock or the issuance of any additional shares of the Series C Preferred Stock or (3) the authorization or creation of any class or series of Parity Stock or Junior Stock, any increase in the amount of authorized but unissued shares of such class or series of Parity Stock or Junior Stock or the issuance of any shares of such class or series of Parity Stock or Junior Stock shall be deemed not to adversely affect (or to otherwise cause to be materially less favorable) the rights, preferences, privileges or voting powers of the Series C Preferred Stock, and shall not require the affirmative vote of the Holders.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 8(c) would adversely affect (or cause to be materially less favorable, as applicable) the rights, preferences, privileges or voting powers of one or more but not all series of Voting Preferred Stock, then only the series of Voting Preferred Stock adversely affected (or the terms of which would be materially less favorable, as applicable) and entitled to vote shall vote as a class in lieu of all other series of Voting Preferred Stock.

Without the consent of the Holders, to the fullest extent permitted by applicable law and so long as such action does not adversely affect the special rights, preferences, privileges or voting powers of the Series C Preferred Stock, and limitations and restrictions thereof, the Corporation may amend, alter, supplement, or repeal any terms of the Series C Preferred Stock, including by way of amendment to this Certificate of Determination, for the following purposes:

(i) to cure any ambiguity or mistake, or to correct or supplement any provision contained in this Certificate of Determination establishing the terms of the Series C Preferred Stock that may be defective or inconsistent with any other provision contained in such Certificate of Determination;

(ii) to make any provision with respect to matters or questions relating to the Series C Preferred Stock that is not inconsistent with the provisions of the Charter, including this Certificate of Determination; or

(iii) to waive any of the Corporation's rights with respect thereto.

In addition, without the consent of the Holders of the Series C Preferred Stock, the Corporation may amend, alter, supplement or repeal any terms of the Series C Preferred Stock, including by way of amendment to this Certificate of Determination, in order to conform the terms thereof to the description of the terms of the Series C Preferred Stock set forth under "Description of Series C Preferred Stock " in the Prospectus Supplement.

(d) *Procedures for Voting and Consents*. The rules and procedures for calling and conducting any meeting of the Holders (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other procedural aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Charter, the By-laws, applicable law and the rules of any national securities exchange or other trading facility on which the Series C Preferred Stock is listed or traded at the time.

Section 9. *Transfer Agent, Registrar, and Dividend Disbursing Agent.* The duly appointed Transfer Agent, Registrar and Dividend Disbursing Agent for the Series C Preferred Stock shall be American Stock Transfer & Trust Company, LLC. The Corporation may, in its sole discretion, remove the Transfer Agent, Registrar or Dividend Disbursing Agent in accordance with the agreement between the Corporation and the Transfer Agent, Registrar or Dividend Disbursing Agent, as the case may be; *provided*, *however*, that if the Corporation removes American Stock Transfer & Trust Company, LLC, the Corporation shall appoint a successor transfer agent, registrar or dividend disbursing agent, as the case may be, who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Corporation shall send notice thereof to the Holders.

Section 10. *Record Holders.* To the fullest extent permitted by applicable law, the Corporation and the Transfer Agent may deem and treat the Holder of any shares of the Series C Preferred Stock as the true and lawful owner thereof for all purposes.

Section 11. *Notices.* The Corporation shall send all notices or communications to Holders of the Series C Preferred Stock pursuant to this Certificate of Determination in writing by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery, to the Holders' respective addresses shown on the register for the Series C Preferred Stock. However, in the case of Series C Preferred Stock in the form of Global Preferred Shares, the Corporation shall be permitted to send notices or communications to Holders pursuant to the procedures of the Depositary, and notices and communications that the Corporation sends in this manner will be deemed to have been properly sent to such Holders in writing.

Section 12. *No Preemptive Rights.* The Holders shall have no preemptive or

preferential rights to purchase or subscribe for any stock, obligations, warrants or other securities of the Corporation of any class.

Section 13. *Other Rights.* The shares of the Series C Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Charter or as provided by applicable law.

Section 14. *Stock Certificates*.

(a) Shares of the Series C Preferred Stock shall initially be represented by stock certificates substantially in the form set forth as Exhibit A hereto.

(b) Stock certificates representing shares of the Series C Preferred Stock shall be signed by the Chairman, the Vice Chairman, the President or a Vice President, and by the Chief Financial Officer, Secretary, an Assistant Secretary or an Assistant Treasurer, in accordance with the By-laws and applicable California law, by manual or facsimile signature.

