

**NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

ROU assets and lease liabilities for finance leases totaled approximately \$378 million and \$375 million, respectively; the respective amounts at December 31, 2021 were \$205 million and \$200 million. NEE's lease liabilities at December 31, 2022 and 2021 were calculated using a weighted-average incremental borrowing rate at the lease inception of 3.66% and 3.57%, respectively, for operating leases and 3.98% and 3.52%, respectively, for finance leases, and a weighted-average remaining lease term of 45 years and 39 years, respectively, for operating leases and 33 years and 31 years, respectively, for finance leases. At December 31, 2022, expected lease payments over the remaining terms of the leases were approximately \$1.6 billion with no one year being material. NEE's operating lease cost for the years ended December 31, 2022, 2021 and 2020 totaled approximately \$70 million, \$92 million and \$95 million, respectively. Other operating and finance lease-related amounts were not material to NEE's consolidated statements of income or cash flows for the periods presented.

NEE has operating and sales-type leases primarily related to a natural gas and oil electric generation facility and certain battery storage facilities that sell their electric output under power sales agreements to third parties which provide the customers the ability to dispatch the facilities. At December 31, 2022 and 2021, NEE recorded a net investment in sales-type leases of approximately \$53 million and \$42 million, respectively. At December 31, 2022, the power sales agreements have expiration dates from 2024 to 2043 and NEE expects to receive approximately \$1.1 billion of lease payments over the remaining terms of the power sales agreements with no one year being material. Operating and sales-type lease-related amounts were not material to NEE's consolidated statements of income for the periods presented.

## 11. Asset Retirement Obligations

NEE's AROs relate primarily to decommissioning obligations of FPL's and NEER's nuclear units and to obligations for the dismantlement of certain of NEER's wind and solar facilities. For NEE's rate-regulated operations, including FPL, the accounting provisions result in timing differences in the recognition of legal asset retirement costs for financial reporting purposes and the method the regulator allows for recovery in rates. See Note 1 – Rate Regulation and – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs.

A rollforward of NEE's and FPL's AROs is as follows:

	NEE	FPL
	(millions)	(millions)
Balances, December 31, 2020	\$ 3,166	\$ 1,936
Liabilities incurred	79	7
Accretion expense	141	78
Liabilities settled	(88) <sup>(a)</sup>	(15)
Revision in estimated cash flows – net	(119) <sup>(b)</sup>	101 <sup>(c)</sup>
Balances, December 31, 2021	3,179 <sup>(d)</sup>	2,107 <sup>(d)</sup>
Liabilities incurred	82	—
Accretion expense	145	81
Liabilities settled	(80) <sup>(a)</sup>	(22)
Revision in estimated cash flows – net	2	10
Balances, December 31, 2022	<u>\$ 3,328 <sup>(d)</sup></u>	<u>\$ 2,176 <sup>(d)</sup></u>

(a) Includes approximately \$27 million and \$35 million related to project sales to NEP as well as other sales of businesses and assets during the years ending December 31, 2022 and 2021, respectively. See Note 1 – Disposal of Businesses/Assets and Sale of Noncontrolling Ownership Interests.

(b) The increase at FPL discussed in (c) was offset primarily by the effect of revised cost estimates and useful lives of NEER's solar facilities.

(c) Primarily reflects the effect of pending license extension requests of St. Lucie Units Nos. 1 and 2 for an additional 20 years.

(d) Includes the current portion of AROs as of December 31, 2022 and 2021 of approximately \$83 million (\$68 million for FPL) and \$97 million (\$58 million for FPL), respectively, which are included in other current liabilities on NEE's and FPL's consolidated balance sheets.

Restricted funds for the payment of future expenditures to decommission NEE's and FPL's nuclear units included in special use funds on NEE's and FPL's consolidated balance sheets are presented below (see Note 4). Duane Arnold is being actively decommissioned and was granted an exemption from the NRC, which allows for use of the funds for certain other site restoration activities in addition to decommissioning obligations recorded as AROs.

	NEE	FPL
	(millions)	(millions)
Balances, December 31, 2022	\$ 7,495	\$ 5,220
Balances, December 31, 2021	\$ 8,846	\$ 6,082

NEE and FPL have identified but not recognized ARO liabilities related to the majority of their electric transmission and distribution assets and pipelines resulting from easements over property not owned by NEE or FPL. These easements are generally perpetual and only require retirement action upon abandonment or cessation of use of the property or facility for its specified purpose. The related ARO liability is not estimable for such easements as NEE and FPL intend to use these properties

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indefinitely. In the event NEE or FPL decide to abandon or cease the use of a particular easement, an ARO liability would be recorded at that time.

## 12. Employee Retirement Benefits

*Employee Pension Plan and Other Benefits Plans* – NEE sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NEE and its subsidiaries. NEE also has a supplemental executive retirement plan (SERP), which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees, and sponsors a contributory postretirement plan for other benefits for retirees of NEE and its subsidiaries meeting certain eligibility requirements. The total accrued benefit cost of the SERP and postretirement plans is approximately \$237 million (\$115 million for FPL) and \$300 million (\$139 million for FPL) at December 31, 2022 and 2021, respectively.

Pension Plan Assets, Benefit Obligations and Funded Status – The changes in assets, benefit obligations and the funded status of the pension plan are as follows:

	2022	2021
	(millions)	
Change in pension plan assets:		
Fair value of plan assets at January 1	\$ 5,688	\$ 5,314
Actual return on plan assets	(820)	627
Benefit payments	(325)	(253)
Fair value of plan assets at December 31	<u>\$ 4,543</u>	<u>\$ 5,688</u>
Change in pension benefit obligation:		
Obligation at January 1	\$ 3,445	\$ 3,607
Service cost	86	90
Interest cost	77	64
Special termination benefit <sup>(a)</sup>	52	—
Plan amendments	3	—
Actuarial gains – net	(627)	(63)
Benefit payments	(325)	(253)
Obligation at December 31 <sup>(b)</sup>	<u>\$ 2,711</u>	<u>\$ 3,445</u>
Funded status:		
Prepaid pension benefit costs at NEE at December 31	<u>\$ 1,832</u>	<u>\$ 2,243</u>
Prepaid pension benefit costs at FPL at December 31 <sup>(c)</sup>	<u>\$ 1,732</u>	<u>\$ 1,657</u>

(a) Reflects enhanced early retirement benefit.

(b) NEE's accumulated pension benefit obligation, which includes no assumption about future salary levels, at December 31, 2022 and 2021 was approximately \$2,650 million and \$3,352 million, respectively.

(c) Reflects FPL's allocated benefits under NEE's pension plan.

NEE's unrecognized amounts included in accumulated other comprehensive income (loss) yet to be recognized as components of prepaid pension benefit costs are as follows:

	2022	2021
	(millions)	
Unrecognized prior service benefit (net of \$0 tax expense and \$1 tax expense, respectively)	\$ 1	\$ 2
Unrecognized gains (losses) (net of \$33 tax benefit and \$7 tax expense, respectively)	(91)	41
Total	<u>\$ (90)</u>	<u>\$ 43</u>

NEE's unrecognized amounts included in regulatory assets (liabilities) yet to be recognized as components of net prepaid pension benefit costs are as follows:

	2022	2021
	(millions)	
Unrecognized prior service cost (benefit)	\$ 2	\$ (1)
Unrecognized losses (gains)	277	(80)
Total	<u>\$ 279</u>	<u>\$ (81)</u>



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The following table provides the assumptions used to determine the benefit obligation for the pension plan. These rates are used in determining net periodic pension income in the following year.

	2022	2021
Discount rate	5.05 %	2.87 %
Salary increase	4.90 %	4.90 %
Weighted-average interest crediting rate	3.82 %	3.79 %

NEE's investment policy for the pension plan recognizes the benefit of protecting the plan's funded status, thereby avoiding the necessity of future employer contributions. Its broad objectives are to achieve a high rate of total return with a prudent level of risk taking while maintaining sufficient liquidity and diversification to avoid large losses and preserve capital over the long term.

The NEE pension plan fund's current target asset allocation, which is expected to be reached over time, is 43% equity investments, 32% fixed income investments, 20% alternative investments and 5% convertible securities. The pension fund's investment strategy emphasizes traditional investments, broadly diversified across the global equity and fixed income markets, using a combination of different investment styles and vehicles. The pension fund's equity and fixed income holdings consist of both directly held securities as well as commingled investment arrangements such as common and collective trusts, pooled separate accounts, registered investment companies and limited partnerships. The pension fund's convertible security assets are principally direct holdings of convertible securities and include a convertible security oriented limited partnership. The pension fund's alternative investments consist primarily of private equity and real estate oriented investments in limited partnerships as well as absolute return oriented limited partnerships that use a broad range of investment strategies on a global basis.

The fair value measurements of NEE's pension plan assets by fair value hierarchy level are as follows:

December 31, 2022 <sup>(a)</sup>				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(millions)			
Equity securities <sup>(b)</sup>	\$ 1,246	\$ 5	\$ 1	\$ 1,252
Equity commingled vehicles <sup>(c)</sup>	—	731	—	731
U.S. Government and municipal bonds	85	5	—	90
Corporate debt securities <sup>(d)</sup>	—	272	—	272
Asset-backed securities <sup>(e)</sup>	—	413	—	413
Debt security commingled vehicles	—	130	—	130
Convertible securities <sup>(f)</sup>	50	367	—	417
Total investments in the fair value hierarchy	\$ 1,381	\$ 1,923	\$ 1	3,305
Total investments measured at net asset value <sup>(g)</sup>				1,238
Total fair value of plan assets				\$ 4,543

(a) See Notes 3 and 4 for discussion of fair value measurement techniques and inputs.

(b) Includes foreign investments of \$526 million.

(c) Includes foreign investments of \$191 million.

(d) Includes foreign investments of \$83 million.

(e) Includes foreign investments of \$129 million.

(f) Includes foreign investments of \$30 million.

(g) Includes foreign investments of \$242 million.

