

# **NEXTERA ENERGY PARTNERS, LP**

## **Audit Committee of the Board of Directors**

### **Charter**

#### **I. Purpose**

The Audit Committee is appointed by the Board of Directors of NextEra Energy Partners, LP (the “Board”) to assist the Board in its oversight of: (1) the integrity of the financial statements of NextEra Energy Partners, LP (the “Company”); (2) the independent auditor’s qualifications and independence; (3) the performance of the Company’s internal audit function and independent auditor; (4) the compliance by the Company with legal and regulatory requirements; and (5) the accounting and financial reporting processes of the Company and audits of the financial statements of the Company.

In addition, the Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the “Commission”) as required to be included in the Company’s annual report.

#### **II. Membership**

The Committee shall consist of no fewer than three directors. All the members of the Committee shall meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the Commission. At least one member of the Committee shall be an “audit committee financial expert” as defined by rules of the Commission. Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless specifically approved by the Board. The members of the Committee shall be appointed by the Board and shall serve at the discretion of the Board and for such term or terms as the Board may determine, or until their earlier resignation, death or removal by the Board.

One member of the Committee shall be designated by the Board as Chairman and shall preside over meetings of the Committee and report regularly to the Board.

The standard of care of Committee members is governed by applicable state law, notwithstanding the provisions of this Charter.

#### **III. Review and Evaluation**

At least annually the Committee will conduct an evaluation of its performance, will periodically assess the adequacy of its Charter, and will report its findings and recommendations, if any, to the Board.

#### **IV. Authority and Responsibilities**

The function of the Committee is oversight. The management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements and for the effectiveness of internal control over financial reporting. Management is responsible for designing and maintaining policies and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The internal audit function is responsible for assessing the adequacy and effectiveness of the Company's system of internal controls, which are the responsibility of management. The independent auditors are responsible for planning and carrying out a proper audit of the Company's annual financial statements in accordance with generally accepted accounting principles, performing reviews of the Company's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q, annually providing an opinion on the effectiveness of internal control over financial reporting, and other procedures.

The Committee shall have the sole authority to appoint or replace any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including the Company's principal independent registered public accounting firm (such principal independent registered public accounting firm being hereinafter referred to as the "independent auditor") (subject, if applicable, to shareholder ratification in the case of the independent auditor), and such firm or firms will report directly to the Committee. The Committee will be directly responsible for the engagement, compensation, retention and oversight of the work of the independent auditor and such other registered public accounting firms (any such other registered public accounting firm being hereinafter referred to as an "Other Auditor") engaged for any audit, review or attest services, including the resolution of any disagreements between management and the independent auditor regarding the Company's financial reporting.

The Committee will pre-approve all audit, audit related, and all permitted non-audit services to be performed for the Company by the independent auditor, including the fees therefor. The Committee may, in its discretion and consistent with Commission rules, establish pre-approval policies and procedures with respect to audit, audit related, and permitted non-audit services. The Committee may form and delegate authority (including the authority to pre-approve audit, audit related, and permitted non-audit services) to subcommittees consisting of one or more Committee members. Any decision by a subcommittee to pre-approve services will be reported to the full Committee at its next scheduled meeting).

The Committee shall have the authority to retain outside counsel, accountants or other advisors for such purposes as the Committee, in its sole discretion, determines to be necessary to carry out its responsibilities. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm for the purpose of rendering or issuing an audit report or performing other audit, review or attest services and to any other such advisors employed by the Committee. The Company shall also provide appropriate funding, as determined by the Committee, for payment of ordinary administrative expenses necessary or appropriate in carrying out the Committee's duties.

The Committee, to the extent required or as it deems appropriate, will:

#### Financial Statement and Disclosure Matters

- Meet to review and discuss with management and the independent auditor the annual audited financial statements of the Company, including reviewing disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), and recommend to the Board whether such audited financial statements should be included in the Company's Form 10-K.
- Meet to review and discuss with management and the independent auditor the Company's quarterly financial statements (including reviewing disclosures made in MD&A).
- Review major issues regarding accounting principles and financial statement presentations, including any significant changes made in the Company's selection or application of accounting principles and practices, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- Review and discuss reports from the independent auditor on:
  - Critical accounting policies and practices to be used, as identified to the Committee by the independent auditor.
  - All alternative treatments of financial information within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
  - Other material written communications between the independent auditor and management, such as any schedule of unadjusted differences and any "management letter" or "internal control letter" issued or proposed to be issued by the independent auditor.
- Review and discuss with management and the independent auditor management's internal control report required to be included in the Company's annual report on Form 10-K, management's assessment of the internal control structure and procedures of the Company for financial reporting, and the independent auditor's opinion on the effectiveness of the Company's internal control over financial reporting.

