

# NEXTERA ENERGY, INC.

## CORPORATE GOVERNANCE PRINCIPLES & GUIDELINES

### MISSION OF THE BOARD

The primary responsibility of the Board of Directors is to foster the long-term success of NextEra Energy, Inc. and its affiliates (the “Company”) and to build shareholder value.

### COMPOSITION OF THE BOARD

#### Size and Selection

The size of the Board has ranged from 10 to 15 members. All sizes within this range have afforded a reasonable diversity of backgrounds and experience while remaining a workable number. The availability of outstanding candidates should be a primary consideration in determining Board size.

Directors are elected annually by the shareholders at the Company’s annual meeting of shareholders. The Board proposes and recommends a slate of nominees for consideration each year. The Governance & Nominating Committee, with direct input from the Chairman of the Board and the Chief Executive Officer, is responsible for screening candidates and recommending them to the Board. Under the Company’s bylaws, between annual meetings, the Board may elect Directors to serve until the next annual meeting.

#### Criteria for Non-Employee Directors

The Company seeks as Directors persons who:

- have demonstrated character and integrity;
- have an inquiring mind and good judgment;
- have experience at a strategy and/or policy setting level or high-level managerial experience in a relatively complex business, government or other organization or have other similar and relevant experience in dealing with complex problems;
- have an ability to work effectively with others;
- have sufficient time to devote to the affairs of the Company; and
- will represent the balanced best interests of the Company’s shareholders as a whole, rather than special constituencies.

In seeking such Directors, the Company also seeks to achieve a mix of Directors that represents a diversity of background and experience, including diversity with respect to age, gender, race, ethnicity and specialized experience.

#### Criteria for Employee Directors

The Chief Executive Officer shall be a Director and, at such times as the Company may have an Executive Chairman, the Executive Chairman shall be a Director. To be considered for Board membership, any other employee of the Company must have senior management responsibility for one of the Company's major operating subsidiaries or broad functional groups.

#### Criteria for All Directors

No person will be considered for Board membership who is:

- an employee or director of a company or other business organization in significant competition with the Company;
- an employee or director of a major or potentially-major customer, supplier, contractor, counselor or consultant of the Company; or
- an executive officer of a company or other business organization where a Company employee-Director serves on such other organization's board.

Should any current Director become subject to one of the above disqualifying factors, he or she shall immediately offer his or her resignation to the Board. Absent special circumstances agreed to by a majority of the Board (excluding the affected member or members), the Board will accept the offer of resignation.

There are no term limits for Directors. No person who shall have attained the age of 72 years by the date of election shall be eligible for election as a Director; provided, however, that the Board may, in circumstances it deems appropriate and by unanimous approval of all of the Directors then in office (except the Director whose qualification is the subject of the action), render a Director then in office (the "Affected Director") eligible for election as a Director until either the date of election next following the Affected Director's 73<sup>rd</sup> birthday or the date of election next following the Affected Director's 74<sup>th</sup> birthday.

If a Director's principal occupation or business association changes substantially (including retirement) during the Director's service as a Director of the Company, or such change is planned and reasonably certain to occur, he or she shall promptly notify the Governance & Nominating Committee of the change or planned change. The Governance & Nominating Committee shall recommend to the Board whether such Director should be requested to (1) remain as a Director or (2) offer his or her resignation, and a majority of the Board (excluding the affected member or

members) shall decide upon an appropriate course of action. If the Board determines that the affected Director should offer his or her resignation, the Director shall resign from the Board effective on the latest of the date of the Board determination, the effective date of the change in principal occupation or business association or such later date as the Board shall specify. Directors who are full-time employees of the Company shall offer to resign from the Board coincident with their retirement from full-time employment with the Company. The Governance & Nominating Committee shall recommend to the Board whether such Director should be requested to (1) remain as a Director or (2) resign, and a majority of the Board (excluding the affected member or members) shall decide upon an appropriate course of action.

No Director shall serve simultaneously as a director of more than four public companies, including the Company. The Chief Executive Officer shall not serve simultaneously as a director of more than three public companies, including the Company. Service on boards of subsidiary companies, private companies, and non-profit organizations shall be excluded from this determination. (For purposes of this paragraph, a public company is an entity that has a class of common equity securities that is registered under Section 12(b) or 12(g) of the Securities Exchange act of 1934.) To avoid any potential for a conflict of interest or potential conflict of interest, Directors are expected to advise the Chairman of the Board, the Chair of the Governance & Nominating Committee and the General Counsel in advance of accepting any other company directorship. If the Governance & Nominating Committee determines that a conflict of interest exists with respect to such prospective board service, the Director is expected to act in accordance with the recommendation of the Governance & Nominating Committee.

