

**SJW CORP.**

**AMENDED AND RESTATED POLICIES AND PROCEDURES OF THE  
NOMINATING & GOVERNANCE COMMITTEE  
FOR NOMINATIONS FOR DIRECTOR**

**Approved by the Board: October 26, 2006**

**I. Director Selection Criteria**

In performing its duty to recommend nominees to the Board of Directors for election by the shareholders at the Annual Meeting of Shareholders, the Committee shall consider candidates in light of the following criteria:

1. Highest professional and personal integrity and ethical character.
2. Absence of any interests that would materially impair his or her ability to exercise judgment or otherwise discharge the fiduciary duties owed as a director to the Company and its shareholders.
3. Ability to contribute insight and direction to the Company's achievement of its overall corporate goals of enhancing shareholder value, business leadership, effective execution, high customer satisfaction and superior employee working environment.
4. Skills and specific qualities required in the context of the current make-up of the Board, including appropriate skills, expertise and independence to serve on or lead the standing committees of the Board, including the Audit, Nominating & Governance and Executive Compensation Committees.
5. Experience and ability to assist in effective oversight and decision-making by the Board, including experience on other boards.
6. Ability and willingness to serve for a full term and to devote adequate time to prepare for, attend and participate in meetings of the Board and of all committees on which they serve on a consistent basis.
7. First-hand relevant business experience and achievement within the utility industry or an expressed willingness and capability to develop an understanding of the regulated utility industry.
8. Independence as determined under applicable New York Stock Exchange and Securities and Exchange Commission rules and regulations, including ability to exercise independent judgment in the carrying out the responsibilities of a director.

The Committee will consult with the Chief Executive Officer of the Company in the further development and application of the foregoing criteria.

## **II. Procedures for Identifying and Evaluating Candidates for Director**

The Committee will observe the following procedures in identifying and evaluating candidates for election to the Board:

1. The Committee believes that the continuing service of qualified incumbents promotes stability and continuity in the boardroom, contributing to the Board's ability to work as a collective body, while giving the Company the benefit of the familiarity and insight into the Company's affairs that its directors have accumulated during their tenure. Accordingly, the process of the Committee for identifying nominees shall reflect the Company's practice of re-nominating incumbent directors who continue to satisfy the Committee's criteria for membership on the Board and whom the Committee believes continue to make important contributions to the Board. Notwithstanding the foregoing, with respect to each incumbent being considered for recommendation to the Board, the Committee will:

- Determine if the candidate satisfies the minimum qualifications required by the Committee for directors.
- Review the performance of the director during the preceding term, including attendance at Board and committee meetings.
- Assess whether the candidate has the skills and qualities required in the context of the current make-up of the Board.
- Determine that the candidate is willing to continue service on the Board and devote the time required for such service.

2. To the extent the Committee must identify a new candidate for election to the Board, the Committee will solicit recommendations from persons that the Committee believes are likely to be familiar with qualified candidates. These persons may include members of the Board, members of management of the Company, shareholders of the Company and knowledgeable third parties. The Committee may also determine to engage a professional search firm to assist in identifying qualified candidates.

3. As to each recommended new candidate for membership on the Board, the Committee will:

- Determine if the candidate satisfies the minimum qualifications required by the Committee for directors.
- Assess whether the candidate has the skills and qualities required in the context of the current make-up of the Board.
- Consider the contribution that the candidate can be expected to make to the overall functioning of the Board.
- Cause one or more members of the Committee to interview the candidate if the Committee believes the candidate might be recommended to the Board.

- Consult with the Chief Executive Officer and the Chairperson regarding the candidate if the Committee believes the candidate might be recommended to the Board.
- Conduct any other due diligence and cause to be gathered any other information that the Committee believes is appropriate for the Committee to consider in reaching a determination regarding the candidate.

### **III. Policies and Procedures for Shareholder Recommendations**

The Committee will consider candidates recommended by the shareholders.