- Afford the chief financial officer and chief accounting officer open lines of communication to the Committee.
- Discuss with management the earnings releases of the Company, including the use of “pro forma” or “adjusted” non-GAAP information therein, as well as financial information and earnings expectations provided to analysts and rating agencies. This may be done generally through a discussion from time to time (and need not be in advance of each such release or provision of such guidance) of the types of information to be disclosed and the types of presentations to be made.
- Discuss with management and the independent auditor the effect of regulatory and accounting initiatives on the Company’s financial statements.
- Discuss with management and the independent auditor the effect of off-balance sheet structures on the Company’s financial statements.
- Discuss with management the Company’s policies with respect to risk assessment and risk management.
- Review and discuss the Company’s major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Ensure that risks identified from time to time as major risks are reviewed by the Board.
- Discuss with the independent auditor the matters required to be discussed by Auditing Standard No. 16 as amended or supplemented, relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management, and management’s response.
- Review disclosures made to the Committee about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company’s internal controls.

#### Oversight of the Company’s Internal Audit Function

- Afford the Company’s designated senior internal audit officer unrestricted access to the Committee.
- Review the appointment and replacement of the designated senior internal audit officer.
- Review the significant reports to management prepared by the internal auditing department and management’s responses.
- Discuss with management and the independent auditor the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
- Discuss the adequacy of the internal audit program with the designated senior internal audit officer.
- Review with the designated senior internal audit officer, on at least an annual basis, the proposed schedule for audits for the next fiscal year.

## Oversight of the Company's Relationship with the Independent Auditor

- Obtain, review and evaluate a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company, addressing at least the matters set forth in Public Company Accounting Oversight Board ("PCAOB") Rule 3526, *Communication with Audit Committees Concerning Independence*, or any successor to such Rule 3526.
- Evaluate the qualifications, performance and independence of the independent auditor, including the lead partner of the independent auditor team. Include consideration of whether the auditor's quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and internal auditors.
- Based on the foregoing reviews and evaluations, present its conclusions with respect to the independent auditor's qualifications, performance and independence to the Board.
- Confirm the rotation of the independent auditor's lead partner and concurring partner, to the extent required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to replace the independent auditing firm from time to time.
- Meet with the independent auditor to discuss the scope, planning and staffing of the audit.
- Determine policies for the Company's hiring of employees or former employees of the independent auditor.
- Review and consider such other matters in relation to the external audit of the Company as the Committee, in its discretion, may determine to be advisable.
- Provide routine open access to both the Committee and the Board to discuss any matters thought appropriate.

## Compliance Oversight Responsibilities

- Afford the individual or individuals with operational responsibility for the compliance and ethics program an open line of communication to the Committee, including the authority to communicate to the Committee (1) promptly on any matter involving criminal conduct or potential criminal conduct, and (2) no less than annually on the implementation and effectiveness of the compliance and ethics program.
- Review management reports with respect to the conformity of the Company and its affiliated entities with applicable legal and regulatory requirements. Review compliance with the Company's Code of Business Conduct & Ethics and with the Code of Ethics for Senior Executive and Financial Officers, including review of any violations and waivers of such codes of ethics.

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
- Discuss with the Company's General Counsel legal matters that the General Counsel believes are reasonably possible to have a material impact on the Company's financial statements, internal controls or compliance policies.

## **V. Meetings; Reporting**

The Committee generally shall meet four times during the year, which may be by conference telephone prior to the release of the Company's earnings press release), and, in addition, as often as its members, the Board or the Committee Chairman deems necessary to perform the Committee's responsibilities.

The Committee shall meet periodically with management, the internal auditor and the independent auditor in separate sessions. The Committee shall report its activities to the Board on a regular basis.

While the Committee has the responsibilities and powers set forth in this Charter, the Committee's role is one of oversight. It is not the duty of the Committee to plan or conduct audits, determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles or assure compliance with laws and regulations and the Company's Code of Business Conduct & Ethics.