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December 31, 2021 <sup>(a)</sup>				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(millions)			
Equity securities <sup>(b)</sup>	\$ 1,977	\$ 29	\$ 2	\$ 2,008
Equity commingled vehicles <sup>(c)</sup>	—	889	—	889
U.S. Government and municipal bonds	131	6	—	137
Corporate debt securities <sup>(d)</sup>	—	351	—	351
Asset-backed securities	—	386	—	386
Debt security commingled vehicles <sup>(e)</sup>	—	219	—	219
Convertible securities <sup>(f)</sup>	91	489	—	580
Total investments in the fair value hierarchy	<u>\$ 2,199</u>	<u>\$ 2,369</u>	<u>\$ 2</u>	4,570
Total investments measured at net asset value <sup>(g)</sup>				1,118
Total fair value of plan assets				<u>\$ 5,688</u>

(a) See Notes 3 and 4 for discussion of fair value measurement techniques and inputs.

(b) Includes foreign investments of \$927 million.

(c) Includes foreign investments of \$169 million.

(d) Includes foreign investments of \$109 million.

(e) Includes foreign investments of \$5 million.

(f) Includes foreign investments of \$41 million.

(g) Includes foreign investments of \$220 million.

**Expected Cash Flows** – The following table provides information about benefit payments expected to be paid by the pension plan for each of the following calendar years (in millions):

2023	\$ 198
2024	\$ 199
2025	\$ 201
2026	\$ 204
2027	\$ 203
2028 – 2032	\$ 1,008

**Net Periodic (Income) Cost** – The components of net periodic (income) cost for the plans are as follows:

	Pension Benefits			Postretirement Benefits		
	2022	2021	2020	2022	2021	2020
	(millions)					
Service cost	\$ 86	\$ 90	\$ 85	\$ 1	\$ 2	\$ 1
Interest cost	77	64	92	5	4	8
Expected return on plan assets	(363)	(339)	(321)	—	—	—
Amortization of actuarial loss	—	24	18	3	5	3
Amortization of prior service benefit	(1)	(1)	(1)	(4)	(15)	(16)
Special termination benefit	52	—	16	—	—	—
Benefit plan settlement	27	—	—	—	—	—
Net periodic (income) cost at NEE	<u>\$ (122)</u>	<u>\$ (162)</u>	<u>\$ (111)</u>	<u>\$ 5</u>	<u>\$ (4)</u>	<u>\$ (4)</u>
Net periodic (income) cost allocated to FPL	<u>\$ (76)</u>	<u>\$ (108)</u>	<u>\$ (84)</u>	<u>\$ 4</u>	<u>\$ (4)</u>	<u>\$ (4)</u>

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Other Comprehensive Income – The components of net periodic income (cost) recognized in OCI for the pension plan are as follows:

	2022	2021	2020
	(millions)		
Prior service cost (net of \$0 tax benefit)	\$ (1)	\$ —	\$ —
Net gains (losses) (net of \$43 tax benefit, \$29 tax expense and \$13 tax expense, respectively)	(139)	95	42
Amortization of unrecognized losses (net of \$2 tax expense, \$2 tax expense and \$1 tax expense, respectively)	7	6	5
Total	<u>\$ (133)</u>	<u>\$ 101</u>	<u>\$ 47</u>

Regulatory Assets (Liabilities) – The components of net periodic income recognized during the year in regulatory assets (liabilities) for the pension plan are as follows:

	2022	2021
	(millions)	
Prior service cost (benefit)	\$ 2	\$ (1)
Unrecognized losses (gains)	375	(226)
Amortization of prior service benefit	1	—
Amortization of unrecognized losses	(18)	(16)
Total	<u>\$ 360</u>	<u>\$ (243)</u>

The assumptions used to determine net periodic pension income for the pension plan are as follows:

	2022	2021	2020
Discount rate	2.87 %	2.53 %	3.22 %
Salary increase	4.90 %	4.40 %	4.40 %
Expected long-term rate of return, net of investment management fees	7.35 %	7.35 %	7.35 %
Weighted-average interest crediting rate	3.79 %	3.82 %	3.83 %

*Employee Contribution Plan* – NEE offers an employee retirement savings plan which allows eligible participants to contribute a percentage of qualified compensation through payroll deductions. NEE makes matching contributions to participants' accounts. Defined contribution expense pursuant to this plan was approximately \$68 million, \$66 million and \$64 million for NEE (\$41 million, \$42 million and \$40 million for FPL) for the years ended December 31, 2022, 2021 and 2020, respectively.



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### 13. Debt

Long-term debt consists of the following:

	December 31,				
	2022			2021	
	Maturity Date	Balance (millions)	Weighted-Average Interest Rate	Balance (millions)	Weighted-Average Interest Rate
<b>FPL:</b>					
First mortgage bonds – fixed	2023-2051	\$ 15,790	4.03 %	\$ 14,290	4.20 %
Pollution control, solid waste disposal and industrial development revenue bonds – primarily variable <sup>(a)</sup>	2023-2052	1,366	3.20 %	1,407	0.15 %
Senior unsecured notes – primarily variable <sup>(b)(c)</sup>	2023-2072	4,042	3.99 %	2,697	1.37 %
Other long-term debt – primarily variable <sup>(c)</sup>	2046	7	7.90 %	307	0.82 %
Unamortized debt issuance costs and discount		(203)		(191)	
Total long-term debt of FPL		21,002		18,510	
Less current portion of long-term debt		1,547		536	
Long-term debt of FPL, excluding current portion		19,455		17,974	
<b>NEER:</b>					
NextEra Energy Resources:					
Senior secured limited-recourse long-term debt – variable <sup>(c)(d)</sup>	2024-2037	3,582	6.24 %	3,100	1.74 %
Senior secured limited-recourse long-term loans – fixed	2028-2052	2,452	3.43 %	2,475	3.30 %
Other long-term debt – primarily variable <sup>(c)(d)</sup>	2026-2048	777	6.33 %	785	2.50 %
NEET – long-term debt – primarily fixed <sup>(d)</sup>	2023-2052	2,348	5.10 %	1,151	2.69 %
Unamortized debt issuance costs and premium		(108)		(92)	
Total long-term debt of NEER		9,051		7,419	
Less current portion of long-term debt		694		664	
Long-term debt of NEER, excluding current portion		8,357		6,755	
<b>NEECH:</b>					
Debentures – fixed	2023-2062	17,865	2.99 %	10,990	2.21 %
Debentures – variable <sup>(c)</sup>	2023-2024	2,200	4.14 %	3,850	0.56 %
Debentures, related to NEE's equity units – fixed	2025-2027	6,500	2.28 %	6,000	1.46 %
Junior subordinated debentures – primarily fixed <sup>(d)</sup>	2057-2082	3,723	5.23 %	3,723	4.54 %
Japanese yen denominated long-term debt – primarily variable <sup>(c)(d)(e)</sup>	2023-2030	506	0.73 %	582	1.49 %
Australian dollar denominated long-term debt – fixed <sup>(e)</sup>	2026	338	2.20 %	360	2.20 %
Other long-term debt – fixed	2023	164	0.92 %	186	0.92 %
Other long-term debt – variable <sup>(c)</sup>	2024	675	5.02 %	1,245	0.64 %
Unamortized debt issuance costs, premium		(135)		(120)	
Total long-term debt of NEECH		31,836		26,816	
Less current portion of long-term debt		4,392		585	
Long-term debt of NEECH, excluding current portion		27,444		26,231	
Total long-term debt		\$ 55,256		\$ 50,960	

- (a) Includes variable rate tax exempt bonds that permit individual bondholders to tender the bonds for purchase at any time prior to maturity. In the event these variable rate tax exempt bonds are tendered for purchase, they would be remarketed by a designated remarketing agent in accordance with the related indenture. If the remarketing is unsuccessful, FPL would be required to purchase these variable rate tax exempt bonds. At December 31, 2022, these variable rate tax exempt bonds totaled approximately \$1,334 million. All variable rate tax exempt bonds tendered for purchase have been successfully remarketed. FPL's syndicated revolving credit facilities are available to support the purchase of the variable rate tax exempt bonds. Variable interest rate is established at various intervals by the remarketing agent.
- (b) At December 31, 2022, includes approximately \$1,327 million of floating rate notes that permit individual noteholders to require repayment at specified dates prior to maturity. FPL's syndicated revolving credit facilities are available to support the purchase of the floating rate notes.
- (c) Variable rate is based on an underlying index plus a specified margin.
- (d) Interest rate contracts, primarily swaps, have been entered into with respect to certain of these debt issuances. See Note 3.
- (e) Foreign currency contracts have been entered into with respect to these debt issuances. See Note 3.

As of December 31, 2022, minimum annual maturities of long-term debt for NEE are approximately \$6,633 million, \$6,848 million, \$7,702 million, \$1,218 million and \$7,329 million for 2023, 2024, 2025, 2026 and 2027, respectively. The respective amounts for FPL are approximately \$1,547 million, \$1,646 million, \$1,700 million, \$0.2 million and \$328 million.

At December 31, 2022 and 2021, short-term borrowings had a weighted-average interest rate of 4.58% (4.41% for FPL) and 0.39% (0.27% for FPL), respectively. Subsidiaries of NEE, including FPL, had credit facilities with total capacity at December 31, 2022 of approximately \$17.9 billion (\$4.5 billion for FPL) which provide for the funding of loans and/or issuance of letters of

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credit. At December 31, 2022, letters of credit outstanding under these credit facilities totaled approximately \$3.7 billion (\$3.0 million for FPL). There were no borrowings outstanding under these credit facilities at December 31, 2022. At February 17, 2023, NEE, including FPL, had credit facilities with total capacity of approximately \$20.2 billion (\$4.1 billion for FPL).

NEE has guaranteed certain payment obligations of NEECH, including most of those under NEECH's debt, including all of its debentures and commercial paper issuances, as well as most of its payment guarantees and indemnifications. NEECH has guaranteed certain debt and other obligations of subsidiaries within the NEER segment.

In August 2022, NEECH completed a remarketing of \$1.5 billion aggregate principal amount of its Series J Debentures due September 1, 2024 that were issued in September 2019 as components of equity units issued concurrently by NEE (September 2019 equity units). The debentures are fully and unconditionally guaranteed by NEE. In connection with the remarketing of the debentures, the interest rate on the debentures was reset to 4.255% per year, and interest is payable on March 1 and September 1 of each year, commencing September 1, 2022. In connection with the settlement of the contracts to purchase NEE common stock that were issued as components of the September 2019 equity units, on September 1, 2022, NEE issued approximately 21.6 million shares of common stock in exchange for \$1.5 billion.