1. In general, the manner in which the Committee evaluates nominees for director recommended by a shareholder will be the same as that for nominees from other sources. However, the Committee will consider information concerning the relationship between a shareholder's nominee and the nominee's ability to effectively represent the interests of all shareholders, as opposed to a particular shareholder group or other constituencies.
2. Shareholders wishing to make such recommendations to the Committee for its consideration may do so by submitting a completed "Shareholder Recommendation of Candidate for Director" form via mail addressed as follows:

Nominating & Governance Committee  
Corporate Secretary  
SJW Corp.  
110 W. Taylor Street  
San Jose, CA 95110

The "Shareholder Recommendation of Candidate for Director" form is also posted online at <http://www.sjwater.com/corp/shareholders.jsp> or may be obtained by mailing a request for a copy of the form to the Corporate Secretary at the above address. The Committee will not, however, evaluate a recommended candidate unless and until it receives a completed "Shareholder Recommendation of Candidate for Director" form and any additional information it deems necessary to complete its evaluation, which information it will request from the recommending shareholder.

3. The Committee must have adequate time to consider a shareholder recommendation. Accordingly, shareholders who wish to recommend a candidate for consideration by the Committee should submit a completed form not earlier than 210 days prior to and not later than 120 days prior to the one-year anniversary of the date the proxy statement for the preceding annual meeting was mailed to shareholders. If the date of the next annual meeting is moved to more than 30 days from the anniversary date of the preceding annual meeting, the deadline for receipt of this form shall be a reasonable time before SJW Corp. begins to print and mail its proxy materials.

4. Shareholders who wish to directly nominate a person for election as a director at the annual meeting (as opposed to making a recommendation to the Committee) may do so in accordance with the Bylaw procedures described in SJW Corp.'s most recent proxy statement, either in addition to or in lieu of making a recommendation to the Committee.

Adopted by the Board: October 26, 2006

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Suzy Papazian  
Corporate Secretary

## Shareholder Recommendation of Candidate for Director

Name of Shareholder:

Number of Shares Beneficially Owned by the Shareholder:

Note: If the shares are not held in the Shareholder's name, evidence that the Shareholder is the beneficial owner of the shares must be provided.

Shareholder's Contact Information:

Mailing Address:

E-mail address:

Phone Number:

Fax number:

If the Shareholder is recommending the Candidate on behalf of a group of shareholders of the Company, please provide the names of each shareholder constituting the group and the number of shares beneficially owned by each such shareholder:

Name of Candidate the Shareholder wants the Nominating & Governance Committee to consider:

Date of Submission:

Has the Candidate agreed to have his/her name submitted for consideration and to provide the Nominating & Governance Committee all information needed to conduct its evaluation?

Candidate's Contact Information:

Mailing Address:

E-mail address:

Phone Number:

Fax number:

Please attach a current biography/resume of the Candidate. Please also provide, to the extent not covered by biography/resume, the Candidate's educational history, business experience over the last 5 years, awards and accomplishments, past experience as a board member, leadership experience, financial training or experience, current boards on which the Candidate serves (include public and private boards of directors as well as charitable organizations), the Candidate's date of birth, current place of residence, and citizenship. In addition, please provide information regarding the types of legal proceedings covered by Item 401(f) of SEC Regulation S-K during the last five years, if any.

Please describe why the Shareholder believes the Candidate should be elected as a director of SJW Corp.:

Please describe in detail all past and current relationships between the Candidate and the Shareholder, including any family relationship, any business relationship, any employment relationship, any charitable relationship, any investment relationship, etc.:

Please describe in detail all past and current relationships between the Candidate and any of the Company's competitors, customers, suppliers, labor unions or other persons with special interests regarding the Company:

Please provide information regarding the Candidate's beneficial ownership of any class of equity securities of the Company or any of its subsidiaries, as required by Item 403 of SEC Regulation S-K:

Please provide information as required by Item 404 of SEC Regulation S-K with respect to any transaction, or proposed transaction, with the Company or any of its subsidiaries, in which the amount involved exceeds \$120,000 and the Candidate has a direct or indirect material interest:

Submitting Shareholder

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (print)

The undersigned Candidate hereby acknowledges that she/he has agreed to the Submitting Shareholder submitting her/his name for consideration as a nominee for director of SJW Corp.

Candidate

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Date