(c) A stock certificate representing shares of the Series C Preferred Stock shall not be valid until manually countersigned by an authorized signatory of the Transfer Agent and Registrar. Each stock certificate representing shares of the Series C Preferred Stock shall be dated the date of its countersignature.

(d) If any Officer of the Corporation who has signed a stock certificate no longer holds that office at the time the Transfer Agent and Registrar countersigns the stock certificate, the stock certificate shall be valid nonetheless.

Section 15. *Replacement Certificates*. If physical certificates are issued, and any of the Series C Preferred Stock certificates shall be mutilated, lost, stolen or destroyed, the Corporation shall, at the expense of the Holder, issue, in exchange and in substitution for and upon cancellation of the mutilated Series C Preferred Stock certificate, or in lieu of and substitution for the Series C Preferred Stock certificate lost, stolen or destroyed, a new Series C Preferred Stock certificate of like tenor and representing an equivalent Liquidation Preference of shares of the Series C Preferred Stock, but only upon receipt of evidence of such loss, theft or destruction of such Series C Preferred Stock certificate and indemnity, if requested, reasonably satisfactory to the Corporation and the Transfer Agent.

Section 16. *Book-Entry Form*.

(a) Subject to Section 16(d), the shares of Series C Preferred Stock offered and sold pursuant to the Prospectus Supplement, and, except as otherwise directed by the Board of Directors (or an authorized committee thereof), all other shares of Series C Preferred Stock shall be issued in global form ("**Global Preferred Shares**") eligible for book-entry settlement with the Depositary, represented by one or more stock certificates in global form registered in the name of the Depositary or a nominee of the Depositary bearing a legend substantially in the form of the global securities legend set forth in Exhibit A. The aggregate number of shares of the Series C Preferred Stock represented by each stock certificate representing Global Preferred Shares may from time to time be increased or decreased by a notation by the Registrar and

Transfer Agent on Schedule I attached to the stock certificate.

(b) Members of, or participants in, the Depositary ("**Agent Members**") shall have no rights under this Certificate of Determination, with respect to any Global Preferred Shares, and the Depositary shall be treated by the Corporation, the Registrar and any agent of the Corporation or the Registrar as the absolute owner of the Series C Preferred Stock. Notwithstanding the foregoing, nothing herein shall prevent the Corporation, the Registrar or any agent of the Corporation or the Registrar from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial ownership interest in any shares of the Series C Preferred Stock. The Holders may grant proxies or otherwise authorize any Person to take any action that a Holder is entitled to take pursuant to the Series C Preferred Stock, this Certificate of Determination or the Charter.

(c) Transfers of a Global Preferred Share shall be limited to transfers of such Global Preferred Share in whole, but not in part, to the Depositary, to nominees of the Depositary or to a successor of the Depositary or such successor's nominee.

(d) If the Depositary is at any time unwilling or unable to continue as depositary for the Global Preferred Shares or the Depositary ceases to be registered as a "clearing agency" under the Exchange Act, and in either case a successor Depositary is not appointed by the Corporation within 90 days, the Corporation shall issue certificated shares in lieu of the Global Preferred Shares. In any such case, the Global Preferred Shares shall be exchanged in whole for definitive stock certificates, in substantially the form attached hereto as Exhibit A, representing an equal aggregate Liquidation Preference. Such definitive stock certificates shall be registered in the name or names of the Person or Persons specified by the Depositary in a written instrument to the Registrar.

Section 17. *Miscellaneous.*

(a) The Corporation shall pay any and all stock transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery of shares of the Series C Preferred Stock or certificates representing such shares.

(b) The Liquidation Preference and the Dividend Rate each shall be subject to equitable adjustment whenever there shall occur a stock split, combination, reclassification or other similar event involving the Series C Preferred Stock. Such adjustments shall be determined in good faith by the Board of Directors (or an authorized committee thereof) and submitted by the Board of Directors (or such authorized committee thereof) to the Transfer Agent.

Section 18. *Withholding Taxes*. Notwithstanding anything to the contrary, if the Corporation or other applicable withholding agent pays withholding taxes or backup withholding on behalf of the Holder or beneficial owner, the Corporation or other applicable withholding agent may, at its option, set off such payments against payments of cash on the Series C Preferred Stock.

[FORM OF FACE OF
4.875% FIXED-RATE RESET CUMULATIVE REDEEMABLE PERPETUAL PREFERRED
STOCK, SERIES C CERTIFICATE]

[INCLUDE FOR GLOBAL PREFERRED SHARES – UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), TO THE CORPORATION OR THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC OR NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.]