As a result of the four-for-one stock split of NEE common stock effective October 26, 2020 (2020 stock split) (and adjustments related to the dividend rate), the fixed settlement rates of NEE's two outstanding series of Corporate Units sold in 2020 have been adjusted as described below. In addition, these two series of Corporate Units provide that the applicable market value (as described below) for each series of Corporate Units will also be adjusted (when determined) to give effect to the 2020 stock split and certain other anti-dilution adjustments to determine the applicable settlement rate. However, for purposes of the presentation below, corresponding adjustments were instead made to the reference prices and the threshold appreciation prices for these two series of Corporate Units to present the practical effect of the antidilution adjustments as of December 31, 2022.

In February 2020, NEE sold \$2.5 billion of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of \$50 and consists of a contract to purchase NEE common stock (stock purchase contract) and, initially, a 5% undivided beneficial ownership interest in a Series K Debenture due March 1, 2025, issued in the principal amount of \$1,000 by NEECH. Each stock purchase contract requires the holder to purchase by no later than March 1, 2023 (the final settlement date) for a price of \$50 in cash, a number of shares of NEE common stock (subject to antidilution adjustments) based on a price per share range described in the following sentence. If purchased on the final settlement date, as of December 31, 2022, the number of shares issued per equity unit would (subject to antidilution adjustments) range from 0.7132 shares if the applicable market value of a share of NEE common stock is less than or equal to \$70.39 (the adjusted reference price) to 0.5703 shares if the applicable market value of a share is equal to or greater than \$87.99 (the adjusted threshold appreciation price), with the applicable market value to be determined using the average closing prices of NEE common stock over a 20-day trading period ending February 24, 2023. Total annual distributions on the equity units are at the rate of 5.279%, consisting of interest on the debentures (1.84% per year) and payments under the stock purchase contracts (3.439% per year). The interest rate on the debentures is expected to be reset on or after September 1, 2022. A holder of an equity unit may satisfy its purchase obligation with proceeds raised from remarketing the NEECH debentures that are part of its equity unit. The undivided beneficial ownership interest in the NEECH debenture that is a component of each Corporate Unit is pledged to NEE to secure the holder's obligation to purchase NEE common stock under the related stock purchase contract. If a successful remarketing does not occur on or before the third business day prior to the final settlement date, and a holder has not notified NEE of its intention to settle the stock purchase contract with cash, the debentures that are components of the Corporate Units will be used to satisfy in full the holders' obligations to purchase NEE common stock under the related stock purchase contracts on the final settlement date. The debentures are fully and unconditionally guaranteed by NEE.

In September 2020, NEE sold \$2.0 billion of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of \$50 and consists of a contract to purchase NEE common stock (stock purchase contract) and, initially, a 5% undivided beneficial ownership interest in a Series L Debenture due September 1, 2025, issued in the principal amount of \$1,000 by NEECH. Each stock purchase contract requires the holder to purchase by no later than September 1, 2023 (the final settlement date) for a price of \$50 in cash, a number of shares of NEE common stock (subject to antidilution adjustments) based on a price per share range described in the following sentence. If purchased on the final settlement date, as of December 31, 2022, the number of shares issued per equity unit would (subject to antidilution adjustments) range from 0.6802 shares if the applicable market value of a share of NEE common stock is less than or equal to \$73.79 (the adjusted reference price) to 0.5442 shares if the applicable market value of a share is equal to or greater than \$92.24 (the adjusted threshold appreciation price), with the applicable market value to be determined using the average closing prices of NEE common stock over a 20-day trading period ending August 29, 2023. Total annual distributions on the equity units are at the rate of 6.219%, consisting of interest on the debentures (0.509% per year) and payments under the stock purchase contracts (5.710% per year). The interest rate on the debentures is expected to be reset on or after March 1, 2023. A holder of an equity unit may satisfy its purchase obligation with proceeds raised from remarketing the NEECH debentures that are part of its equity unit. The undivided beneficial ownership interest in the NEECH debenture that is a component of each Corporate Unit is pledged to NEE to secure the holder's obligation to purchase NEE common stock under the related stock purchase contract. If a successful remarketing does not occur on or before the third business day prior to the final settlement date, and a holder has not notified NEE of its intention to settle the stock purchase contract with cash, the debentures that are components of the Corporate Units will be used to satisfy in full the

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holders' obligations to purchase NEE common stock under the related stock purchase contracts on the final settlement date. The debentures are fully and unconditionally guaranteed by NEE.

In September 2022, NEE sold \$2.0 billion of equity units (initially consisting of Corporate Units). Each equity unit has a stated amount of \$50 and consists of a contract to purchase NEE common stock (stock purchase contract) and, initially, a 5% undivided beneficial ownership interest in a Series M Debenture due September 1, 2027, issued in the principal amount of \$1,000 by NEECH. Each stock purchase contract requires the holder to purchase by no later than September 1, 2025 (the final settlement date) for a price of \$50 in cash, a number of shares of NEE common stock (subject to antidilution adjustments) based on a price per share range described in the following sentence. If purchased on the final settlement date, as of December 31, 2022, the number of shares issued per equity unit would (subject to antidilution adjustments) range from 0.5626 shares if the applicable market value of a share of NEE common stock is less than or equal to \$88.88 (the reference price) to 0.4500 shares if the applicable market value of a share is equal to or greater than \$111.10 (the threshold appreciation price), with the applicable market value to be determined using the average closing prices of NEE common stock over a 20-day trading period ending August 27, 2025. Total annual distributions on the equity units are at the rate of 6.926%, consisting of interest on the debentures (4.60% per year) and payments under the stock purchase contracts (2.326% per year). The interest rate on the debentures is expected to be reset on or after March 1, 2025. A holder of an equity unit may satisfy its purchase obligation with proceeds raised from remarketing the NEECH debentures that are part of its equity unit. The undivided beneficial ownership interest in the NEECH debenture that is a component of each Corporate Unit is pledged to NEE to secure the holder's obligation to purchase NEE common stock under the related stock purchase contract. If a successful remarketing does not occur on or before the third business day prior to the final settlement date, and a holder has not notified NEE of its intention to settle the stock purchase contract with cash, the debentures that are components of the Corporate Units will be used to satisfy in full the holders' obligations to purchase NEE common stock under the related stock purchase contracts on the final settlement date. The debentures are fully and unconditionally guaranteed by NEE.

Prior to the issuance of NEE's common stock, the stock purchase contracts, if dilutive, will be reflected in NEE's diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of NEE common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the stock purchase contracts over the number of shares that could be purchased by NEE in the market, at the average market price during the period, using the proceeds receivable upon settlement.

On February 9, 2023, NEECH sold a total of \$4.0 billion principal amount of its Debentures with interest rates ranging from 4.90% to 5.25% and maturity dates ranging from 2028 to 2053.

#### 14. Equity

*Earnings Per Share* – The reconciliation of NEE's basic and diluted earnings per share attributable to NEE is as follows:

	Years Ended December 31,		
	2022	2021	2020
	(millions, except per share amounts)		
Numerator – net income attributable to NEE	\$ 4,147	\$ 3,573	\$ 2,919
Denominator:			
Weighted-average number of common shares outstanding – basic	1,972.6	1,962.5	1,959.0
Equity units, stock options, performance share awards and restricted stock <sup>(a)</sup>	6.0	9.7	9.8
Weighted-average number of common shares outstanding – assuming dilution	1,978.6	1,972.2	1,968.8
Earnings per share attributable to NEE:			
Basic	\$ 2.10	\$ 1.82	\$ 1.49
Assuming dilution	\$ 2.10	\$ 1.81	\$ 1.48

(a) Calculated using the treasury stock method. Performance share awards are included in diluted weighted-average number of common shares outstanding based upon what would be issued if the end of the reporting period was the end of the term of the award.

Common shares issuable pursuant to equity units, stock options and/or performance share awards, as well as restricted stock which were not included in the denominator above due to their antidilutive effect were approximately 38.1 million, 30.5 million and 27.1 million for the years ended December 31, 2022, 2021 and 2020, respectively.

On September 14, 2020, NEE's board of directors approved a four-for-one split of NEE common stock effective October 26, 2020. NEE's authorized common stock increased from 800 million to 3.2 billion shares. All share and share-based data included in NEE's consolidated financial statements reflect the effect of the 2020 stock split.



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Potentially Dilutive Securities at NEP* – NEP senior unsecured convertible notes, when outstanding, are potentially dilutive securities to NEE. In December 2022, June 2021 and December 2020, NEP issued \$500 million, \$500 million and \$600 million, respectively, principal amount of new senior unsecured convertible notes. Holders of these notes may convert all or a portion of the notes in accordance with the related indenture. Upon conversion, NEP will pay cash up to the principal amount of the notes to be converted and pay or deliver, as the case may be, cash, NEP common units or a combination of cash and common units, at NEP's election, in respect of the remainder, if any, of NEP's conversion obligation in excess of the principal amount of the notes being converted.

*Common Stock Dividend Restrictions* – NEE's charter does not limit the dividends that may be paid on its common stock. FPL's mortgage securing FPL's first mortgage bonds contains provisions which, under certain conditions, restrict the payment of dividends and other distributions to NEE. These restrictions do not currently limit FPL's ability to pay dividends to NEE.

*Stock-Based Compensation* – Net income for the years ended December 31, 2022, 2021 and 2020 includes approximately \$142 million, \$119 million and \$107 million, respectively, of compensation costs and \$20 million, \$19 million and \$21 million, respectively, of income tax benefits related to stock-based compensation arrangements. Compensation cost capitalized for the years ended December 31, 2022, 2021 and 2020 was not material. At December 31, 2022, there were approximately \$160 million of unrecognized compensation costs related to nonvested/nonexercisable stock-based compensation arrangements. These costs are expected to be recognized over a weighted-average period of 2.5 years.

At December 31, 2022, approximately 81 million shares of common stock were authorized for awards to officers, employees and non-employee directors of NEE and its subsidiaries under NEE's: (a) 2021 Long Term Incentive Plan, (b) 2017 Non-Employee Directors Stock Plan and (c) earlier equity compensation plans under which shares are reserved for issuance under existing grants, but no additional shares are available for grant under the earlier plans. NEE satisfies restricted stock and performance share awards by issuing new shares of its common stock or by purchasing shares of its common stock in the open market. NEE satisfies stock option exercises by issuing new shares of its common stock. NEE generally grants most of its stock-based compensation awards in the first quarter of each year.