In addition to abiding by the Company's Code of Business Conduct & Ethics, each Director must recuse himself or herself from any discussion or decision affecting his or her personal, business or professional interests, other than his or her interests as a director or shareholder of the Company, and except to the extent action by the full Board or a committee thereof is required by law, regulation or the Company's articles of incorporation or bylaws.

#### Chairman and Chief Executive Officer

The position of Chairman has traditionally been held by the Chief Executive Officer. The Board believes that the decision as to who should serve as Chairman and as Chief Executive Officer, and whether the offices should be combined or separate, is properly the responsibility of the Board, to be exercised from time to time in appropriate consideration of then-existing facts and circumstances. For example, during a transition from one Chief Executive Officer to another, the role of the Chief Executive Officer and the Chairman may be separated. The Board further believes that no single board leadership model is universally or permanently appropriate.

## Lead Director

If the Chairman of the Board is the Chief Executive Officer of the Company or another Company officer (as defined in SEC Rule 16a-1(f)), or otherwise is not independent as determined by the Board under these Principles and Guidelines and applicable laws, rules and regulations, then one of the independent Directors will be selected by the Board as Lead Director. The Lead Director will:

- act, on a non-exclusive basis, as liaison between the independent Directors and the Chairman;
- approve the Board agenda and information sent to the Board;
- preside at Board meetings in the absence of the Chairman and chair the executive sessions described below under “Executive Sessions”;
- approve meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- have the authority to call executive sessions of the independent Directors;
- if requested by major shareholders, be available, when appropriate, for consultation and direct communication consistent with the Company’s policies regarding communications with shareholders;
- communicate Board member feedback to the Chief Executive Officer; and
- have such other duties as may from time to time be assigned by the Board.

The name of the Lead Director, together with a method for interested parties to communicate directly with the Lead Director or with the non-management Directors as a group, shall be disclosed either in the Company’s proxy statement for the annual meeting of shareholders, or, if permitted under applicable New York Stock Exchange regulations, on the Company’s website. The Lead Director will be selected by and from the independent Directors, with strong consideration given to present and past Committee chairs. The Lead Director will serve a two-year term commencing on the date of the Company’s annual meeting of shareholders. Unless the independent Directors shall determine otherwise due to particular circumstances, no Director will serve as the Lead Director for more than one biennial term on a consecutive basis.

## Independence

The Board shall be comprised of a substantial majority of independent Directors.

To qualify as independent, the Board must affirmatively determine that a Director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company).

The Board shall consider all relevant facts and circumstances in making independence determinations. In particular, when assessing the materiality of a Director's relationship with the Company, the Board shall consider the issue not merely from the standpoint of the Director, but also from that of persons or organizations with which the Director has an affiliation. Material relationships for this purpose can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. In addition, a Director must meet the specific criteria set forth in Section 303A of the New York Stock Exchange Listed Company Manual.

### Committees of the Board

The current committees of the Board are: Audit, Compensation, Executive, Finance & Investment, Governance & Nominating and Nuclear.

The Board, in consultation with the Chairman and the Chief Executive Officer, will determine the responsibilities and membership of its committees. Each committee, other than the Executive Committee, shall consist solely of independent Directors. The charters of the Committees shall be posted on the Company's website at [www.nexteraenergy.com](http://www.nexteraenergy.com).

Each committee chair, in consultation with the committee members, will determine the frequency and length of meetings of the committee. Each committee chair, in consultation with the appropriate members of management, will develop the agenda for the committee's meetings.

### Stock Ownership

To more closely align the interests of Directors and the Company's shareholders, Directors are encouraged to own a significant equity interest in the Company within a reasonable time after initial election to the Board. A minimum investment of seven times the annual cash retainer within five years is required. To assist Directors in meeting this requirement, a portion of Directors' annual compensation will be paid in the form of common stock. Share units held in the Company's deferred compensation plan will be credited toward meeting the requirement.

## **FUNCTIONS OF THE BOARD**

By law, all corporate powers are exercised by or under the authority of, and the business and affairs of the Company are managed under the direction of, the Board of Directors. In addition to reviewing and approving specific corporate actions as required by law, the Board, either directly or through one or more committees of the Board, performs other critical functions.

### Strategies and Objectives; Advice

The Board reviews, and where appropriate, approves the major strategies and financial and other objectives and plans of the Company. It also provides advice and counsel to management both in formal meetings and in informal, individual contacts with the Chief Executive Officer and other members of management.