[INCLUDE FOR GLOBAL PREFERRED SHARES – THE CORPORATION SHALL FURNISH A FULL STATEMENT ABOUT CERTAIN RESTRICTIONS ON OWNERSHIP AND TRANSFERABILITY TO A STOCKHOLDER UPON REQUEST AND WITHOUT CHARGE.]

THE SHARES OF 4.875% FIXED-RATE RESET CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK, SERIES C ARE SUBJECT TO REDEMPTION AT THE OPTION OF THE CORPORATION (AS DEFINED BELOW) AT THE TIMES AND REDEMPTION PRICES, AND ON TERMS AND CONDITIONS, SET FORTH IN THE CERTIFICATE OF DETERMINATION (AS DEFINED BELOW).

Certificate Number [__]

[Initial] Number of Shares of 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock: [__]
CUSIP: 816851 BK4
ISIN: US816851BK46

SEMPRA ENERGY

4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C
(Liquidation Preference as specified below)

Sempra Energy, a California corporation (the "**Corporation**"), hereby certifies that [__] (the "**Holder**"), is the registered owner of [__] [the number shown on Schedule I hereto of] fully paid and non-assessable shares of the Corporation's designated 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C, with a Liquidation Preference of

$1,000.00 per share (the "**Series C Preferred Stock**"). The shares of the Series C Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Series C Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Certificate of Determination of Preferences of 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C of Sempra Energy dated June 11, 2020, as the same may be amended from time to time (the "**Certificate of Determination**"). Capitalized terms used herein but not defined shall have the meanings given them in the Certificate of Determination. The Corporation will provide a copy of the Certificate of Determination to the Holder without charge upon written request to the Corporation at its principal place of business.

Reference is hereby made to the provisions of the Series C Preferred Stock set forth on the reverse hereof and in the Certificate of Determination, which provisions shall for all purposes have the same effect as if set forth at this place. If the terms of this certificate conflict with the terms of the Certificate of Determination, then the terms of the Certificate of Determination will control to the extent of such conflict.

Upon receipt of this executed certificate, the Holder is bound by the Certificate of Determination and is entitled to the benefits thereunder.

Unless the Transfer Agent and Registrar have properly countersigned this certificate, these shares of the Series C Preferred Stock shall not be entitled to any benefit under the Certificate of Determination or be valid or obligatory for any purpose.

* * *

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Corporation by two Officers of the Corporation this [__] of [__], 20[__].

SEMPRA ENERGY

By: _____
Name:
Title:

By: _____
Name:
Title:

COUNTERSIGNATURE

These are shares of the Series C Preferred Stock referred to in the within-mentioned Certificate of Determination.

Dated: [__], [__]

American Stock Transfer & Trust Company, LLC,
as Registrar and Transfer Agent

By: _____
Name:
Title:

Cumulative cash dividends on each share of the Series C Preferred Stock shall be payable at the rate provided in the Certificate of Determination.

The Corporation shall furnish without charge to each Holder who so requests a statement of the rights, preferences, privileges and restrictions granted to or imposed upon each class or series of stock of the Corporation authorized to be issued, including the Series C Preferred Stock, and upon the holders thereof. Such statement may be obtained from the Corporation at the Corporation's principal executive offices, which, on June 11, 2020, were located at 488 8th Avenue, San Diego, California 92101.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of the Series C Preferred Stock evidenced hereby to:

_____

(Insert assignee's social security or taxpayer identification number, if any)

_____

_____

_____

(Insert address and zip code of assignee)

and irrevocably appoints: _____
as agent to transfer the shares of the Series C Preferred Stock evidenced hereby on the books of the Transfer Agent and Registrar. The agent may substitute another to act for him or her.

Date:

Signature: _____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: _____

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

Sempra Energy

Global Preferred Share
4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C

Certificate Number:

The number of shares of the Series C Preferred Stock initially represented by this Global Preferred Share shall be [__]. Thereafter the Transfer Agent and Registrar shall note changes in the number of shares of the Series C Preferred Stock evidenced by this Global Preferred Share in the table set forth below:

Amount of Decrease in Number of Shares Represented by this Global Preferred Share	Amount of Increase in Number of Shares Represented by this Global Preferred Share	Number of Shares Represented by this Global Preferred Share following Decrease or Increase	Signature of Authorized Officer of Transfer Agent and Registrar

[1] Attach Schedule I only to Global Preferred Shares.