*Restricted Stock and Performance Share Awards* – Restricted stock typically vests within three years after the date of grant and is subject to, among other things, restrictions on transferability prior to vesting. The fair value of restricted stock is measured based upon the closing market price of NEE common stock as of the date of grant. Performance share awards are typically payable at the end of a three-year performance period if the specified performance criteria are met. The fair value for the majority of performance share awards is estimated based upon the closing market price of NEE common stock as of the date of grant less the present value of expected dividends, multiplied by an estimated performance multiple which is subsequently trued up based on actual performance.

The activity in restricted stock and performance share awards for the year ended December 31, 2022 was as follows:

	Shares/Units	Weighted-Average Grant Date Fair Value Per Share/Units
<b>Restricted Stock:</b>		
Nonvested balance, January 1, 2022	1,817,732	\$ 68.09
Granted	1,001,259	\$ 75.13
Vested	(758,006)	\$ 58.83
Forfeited	(68,940)	\$ 76.65
Nonvested balance, December 31, 2022	<u>1,992,045</u>	\$ 77.93
<b>Performance Share Awards:</b>		
Nonvested balance, January 1, 2022	1,412,149	\$ 61.22
Granted	1,597,586	\$ 58.67
Vested	(1,563,850)	\$ 56.08
Forfeited	(308,803)	\$ 74.01
Nonvested balance, December 31, 2022	<u>1,137,082</u>	\$ 71.17

The weighted-average grant date fair value per share of restricted stock granted for the years ended December 31, 2021 and 2020 was \$82.69 and \$68.25 respectively. The weighted-average grant date fair value per share of performance share awards granted for the years ended December 31, 2021 and 2020 was \$54.82 and \$46.09, respectively.

The total fair value of restricted stock and performance share awards vested was \$175 million, \$186 million and \$177 million for the years ended December 31, 2022, 2021 and 2020, respectively.

**NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY**  
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Options – Options typically vest within three years after the date of grant and have a maximum term of ten years. The exercise price of each option granted equals the closing market price of NEE common stock on the date of grant. The fair value of the options is estimated on the date of the grant using the Black-Scholes option-pricing model and based on the following assumptions:

	2022	2021	2020
Expected volatility <sup>(a)</sup>	17.91 – 19.37%	17.32 – 17.75%	14.63 – 16.31%
Expected dividends	2.32 – 2.50%	2.30 – 2.44%	2.50 – 2.72%
Expected term (years) <sup>(b)</sup>	6.5	7.0	7.0
Risk-free rate	1.91 – 3.85%	0.80 – 1.27%	0.49 – 1.52%

(a) Based on historical experience.

(b) Based on historical exercise and post-vesting cancellation experience adjusted for outstanding awards.

Option activity for the year ended December 31, 2022 was as follows:

	Shares Underlying Options	Weighted- Average Exercise Price Per Share	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (millions)
Balance, January 1, 2022	10,013,312	\$ 44.87		
Granted	1,304,270	\$ 75.28		
Exercised	(594,220)	\$ 23.77		
Forfeited	(23,952)	\$ 78.33		
Balance, December 31, 2022	10,699,410	\$ 49.67	5.7	\$ 363
Exercisable, December 31, 2022	8,152,185	\$ 41.28	4.8	\$ 345

The weighted-average grant date fair value of options granted was \$10.49, \$9.82 and \$7.08 per share for the years ended December 31, 2022, 2021 and 2020, respectively. The total intrinsic value of stock options exercised was approximately \$37 million, \$49 million and \$71 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Cash received from option exercises was approximately \$14 million, \$15 million and \$30 million for the years ended December 31, 2022, 2021 and 2020, respectively. The tax benefits realized from options exercised were approximately \$9 million, \$11 million and \$17 million for the years ended December 31, 2022, 2021 and 2020, respectively.

**Preferred Stock** – NEE's charter authorizes the issuance of 100 million shares of serial preferred stock, \$0.01 par value, none of which are outstanding. FPL's charter authorizes the issuance of 10,414,100 shares of preferred stock, \$100 par value, 5 million shares of subordinated preferred stock, no par value, and 5 million shares of preferred stock, no par value, none of which are outstanding.

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*Accumulated Other Comprehensive Income (Loss)* – The components of AOCI, net of tax, are as follows:

	Accumulated Other Comprehensive Income (Loss)					
	Net Unrealized Gains (Losses) on Cash Flow Hedges	Net Unrealized Gains (Losses) on Available for Sale Securities	Defined Benefit Pension and Other Benefits Plans	Net Unrealized Gains (Losses) on Foreign Currency Translation	Other Comprehensive Income Related to Equity Method Investees	Total
	(millions)					
Balances, December 31, 2019	\$ (27)	\$ 11	\$ (114)	\$ (42)	\$ 3	\$ (169)
Other comprehensive income before reclassifications	—	12	37	13	1	63
Amounts reclassified from AOCI	12 <sup>(a)</sup>	(3) <sup>(b)</sup>	2 <sup>(c)</sup>	—	—	11
Net other comprehensive income	12	9	39	13	1	74
Less other comprehensive income attributable to noncontrolling interests	—	—	—	(7)	—	(7)
Impact of disposal of a business	23 <sup>(d)</sup>	—	—	(13) <sup>(d)</sup>	—	10
Balances, December 31, 2020	8	20	(75)	(49)	4	(92)
Other comprehensive income (loss) before reclassifications	—	(11)	95	(1)	1	84
Amounts reclassified from AOCI	6 <sup>(a)</sup>	(4) <sup>(b)</sup>	5 <sup>(c)</sup>	—	—	7
Net other comprehensive income (loss)	6	(15)	100	(1)	1	91
Less other comprehensive loss attributable to noncontrolling interests	—	—	—	1	—	1
Balances, December 31, 2021	14	5	25	(49)	5	—
Other comprehensive income (loss) before reclassifications	—	(84)	(133)	(44)	1	(260)
Amounts reclassified from AOCI	6 <sup>(a)</sup>	10 <sup>(b)</sup>	7 <sup>(c)</sup>	—	—	23
Net other comprehensive income (loss)	6	(74)	(126)	(44)	1	(237)
Less other comprehensive loss attributable to noncontrolling interests	—	—	—	19	—	19
Balances, December 31, 2022	\$ 20	\$ (69)	\$ (101)	\$ (74)	\$ 6	\$ (218)
Attributable to noncontrolling interests	\$ —	\$ —	\$ —	\$ (14)	\$ —	\$ (14)

(a) Reclassified to interest expense in NEE's consolidated statements of income. See Note 3 – Income Statement Impact of Derivative Instruments.

(b) Reclassified to gains on disposal of investments and other property – net in NEE's consolidated statements of income.

(c) Reclassified to other net periodic benefit income in NEE's consolidated statements of income.

(d) Reclassified to gains on disposal of businesses/assets – net and interest expense in NEE's consolidated statements of income. See Note 3 – Income Statement Impact of Derivative Instruments and Note 1 – Disposal of Businesses/Assets and Sale of Noncontrolling Ownership Interests.



**NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 15. Commitments and Contingencies

**Commitments** – NEE and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL include, among other things, the cost for construction of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities. At NEER, capital expenditures include, among other things, the cost, including capitalized interest, for development, construction and maintenance of its competitive energy businesses. Also see Note 4 – Contingent Consideration and Note 6 – RNG Acquisition.

At December 31, 2022, estimated capital expenditures, on an accrual basis, for 2023 through 2027 were as follows:

	2023	2024	2025	2026	2027	Total
(millions)						
<b>FPL:</b>						
Generation: <sup>(a)</sup>						
New: <sup>(b)</sup>	\$ 3,060	\$ 2,315	\$ 2,820	\$ 3,670	\$ 3,150	\$ 15,015
Existing	1,615	1,175	1,045	1,280	1,465	6,580
Transmission and distribution: <sup>(c)</sup>	3,545	3,975	3,645	3,340	3,575	18,080
Nuclear fuel	125	160	200	200	225	910
General and other	675	455	515	385	525	2,555
Total	<u>\$ 9,020</u>	<u>\$ 8,080</u>	<u>\$ 8,225</u>	<u>\$ 8,875</u>	<u>\$ 8,940</u>	<u>\$ 43,140</u>
<b>NEER:<sup>(d)</sup></b>						
Wind: <sup>(e)</sup>	\$ 2,650	\$ 1,095	\$ 315	\$ 20	\$ 20	\$ 4,100
Solar: <sup>(f)</sup>	4,020	1,145	225	—	—	5,390
Other clean energy: <sup>(g)</sup>	1,175	350	55	75	45	1,700
Nuclear, including nuclear fuel	95	215	145	260	285	1,000
Rate-regulated transmission	170	65	45	10	10	300
Other	765	180	95	115	60	1,215
Total	<u>\$ 8,875</u>	<u>\$ 3,050</u>	<u>\$ 880</u>	<u>\$ 480</u>	<u>\$ 420</u>	<u>\$ 13,705</u>

(a) Includes AFUDC of approximately \$105 million, \$105 million, \$90 million, \$125 million and \$115 million for 2023 through 2027, respectively.

(b) Includes land, generation structures, transmission interconnection and integration and licensing.

(c) Includes AFUDC of approximately \$60 million, \$50 million, \$55 million, \$30 million and \$30 million for 2023 through 2027, respectively.

(d) Represents capital expenditures for which applicable internal approvals and also, if required, regulatory approvals have been received.

(e) Consists of capital expenditures for new wind projects and repowering of existing wind projects totaling approximately 2,955 MW, and related transmission.

(f) Includes capital expenditures for new solar projects (including solar plus battery storage projects) totaling approximately 6,618 MW and related transmission.

(g) Includes capital expenditures primarily for battery storage projects and renewable fuels projects.

The above estimates are subject to continuing review and adjustment and actual capital expenditures may vary significantly from these estimates. For example, the timing and ultimate cost associated with solar capital expenditures may vary due to supply chain disruptions from Southeast Asian locations.

In addition to guarantees noted in Note 8 with regards to NEP, NEECH has guaranteed or provided indemnifications or letters of credit related to third parties, including certain obligations of investments in joint ventures accounted for under the equity method, totaling approximately \$495 million at December 31, 2022. These obligations primarily related to guaranteeing the residual value of certain financing leases. Payment guarantees and related contracts with respect to unconsolidated entities for which NEE or one of its subsidiaries are the guarantor are recorded at fair value and are included in noncurrent other liabilities on NEE's consolidated balance sheets. Management believes that the exposure associated with these guarantees is not material.