### Risk Oversight

The Board reviews material risks facing the Company and oversees the Company's risk management practices.

### Management Selection and Evaluation

The Board selects and evaluates the Chief Executive Officer, reviews with the Chief Executive Officer his or her selection of the other members of senior management, and reviews with the Chief Executive Officer his or her evaluation of senior management.

The Board will evaluate the performance of the Chief Executive Officer at least annually. The evaluation will be based on objective criteria which shall include, among other factors, corporate performance, development of management, and the accomplishment of annual objectives and long-term strategic goals.

### Management Succession

The Board will review annually with the Chief Executive Officer management succession planning and development.

### Executive Compensation

The Company's executive compensation program will be set at levels adequate to attract and retain qualified executives. It will be designed and administered with clear and strong linkages to the Company's goals, objectives and strategies, and particularly to the creation of long-term shareholder value.

### Board Evaluation

The Board will review its performance at least annually. The review will include, among others: attendance, preparedness, participation and candor.

### Board Compensation

The Board will review periodically the status of Board compensation in relation to other companies of comparable size and scale of operations, and adjust Board compensation as it deems appropriate. To create a direct linkage with corporate performance, a meaningful portion of a Director's compensation should be in the form of, or based upon, the Company's common stock.

### Board Interaction With Investors, Media, etc.

The Board believes that management speaks for the Company. Inquiries from institutional investors, the media, etc. should be referred, without comment, to the Chief Executive Officer, the Chief Financial Officer, the Director, Investor Relations, or the Vice President, Marketing and Communication, as appropriate. Individual Directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. It is expected, however, that Directors will speak for the Company only with the knowledge of management and, in most instances, at the request of management.

## BOARD OPERATIONS

### Number of Meetings

The Board will meet as frequently as needed for Directors to discharge properly their duties. Regular meetings of the Board are held six times per year and special meetings are held as required. Regular attendance by Directors at Board and committee meetings is expected.

### Board Agendas

The Chairman of the Board, in consultation with the Lead Director, will determine the agenda for each meeting. All Directors should propose to the Chairman or the Lead Director the inclusion of additional agenda items that they deem necessary or appropriate in carrying out their duties.

### Conduct of Meetings

Board meetings will be conducted in a manner which ensures open communication, meaningful participation, and timely resolution of issues. When appropriate and feasible, Directors will receive materials concerning matters to be acted upon sufficiently in advance of a meeting.

### Executive Sessions

Regardless of who holds the position of Chairman of the Board, the non-management Directors will meet regularly outside the presence of any Company officer. For purposes of these executive sessions, a Director who is an employee (or whose immediate family member is an executive officer) of the Company or its subsidiaries will not be considered a non-management Director until three years after the end of such employment relationship, and thus will not attend the executive sessions. If the non-management Directors include anyone who is not independent within the meaning of applicable New York Stock Exchange listing requirements, legislation or regulations, then executive sessions shall be held for independent Directors at least once a year. Executive sessions will be led by the Chairman, if the Chairman is an independent non-management member of the Board, and otherwise by the Lead Director. Additional semi-executive sessions (meetings of the non-management members of the Board plus specific Company employees or other individuals) may be held at any time at the request of the Board, the Chairman or the Lead Director.

### Legal Counsel and Advisors

A majority of the non-management Directors shall have standing authorization, on their own decision as a group, to retain legal counsel and/or other advisors of their choice, which counsel and advisors shall report directly to the non-management Directors as a group. For purposes of this paragraph, “non-management” Directors are all those who are not Company officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934), and may include Directors who are not independent.

### Director Orientation and Continuing Education

The Board and management shall provide a thorough orientation process for new Directors that includes background material, meetings with senior management, and visits to Company facilities. As appropriate, management shall periodically provide additional educational sessions for Directors on matters relevant to the Company, its industry and its business. Attendance at director education events on



an as-advisable basis is encouraged and the Company will pay for, or reimburse Directors for, attendance at appropriate programs.

#### Access to Senior Management

The Board welcomes the attendance at Board meetings of senior management of the Company. Such attendance is at the selection of the Chief Executive Officer with the concurrence of the Board.

Directors have complete access to the Company's senior management. It is assumed that Directors will use judgment to be sure this contact is not distracting to the Company's business operations and that the Chief Executive Officer is appropriately informed.

#### Senior Management on Outside Boards

Members of senior management should submit proposed outside board memberships to the Governance & Nominating Committee for review and approval. Such memberships on for-profit companies' boards (other than the Company) ordinarily should be limited to two.

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