**Contracts** – In addition to the commitments made in connection with the estimated capital expenditures included in the table in Commitments above, FPL has firm commitments under long-term contracts primarily for the transportation of natural gas with expiration dates through 2042.

At December 31, 2022, NEER has entered into contracts with expiration dates through 2033 primarily for the purchase of wind turbines, wind towers and solar modules and related construction and development activities, as well as for the supply of uranium, and the conversion, enrichment and fabrication of nuclear fuel. Approximately \$3.7 billion of related commitments are included in the estimated capital expenditures table in Commitments above. In addition, NEER has contracts primarily for the transportation and storage of natural gas with expiration dates through 2041.

**NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The required capacity and/or minimum payments under contracts, including those discussed above at December 31, 2022, were estimated as follows:

	2023	2024	2025	2026	2027	Thereafter
	(millions)					
FPL <sup>(a)</sup>	\$ 1,040	\$ 970	\$ 940	\$ 930	\$ 850	\$ 8,075
NEER <sup>(b)(c)(d)</sup>	\$ 2,995	\$ 1,145	\$ 135	\$ 90	\$ 80	\$ 510

- (a) Includes approximately \$410 million, \$410 million, \$405 million, \$400 million, \$400 million and \$5,560 million in 2023 through 2027 and thereafter, respectively, of firm commitments related to the natural gas transportation agreements with Sabal Trail and Florida Southeast Connection, LLC. The charges associated with these agreements are recoverable through the fuel clause and totaled approximately \$418 million, \$419 million and \$386 million for the years ended December 31, 2022, 2021 and 2020, respectively, of which \$102 million, \$105 million and \$108 million, respectively, were eliminated in consolidation at NEE.
- (b) Excludes commitments related to equity contributions and a 20-year natural gas transportation agreement (approximately \$70 million per year) with a joint venture, in which NEER has a 32.2% equity investment, that is constructing a natural gas pipeline. These commitments are subject to the completion of construction of the pipeline which has a very low probability of completion. See Note 4 – Nonrecurring Fair Value Measurements.
- (c) Includes approximately \$260 million of commitments to invest in technology and other investments through 2031. See Note 9 – Other.
- (d) Includes approximately \$205 million, \$865 million, \$5 million, \$5 million, \$0 million and \$0 million for 2023 through 2027 and thereafter, respectively, of joint obligations of NEECH and NEER.

**Insurance** – Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, NEE maintains \$450 million of private liability insurance per site, which is the maximum obtainable, except at Duane Arnold which obtained an exemption from the NRC and maintains a \$100 million private liability insurance limit. Each site, except Duane Arnold, participates in a secondary financial protection system, which provides up to \$13.2 billion of liability insurance coverage per incident at any nuclear reactor in the U.S. Under the secondary financial protection system, NEE is subject to retrospective assessments of up to \$963 million (\$550 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the U.S., payable at a rate not to exceed \$143 million (\$82 million for FPL) per incident per year. NextEra Energy Resources and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook and St. Lucie Unit No. 2, which approximates \$16 million and \$20 million, plus any applicable taxes, per incident, respectively.

NEE participates in a nuclear insurance mutual company that provides \$2.75 billion of limited insurance coverage per occurrence per site for property damage, decontamination and premature decommissioning risks at its nuclear plants and a sublimit of \$1.5 billion for non-nuclear perils, except for Duane Arnold which has a limit of \$50 million for property damage, decontamination risks and non-nuclear perils. NEE participates in co-insurance of 10% of the first \$400 million of losses per site per occurrence, except at Duane Arnold. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. NEE also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service for an extended period of time because of an accident. In the event of an accident at one of NEE's or another participating insured's nuclear plants, NEE could be assessed up to \$158 million (\$101 million for FPL), plus any applicable taxes, in retrospective premiums in a policy year. NextEra Energy Resources and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates \$2 million, \$2 million and \$4 million, plus any applicable taxes, respectively.

Due to the high cost and limited coverage available from third-party insurers, NEE does not have property insurance coverage for a substantial portion of either its transmission and distribution property or natural gas pipeline assets. If FPL's storm restoration costs exceed the storm reserve, such storm restoration costs may be recovered, subject to prudence review by the FPSC, through surcharges approved by the FPSC or through securitization provisions pursuant to Florida law. See Note 1 – Storm Funds, Storm Reserves and Storm Cost Recovery.

In the event of a loss, the amount of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered from customers in the case of FPL, would be borne by NEE and FPL and could have a material adverse effect on NEE's and FPL's financial condition, results of operations and liquidity.

## 16. Segment Information

The tables below present information for NEE's two reportable segments, FPL, a rate-regulated utility business, and NEER, which is comprised of competitive energy and rate-regulated transmission businesses. Corporate and Other represents other business activities, includes eliminating entries, and may include the net effect of rounding. Effective January 1, 2022, the previous segments known as the FPL segment and Gulf Power are no longer separate reportable segments. See Note 1 – Basis of Presentation and Note 6 – Merger of FPL and Gulf Power Company. Prior year amounts for FPL and Corporate and Other were retrospectively adjusted to reflect this segment change. See Note 2 for information regarding NEE's and FPL's operating revenues.

**NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY**  
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NEE's segment information is as follows:

	2022			
	FPL	NEER <sup>(a)</sup>	Corp. and Other	NEE Consolidated
	(millions)			
Operating revenues	\$ 17,282	\$ 3,720	\$ (46)	\$ 20,956
Operating expenses – net	\$ 11,992 <sup>(b)</sup>	\$ 5,140	\$ 265	\$ 17,397
Gains (losses) on disposal of businesses/assets – net	\$ 4	\$ 536	\$ (18)	\$ 522
Interest expense	\$ 768	\$ 128	\$ (311)	\$ 585
Depreciation and amortization	\$ 2,695	\$ 1,722	\$ 86	\$ 4,503
Equity in earnings of equity method investees	\$ —	\$ 202	\$ 1	\$ 203
Income tax expense (benefit)	\$ 947 <sup>(c)</sup>	\$ (391) <sup>(c)</sup>	\$ 30	\$ 586
Net income (loss)	\$ 3,701	\$ (616)	\$ 161	\$ 3,246
Net loss attributable to noncontrolling interests	\$ —	\$ 901	\$ —	\$ 901
Net income attributable to NEE	\$ 3,701	\$ 285	\$ 161	\$ 4,147
Capital expenditures, independent power and other investments and nuclear fuel purchases	\$ 9,185	\$ 9,645	\$ 453	\$ 19,283
Property, plant and equipment – net	\$ 64,693	\$ 45,840	\$ 526	\$ 111,059
Total assets	\$ 86,559	\$ 70,713	\$ 1,663	\$ 158,935
Investment in equity method investees	\$ —	\$ 6,572	\$ 10	\$ 6,582

(a) Interest expense allocated from NEECH to NextEra Energy Resources' subsidiaries is based on a deemed capital structure of 70% debt and differential membership interests sold by NextEra Energy Resources' subsidiaries. Residual NEECH corporate interest expense is included in Corporate and Other.

(b) FPL's income statement line for total operating expenses – net includes gains (losses) on disposal of businesses/assets – net.

(c) Includes PTCs that were recognized based on its tax sharing agreement with NEE. See Note 1 – Income Taxes.

	2021			
	FPL	NEER <sup>(a)</sup>	Corp. and Other	NEE Consolidated
	(millions)			
Operating revenues	\$ 14,102	\$ 3,053	\$ (86)	\$ 17,069
Operating expenses – net	\$ 9,587 <sup>(b)</sup>	\$ 4,434	\$ 212	\$ 14,233
Gains (losses) on disposal of businesses/assets – net	\$ 1	\$ 78	\$ (2)	\$ 77
Interest expense	\$ 615	\$ 367	\$ 288	\$ 1,270
Depreciation and amortization	\$ 2,266	\$ 1,576	\$ 82	\$ 3,924
Equity in earnings of equity method investees	\$ —	\$ 666	\$ —	\$ 666
Income tax expense (benefit)	\$ 838	\$ (395) <sup>(c)</sup>	\$ (95)	\$ 348
Net income (loss)	\$ 3,206	\$ (147)	\$ (232)	\$ 2,827
Net loss attributable to noncontrolling interests	\$ —	\$ 746	\$ —	\$ 746
Net income (loss) attributable to NEE	\$ 3,206	\$ 599	\$ (232)	\$ 3,573
Capital expenditures, independent power and other investments and nuclear fuel purchases	\$ 7,570	\$ 8,363	\$ 144	\$ 16,077
Property, plant and equipment – net	\$ 58,227	\$ 40,900	\$ 221	\$ 99,348
Total assets	\$ 78,067	\$ 62,113	\$ 732	\$ 140,912
Investment in equity method investees	\$ —	\$ 6,150	\$ 9	\$ 6,159

(a) Interest expense allocated from NEECH to NextEra Energy Resources' subsidiaries is based on a deemed capital structure of 70% debt and differential membership interests sold by NextEra Energy Resources' subsidiaries. Residual NEECH corporate interest expense is included in Corporate and Other.

(b) FPL's income statement line for total operating expenses – net includes gains (losses) on disposal of businesses/assets – net.

(c) Includes PTCs that were recognized based on its tax sharing agreement with NEE. See Note 1 – Income Taxes.



**NEXTERA ENERGY, INC. AND FLORIDA POWER & LIGHT COMPANY**  
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	2020			
	FPL	NEER <sup>(a)</sup>	Corp. and Other	NEE Consolidated
	(millions)			
Operating revenues	\$ 13,060	\$ 5,046	\$ (109)	\$ 17,997
Operating expenses – net	\$ 8,940	\$ 4,125	\$ 169	\$ 13,234
Gains (losses) on disposal of businesses/assets – net	\$ —	\$ 363	\$ (10)	\$ 353
Interest expense	\$ 641	\$ 659	\$ 650	\$ 1,950
Depreciation and amortization	\$ 2,526	\$ 1,460	\$ 66	\$ 4,052
Equity in losses of equity method investees	\$ —	\$ (1,351)	\$ —	\$ (1,351)
Income tax expense (benefit)	\$ 678	\$ (416) <sup>(b)</sup>	\$ (218)	\$ 44
Net income (loss)	\$ 2,890	\$ (19)	\$ (502)	\$ 2,369
Net loss attributable to noncontrolling interests	\$ —	\$ 550	\$ —	\$ 550
Net income (loss) attributable to NEE	\$ 2,890	\$ 531	\$ (502)	\$ 2,919
Capital expenditures, independent power and other investments and nuclear fuel purchases	\$ 7,679	\$ 6,893	\$ 38	\$ 14,610
Property, plant and equipment – net	\$ 53,879	\$ 37,842	\$ 82	\$ 91,803
Total assets	\$ 71,001	\$ 55,633	\$ 1,050	\$ 127,684
Investment in equity method investees	\$ —	\$ 5,713	\$ 15	\$ 5,728

(a) Interest expense allocated from NEECH to NextEra Energy Resources' subsidiaries is based on a deemed capital structure of 70% debt and differential membership interests sold by NextEra Energy Resources' subsidiaries. Residual NEECH corporate interest expense is included in Corporate and Other.

(b) Includes PTCs that were recognized based on its tax sharing agreement with NEE. See Note 1 – Income Taxes.

## **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

None

### **Item 9A. Controls and Procedures**

#### *Disclosure Controls and Procedures*

As of December 31, 2022, each of NEE and FPL had performed an evaluation, under the supervision and with the participation of its management, including NEE's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)). Based upon that evaluation, the chief executive officer and the chief financial officer of each of NEE and FPL concluded that the company's disclosure controls and procedures were effective as of December 31, 2022.

#### *Internal Control Over Financial Reporting*

(a) Management's Annual Report on Internal Control Over Financial Reporting

See Item 8. Financial Statements and Supplementary Data.

(b) Attestation Report of the Independent Registered Public Accounting Firm

See Item 8. Financial Statements and Supplementary Data.

(c) Changes in Internal Control Over Financial Reporting

NEE and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout NEE and FPL. However, there has been no change in NEE's or FPL's internal control over financial reporting (as defined in the Securities Exchange Act of 1934 Rules 13a-15(f) and 15d-15(f)) that occurred during NEE's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, NEE's or FPL's internal control over financial reporting.

### **Item 9B. Other Information**

None

### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable

## PART III

### Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included under the headings "Business of the Annual Meeting," "Information About NextEra Energy and Management" and "Corporate Governance and Board Matters" in NEE's Proxy Statement which will be filed with the SEC in connection with the 2023 Annual Meeting of Shareholders (NEE's Proxy Statement) and is incorporated herein by reference, or is included in Item 1. Business – Information About Our Executive Officers.

NEE has adopted the NextEra Energy, Inc. Code of Ethics for Senior Executive and Financial Officers (the Senior Financial Executive Code), which is applicable to the chief executive officer, the chief financial officer, the chief accounting officer and other senior executive and financial officers. The Senior Financial Executive Code is available under Corporate Governance in the Investor Relations section of NEE's internet website at [www.nexteraenergy.com](http://www.nexteraenergy.com). Any amendments or waivers of the Senior Financial Executive Code which are required to be disclosed to shareholders under SEC rules will be disclosed on the NEE website at the address listed above.

### Item 11. Executive Compensation

The information required by this item will be included in NEE's Proxy Statement under the headings "Executive Compensation" and "Corporate Governance and Board Matters" and is incorporated herein by reference.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item relating to security ownership of certain beneficial owners and management will be included in NEE's Proxy Statement under the heading "Information About NextEra Energy and Management" and is incorporated herein by reference.

#### Securities Authorized For Issuance Under Equity Compensation Plans<sup>(a)</sup>

NEE's equity compensation plan information at December 31, 2022 is as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	15,598,100 <sup>(a)</sup>	\$ 49.67 <sup>(b)</sup>	64,026,892 <sup>(c)</sup>
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>15,598,100</b>	<b>\$ 49.67</b>	<b>64,026,892</b>

(a) Includes an aggregate of 10,699,410 outstanding options, 3,163,736 unvested performance share awards (at maximum payout), 1,035,825 deferred fully vested performance shares, 203,949 deferred stock awards and 443,238 unvested restricted stock units (including future reinvested dividends) under the NextEra Energy, Inc. 2021 Long Term Incentive Plan and former LTIPs, and 51,942 fully vested shares deferred by directors under the NextEra Energy, Inc. 2017 Non-Employee Directors Stock Plan, and its predecessors the FPL Group, Inc. 2007 Non-Employee Directors Stock Plan and the FPL Group, Inc. Amended and Restated Non-Employee Directors Stock Plan.

(b) Relates to outstanding options only.

(c) Includes 62,222,683 shares under the NextEra Energy, Inc. 2021 Long Term Incentive Plan and 1,804,210 shares under the NextEra Energy, Inc. 2017 Non-Employee Directors Stock Plan.

### Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item, to the extent applicable, will be included in NEE's Proxy Statement under the heading "Corporate Governance and Board Matters" and is incorporated herein by reference.

## Item 14. Principal Accountant Fees and Services

**NEE** – The information required by this item will be included in NEE's Proxy Statement under the heading "Audit-Related Matters" and is incorporated herein by reference.

**FPL** – The following table presents fees billed for professional services rendered by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, Deloitte & Touche) for the fiscal years ended December 31, 2022 and 2021. The amounts presented below reflect allocations from NEE for FPL's portion of the fees, as well as amounts billed directly to FPL.

	2022	2021
Audit fees <sup>(a)</sup>	\$ 4,240,000	\$ 3,834,000
Audit-related fees <sup>(b)</sup>	549,000	752,000
Tax fees <sup>(c)</sup>	570,000	404,000
All other fees <sup>(d)</sup>	180,000	57,000
<b>Total</b>	<b>\$ 5,539,000</b>	<b>\$ 5,047,000</b>

(a) Audit fees consist of fees billed for professional services rendered for the audit of FPL's and NEE's annual consolidated financial statements for the fiscal year, the reviews of the financial statements included in FPL's and NEE's Quarterly Reports on Form 10-Q during the fiscal year and the audit of the effectiveness of internal control over financial reporting, comfort letters, and consents.

(b) Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of FPL's and NEE's consolidated financial statements and are not reported under audit fees. These fees primarily relate to audits of subsidiary financial statements and financial systems pre-implementation internal control assessment.

(c) Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning. These fees primarily relate to research and development tax credit advice and planning services.

(d) All other fees consist of fees for products and services other than the services reported under the other named categories. In 2022, these fees relate to training and advisory services for Human Resources optimization, and in 2021, these fees relate to training and advisory services for development of a request for proposal on financial systems implementation services.

In accordance with the requirements of the Sarbanes-Oxley Act of 2002, the Audit Committee Charter and the Audit Committee's pre-approval policy for services provided by the independent registered public accounting firm, all services performed by Deloitte & Touche are approved in advance by the Audit Committee, except for audits of certain trust funds where the fees are paid by the trust. Permitted services specifically identified in an appendix to the pre-approval policy are pre-approved by the Audit Committee each year. This pre-approval allows management to request the specified permitted services on an as-needed basis during the year, provided any such services are reviewed with the Audit Committee at its next regularly scheduled meeting. Any permitted service for which the fee is expected to exceed \$500,000, or that involves a service not listed on the pre-approval list, must be specifically approved by the Audit Committee prior to commencement of such service. The Audit Committee has delegated to the Chair of the committee the right to approve audit, audit-related, tax and other services, within certain limitations, between meetings of the Audit Committee, provided any such decision is presented to the Audit Committee at its next regularly scheduled meeting. At each Audit Committee meeting (other than meetings held to review earnings materials), the Audit Committee reviews a schedule of services for which Deloitte & Touche has been engaged since the prior Audit Committee meeting under existing pre-approvals and the estimated fees for those services. In 2022 and 2021, none of the amounts presented above represent services provided to NEE or FPL by Deloitte & Touche that were approved by the Audit Committee after services were rendered pursuant to Rule 2-01(c)(7)(i)(C) of Regulation S-X (which provides for a waiver of the otherwise applicable pre-approval requirement if certain conditions are met).

## PART IV

### Item 15. Exhibits and Financial Statement Schedules

	Page(s)
(a) 1. Financial Statements	
Management's Report on Internal Control Over Financial Reporting	<a href="#">56</a>
Attestation Report of Independent Registered Public Accounting Firm	<a href="#">57</a>
Report of Independent Registered Public Accounting Firm (PCAOB ID 34)	<a href="#">58</a>
NEE:	
Consolidated Statements of Income	<a href="#">60</a>
Consolidated Statements of Comprehensive Income	<a href="#">61</a>
Consolidated Balance Sheets	<a href="#">62</a>
Consolidated Statements of Cash Flows	<a href="#">63</a>
Consolidated Statements of Equity	<a href="#">64</a>
FPL:	
Consolidated Statements of Income	<a href="#">65</a>
Consolidated Balance Sheets	<a href="#">66</a>
Consolidated Statements of Cash Flows	<a href="#">67</a>
Consolidated Statements of Common Shareholder's Equity	<a href="#">68</a>
Notes to Consolidated Financial Statements	<a href="#">69</a> – <a href="#">112</a>
2. Financial Statement Schedules – Schedules are omitted as not applicable or not required.	
3. Exhibits (including those incorporated by reference)	
<p>Certain exhibits listed below refer to "FPL Group" and "FPL Group Capital," and were effective prior to the change of the name FPL Group, Inc. to NextEra Energy, Inc., and of the name FPL Group Capital Inc to NextEra Energy Capital Holdings, Inc., during 2010.</p>	

Exhibit Number	Description	NEE	FPL
*2(a)	<a href="#">Agreement and Plan of Merger, dated as of December 18, 2020, between Gulf Power Company and Florida Power &amp; Light Company (filed as Exhibit 2 to Form 8-K dated December 18, 2020, File No. 2-27612)</a>		x
*3(i)a	<a href="#">Restated Articles of Incorporation of NextEra Energy, Inc. (filed as Exhibit 3(i) to Form 8-K dated October 26, 2020, File No. 1-8841)</a>	x	
*3(i)b	<a href="#">Restated Articles of Incorporation of Florida Power &amp; Light Company (filed as Exhibit 3(i)b to Form 10-K for the year ended December 31, 2010, File No. 2-27612)</a>		x
*3(i)c	<a href="#">Articles of Merger of Florida Power &amp; Light Company and Gulf Power Company (filed as Exhibit 3(i)(c) to Form 10-K for the year ended December 31, 2020, File No. 2-27612)</a>		x
*3(ii)a	<a href="#">Amended and Restated Bylaws of NextEra Energy, Inc., effective October 14, 2016 (filed as Exhibit 3(ii)(b) to Form 8-K dated October 14, 2016, File No. 1-8841)</a>	x	
*3(ii)b	<a href="#">Amended and Restated Bylaws of Florida Power &amp; Light Company, as amended through October 17, 2008 (filed as Exhibit 3(ii)b to Form 10-Q for the quarter ended September 30, 2008, File No. 2-27612)</a>		x



Exhibit Number	Description	NEE	FPL
*4(a)	Mortgage and Deed of Trust dated as of January 1, 1944, as amended, between Florida Power & Light Company and Deutsche Bank Trust Company Americas, Trustee (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076; <a href="#">Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545</a> ; <a href="#">Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3545</a> ; <a href="#">Exhibit 4(o), File No. 333-102169</a> ; <a href="#">Exhibit 4(k) to Post-Effective Amendment No. 1 to Form S-3, File No. 333-102172</a> ; <a href="#">Exhibit 4(l) to Post-Effective Amendment No. 2 to Form S-3, File No. 333-102172</a> ; <a href="#">Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172</a> ; <a href="#">Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275</a> ; <a href="#">Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02</a> ; <a href="#">Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02</a> ; <a href="#">Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 2-27612</a> ; <a href="#">Exhibit 4(a) to Form 8-K dated April 17, 2007, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated January 16, 2008, File No. 2-27612</a> ; <a href="#">Exhibit 4(a) to Form 8-K dated March 17, 2009, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated February 9, 2010, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated December 9, 2010, File No. 2-27612</a> ; <a href="#">Exhibit 4(a) to Form 8-K dated June 10, 2011, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated December 13, 2011, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated May 15, 2012, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated December 20, 2012, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated June 5, 2013, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated May 15, 2014, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated September 10, 2014, File No. 2-27612</a> ; <a href="#">Exhibit 4 to Form 8-K dated November 19, 2015, File No. 2-27612</a> ; <a href="#">Exhibit 4(b) to Form 10-K for the year ended December 31, 2017, File No. 2-27612</a> ; <a href="#">Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 2018, File No. 2-27612</a> ; <a href="#">Exhibit 4(j), File Nos. 333-226056, 333-226056-01 and 333-226056-02</a> ; <a href="#">Exhibit 4(k), File Nos. 333-226056, 333-226056-01 and 333-226056-02</a> ; <a href="#">Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 2019, File No. 2-27612</a> ; <a href="#">Exhibit 4(f) to Form 10-Q for the quarter ended September 30, 2019, File No. 2-27612</a> ; <a href="#">Exhibit 4(e) to Form 10-Q for the quarter ended March 31, 2020, File No. 2-27612</a> ; and <a href="#">Exhibit 4(b) to Form 10-K for the year ended December 31, 2020, File No. 2-27612</a> ; <a href="#">Exhibit 4(b) to Form 10-K for the year ended December 31, 2021, File No. 2-27612</a> ; and <a href="#">Exhibit 4(c) to Form 10-K for the year ended December 31, 2021, File No. 2-27612</a>	x	x
*4(b)	<a href="#">Indenture (For Unsecured Debt Securities), dated as of November 1, 2017, between Florida Power &amp; Light Company and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated November 6, 2017, File No. 2-27612)</a>	x	x
*4(c)	<a href="#">Officer's Certificate of Florida Power &amp; Light Company, dated June 15, 2018, creating the Floating Rate Notes, Series due June 15, 2068 (filed as Exhibit 4 to Form 8-K dated June 15, 2018, File No. 2-27612)</a>	x	x
*4(d)	<a href="#">Officer's Certificate of Florida Power &amp; Light Company, dated November 14, 2018, creating the Floating Rate Notes, Series due November 14, 2068 (filed as Exhibit 4 to Form 8-K dated November 14, 2018, File No. 2-27612)</a>	x	x

Exhibit Number	Description	NEE	FPL
*4(e)	<a href="#">Officer's Certificate of Florida Power &amp; Light Company, dated March 27, 2019, creating the Floating Rate Notes, Series due March 27, 2069 (filed as Exhibit 4(b) to Form 8-K dated March 27, 2019, File No. 2-27612).</a>	x	x
*4(f)	<a href="#">Officer's Certificate of Florida Power &amp; Light Company, dated March 13, 2020, creating the Floating Rate Notes, Series due March 13, 2070 (filed as Exhibit 4 to Form 8-K dated March 13, 2020, File No. 2-27612).</a>	x	x
*4(g)	<a href="#">Officer's Certificate of Florida Power &amp; Light Company, dated August 24, 2020, creating the Floating Rate Notes, Series due August 24, 2070 (filed as Exhibit 4 to Form 8-K dated August 24, 2020, File No. 2-27612).</a>	x	x
*4(h)	<a href="#">Officer's Certificate of Florida Power &amp; Light Company, dated March 1, 2021, creating the Floating Rate Notes, Series due March 1, 2071 (filed as Exhibit 4 to Form 8-K dated March 1, 2021, File No. 2-27612).</a>	x	x
*4(i)	<a href="#">Officer's Certificate of Florida Power &amp; Light Company, dated May 10, 2021, creating the Floating Rate Notes, Series due May 10, 2023 (filed as Exhibit 4 to Form 8-K dated May 10, 2021, File No. 2-27612).</a>	x	x
*4(j)	<a href="#">Officer's Certificate of Florida Power &amp; Light Company, dated January 14, 2022, creating the Floating Rate Notes, Series due January 12, 2024 (filed as Exhibit 4(l) to Form 10-K for the year ended December 31, 2021, File No. 2-27612).</a>	x	x
*4(k)	<a href="#">Officer's Certificate of Florida Power &amp; Light Company, dated June 7, 2022, creating the Floating Rate Notes, Series due June 15, 2072 (filed as Exhibit 4 to Form 8-K dated June 7, 2022, File No. 2-27612).</a>	x	x
*4(l)	<a href="#">Indenture (For Unsecured Debt Securities), dated as of June 1, 1999, between FPL Group Capital Inc and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated July 16, 1999, File No. 1-8841).</a>	x	
*4(m)	<a href="#">First Supplemental Indenture to Indenture (For Unsecured Debt Securities) dated as of June 1, 1999, dated as of September 21, 2012, between NextEra Energy Capital Holdings, Inc. and The Bank of New York Mellon, as Trustee (filed as Exhibit 4(e) to Form 10-Q for the quarter ended September 30, 2012, File No. 1-8841).</a>	x	
*4(n)	<a href="#">Guarantee Agreement, dated as of June 1, 1999, between FPL Group, Inc. (as Guarantor) and The Bank of New York Mellon (as Guarantee Trustee) (filed as Exhibit 4(b) to Form 8-K dated July 16, 1999, File No. 1-8841).</a>	x	
*4(o)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated April 28, 2017, creating the 3.55% Debentures, Series due May 1, 2027 (filed as Exhibit 4 to Form 8-K dated April 28, 2017, File No. 1-8841).</a>	x	
*4(p)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated April 4, 2019, creating the 3.50% Debentures, Series due April 1, 2029 (filed as Exhibit 4(d) to Form 8-K dated April 4, 2019, File No. 1-8841).</a>	x	
*4(q)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated September 9, 2019, creating the Series J Debentures due September 1, 2024 (filed as Exhibit 4(e) to Form 10-Q for the quarter ended September 30, 2019, File No. 1-8841).</a>	x	
*4(r)	<a href="#">Letter, dated August 5, 2022, from NextEra Energy Capital Holdings, Inc. to The Bank of New York Mellon, as trustee, setting forth certain terms of the Series J Debentures due September 1, 2024 effective August 5, 2022 (filed as Exhibit 4(b) to Form 8-K dated August 5, 2022, File No. 1-8841).</a>	x	
*4(s)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated October 3, 2019, creating the 2.75% Debentures, Series due November 1, 2029 (filed as Exhibit 4 to Form 8-K dated October 3, 2019, File No. 1-8841).</a>	x	
*4(t)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated February 21, 2020, creating the Series K Debentures due March 1, 2025 (filed as Exhibit 4(c) to Form 10-Q for the quarter ended March 31, 2020, File No. 1-8841).</a>	x	
*4(u)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated May 12, 2020, creating the 2.25% Debentures, Series due June 1, 2030 (filed as Exhibit 4 to Form 8-K dated May 12, 2020, File No. 1-8841).</a>	x	
*4(v)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated September 18, 2020, creating the Series L Debentures due September 1, 2025 (filed as Exhibit 4(e) to Form 10-Q for the quarter ended September 30, 2020, File No. 1-8841).</a>	x	



Exhibit Number	Description	NEE	FPL
*4(w)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated March 17, 2021, creating the 0.65% Debentures, Series due March 1, 2023 (filed as Exhibit 4(ak), File Nos. 333-254632, 333-254632-01 and 333-254632-02).</a>	x	
*4(x)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated March 17, 2021, creating the Floating Rate Debentures, Series due March 1, 2023 (filed as Exhibit 4(al), File Nos. 333-254632, 333-254632-01 and 333-254632-02).</a>	x	
*4(y)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated June 8, 2021, creating the 1.90% Debentures, Series due June 15, 2028 (filed as Exhibit 4 to Form 8-K dated June 8, 2021, File No. 1-8841).</a>	x	
*4(z)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated November 3, 2021, creating the Floating Rate Debentures, Series due November 3, 2023 (filed as Exhibit 4 to Form 8-K dated November 3, 2021, File No. 1-8841).</a>	x	
*4(aa)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated December 13, 2021, creating the 1.875% Debentures, Series due January 15, 2027 (filed as Exhibit 4(a) to Form 8-K dated December 13, 2021, File No. 1-8841).</a>	x	
*4(bb)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated December 13, 2021, creating the 2.440% Debentures, Series due January 15, 2032 (filed as Exhibit 4(b) to Form 8-K dated December 13, 2021, File No. 1-8841).</a>	x	
*4(cc)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated December 13, 2021, creating the 3.000% Debentures, Series due January 15, 2052 (filed as Exhibit 4(c) to Form 8-K dated December 13, 2021, File No. 1-8841).</a>	x	
*4(dd)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated March 21, 2022, creating the 2.94% Debentures, Series due March 21, 2024 (filed as Exhibit 4(a) to Form 8-K dated March 21, 2022, File No. 1-8841).</a>	x	
*4(ee)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated March 21, 2022, creating the Floating Rate Debentures, Series due March 21, 2024 (filed as Exhibit 4(b) to Form 8-K dated March 21, 2022, File No. 1-8841).</a>	x	
*4(ff)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated March 24, 2022, creating the 4.30% Debentures, Series due 2062 (filed as Exhibit 4 to Form 8-K dated March 24, 2022, File No. 1-8841).</a>	x	
*4(gg)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated June 23, 2022, creating the 4.20% Debentures, Series due June 20, 2024 (filed as Exhibit 4(a) to Form 8-K dated June 23, 2022, File No. 1-8841).</a>	x	
*4(hh)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated June 23, 2022, creating the 4.45% Debentures, Series due June 20, 2025 (filed as Exhibit 4(b) to Form 8-K dated June 23, 2022, File No. 1-8841).</a>	x	
*4(ii)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated June 23, 2022, creating the 4.625% Debentures, Series due July 15, 2027 (filed as Exhibit 4(c) to Form 8-K dated June 23, 2022, File No. 1-8841).</a>	x	
*4(jj)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated June 23, 2022, creating the 5.00% Debentures, Series due July 15, 2032 (filed as Exhibit 4(d) to Form 8-K dated June 23, 2022, File No. 1-8841).</a>	x	
*4(kk)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated September 19, 2022, creating the Series M Debentures due September 1, 2027 (filed as Exhibit 4(e) to Form 10-Q quarter ended September 30, 2022, File No. 1-8841).</a>	x	
*4(ll)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated February 9, 2023, creating the 4.90% Debentures, Series due February 28, 2028 (filed as Exhibit 4(a) to Form 8-K dated February 9, 2023, File No. 1-8841).</a>	x	
*4(mm)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated February 9, 2023, creating the 5.00% Debentures, Series due February 28, 2030 (filed as Exhibit 4(b) to Form 8-K dated February 9, 2023, File No. 1-8841).</a>	x	
*4(nn)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated February 9, 2023, creating the 5.05% Debentures, Series due February 28, 2033 (filed as Exhibit 4(c) to Form 8-K dated February 9, 2023, File No. 1-8841).</a>	x	
*4(oo)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated February 9, 2023, creating the 5.25% Debentures, Series due February 28, 2053 (filed as Exhibit 4(d) to Form 8-K dated February 9, 2023, File No. 1-8841).</a>	x	

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Exhibit Number	Description	NEE	FPL
*4(pp)	<a href="#">Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities), dated as of March 1, 2004, among FPL Group Capital Inc, FPL Group, Inc. (as Guarantor) and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(a) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)</a>	x	
*4(qq)	<a href="#">Indenture (For Unsecured Subordinated Debt Securities), dated as of September 1, 2006, among FPL Group Capital Inc, FPL Group, Inc. (as Guarantor) and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841)</a>	x	
*4(rr)	<a href="#">First Supplemental Indenture to Indenture (For Unsecured Subordinated Debt Securities) dated as of September 1, 2006, dated as of November 19, 2012, between NextEra Energy Capital Holdings, Inc., NextEra Energy, Inc. as Guarantor, and The Bank of New York Mellon, as Trustee (filed as Exhibit 2 to Form 8-A dated January 16, 2013, File No. 1-33028)</a>	x	
*4(ss)	<a href="#">Officer's Certificate of FPL Group Capital Inc and FPL Group, Inc., dated September 19, 2006, creating the Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(c) to Form 8-K dated September 19, 2006, File No. 1-8841)</a>	x	
*4(tt)	<a href="#">Replacement Capital Covenant, dated September 19, 2006, by FPL Group Capital Inc and FPL Group, Inc., relating to FPL Group Capital Inc's Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(d) to Form 8-K dated September 19, 2006, File No. 1-8841)</a>	x	
*4(uu)	<a href="#">Amendment, dated November 9, 2016, to the Replacement Capital Covenant, dated September 19, 2006, by NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Holdings Inc) and NextEra Energy, Inc. (formerly known as FPL Group, Inc.), relating to FPL Group Capital Inc's Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(cc) to Form 10-K for the year ended December 31, 2016, File No. 1-8841)</a>	x	
*4(vv)	<a href="#">Officer's Certificate of FPL Group Capital Inc and FPL Group, Inc., dated June 12, 2007, creating the Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated June 12, 2007, File No. 1-8841)</a>	x	
*4(ww)	<a href="#">Replacement Capital Covenant, dated June 12, 2007, by FPL Group Capital Inc and FPL Group, Inc. relating to FPL Group Capital Inc's Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(b) to Form 8-K dated June 12, 2007, File No. 1-8841)</a>	x	
*4(xx)	<a href="#">Amendment, dated November 9, 2016, to the Replacement Capital Covenant, dated June 12, 2007 by NextEra Energy Capital Holdings, Inc. (formerly known as FPL Group Capital Holdings Inc) and NextEra Energy, Inc. (formerly known as FPL Group, Inc.), relating to FPL Group Capital Inc's Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(hh) to Form 10-K for the year ended December 31, 2016, File No. 1-8841)</a>	x	
*4(yy)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc. and NextEra Energy, Inc., dated September 29, 2017, creating the Series L Junior Subordinated Debentures due September 29, 2057 (filed as Exhibit 4(c) to Form 8-K dated September 29, 2017, File No. 1-8841)</a>	x	
*4(zz)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc. and NextEra Energy, Inc., dated November 2, 2017, creating the Series M Junior Subordinated Debentures due December 1, 2077 (filed as Exhibit 4(a) to Form 8-K dated November 2, 2017, File No. 1-8841)</a>	x	
*4(aaa)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc. and NextEra Energy, Inc., dated March 15, 2019, creating the Series N Junior Subordinated Debentures due March 1, 2079 (filed as Exhibit 4 to Form 8-K dated March 15, 2019, File No. 1-8841)</a>	x	
*4(bbb)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc. and NextEra Energy, Inc., dated April 4, 2019, creating the Series O Junior Subordinated Debentures due May 1, 2079 (filed as Exhibit 4(e) to Form 8-K dated April 4, 2019, File No. 1-8841)</a>	x	
*4(ccc)	<a href="#">Officer's Certificate of NextEra Energy Capital Holdings, Inc., dated December 14, 2021, creating the Series P Junior Subordinated Debentures due March 15, 2082 (filed as Exhibit 4 to Form 8-K dated December 14, 2021, File No. 1-8841)</a>	x	
*4(ddd)	<a href="#">Purchase Contract Agreement, dated as of February 1, 2020, between NextEra Energy, Inc. and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 2020, File No. 1-8841)</a>	x	



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Exhibit Number	Description	NEE	FPL
*4(eee)	<a href="#">Pledge Agreement, dated as of February 1, 2020, between NextEra Energy, Inc., Deutsche Bank Trust Company Americas, as Collateral Agent, Custodial Agent and Securities Intermediary, and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2020, File No. 1-8841).</a>	x	
*4(fff)	<a href="#">Purchase Contract Agreement, dated as of September 1, 2020, between NextEra Energy, Inc. and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(c) to Form 10-Q for the quarter ended September 30, 2020, File No. 1-8841).</a>	x	
*4(ggg)	<a href="#">Pledge Agreement, dated as of September 1, 2020, between NextEra Energy, Inc., Deutsche Bank Trust Company Americas, as Collateral Agent, Custodial Agent and Securities Intermediary, and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(d) to Form 10-Q for the quarter ended September 30, 2020, File No. 1-8841).</a>	x	
*4(hhh)	<a href="#">Purchase Contract Agreement, dated as of September 1, 2022, between NextEra Energy, Inc. and The Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(c) to Form 10-Q for the quarter ended September 30, 2022, File No. 1-8841).</a>	x	
*4(iii)	<a href="#">Pledge Agreement, dated as of September 1, 2022, between NextEra Energy, Inc., Deutsche Bank Trust Company Americas, as Collateral Agent, Custodial Agent and Securities Intermediary, and the Bank of New York Mellon, as Purchase Contract Agent (filed as Exhibit 4(d) to Form 10-Q for the quarter ended September 30, 2022, File No. 1-8841).</a>	x	
*4(jjj)	Senior Note Indenture dated as of January 1, 1998, between Florida Power & Light Company (as successor to Gulf Power Company) and Computershare Trust Company, N.A., as Successor Trustee, and certain indentures supplemental thereto ( <a href="#">filed as Exhibit 4.1 to Form 8-K dated June 17, 1998, File No. 0-2429</a> ; <a href="#">Exhibit 4.2 to Form 8-K dated September 9, 2010, File No. 1-31737</a> ; <a href="#">Exhibit 4.2 to Form 8-K dated May 15, 2012, File No. 1-31737</a> ; <a href="#">Exhibit 4.2 to Form 8-K dated June 10, 2013, File No. 1-31737</a> ; <a href="#">Exhibit 4.2 to Form 8-K dated September 16, 2014, File No. 1-31737</a> ; <a href="#">Exhibit 4.2 to Form 8-K dated May 15, 2017, File No. 1-31737</a> ; and <a href="#">Exhibit 4(ddd) to Form 10-K for the year ended December 31, 2020, File No. 2-27612</a> )	x	x
4(kkk)	<a href="#">Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934</a>	x	
*10(a)	<a href="#">FPL Group, Inc. Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (SERP), (filed as Exhibit 10(a) to Form 10-K for the year ended December 31, 1999, File No. 1-8841).</a>	x	x
*10(b)	<a href="#">FPL Group, Inc. Supplemental Executive Retirement Plan, amended and restated effective January 1, 2005 (Restated SERP), (filed as Exhibit 10(b) to Form 8-K dated December 12, 2008, File No. 1-8841).</a>	x	x
*10(c)	<a href="#">Amendment Number 1 to the Restated SERP changing name to NextEra Energy, Inc. Supplemental Executive Retirement Plan (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2010, File No. 1-8841).</a>	x	x
*10(d)	<a href="#">Appendix A1 (revised as of March 16, 2016) to the NextEra Energy, Inc. Supplemental Executive Retirement Plan (filed as Exhibit 10(d) to Form 10-K dated December 31, 2017, File No. 1-8841).</a>	x	x
*10(e)	<a href="#">Appendix A2 (revised as of October 1, 2017) to the NextEra Energy, Inc. Supplemental Executive Retirement Plan (filed as Exhibit 10(e) to Form 10-K dated December 31, 2017, File No. 1-8841).</a>	x	x
*10(f)	<a href="#">Supplement to the Restated SERP relating to a special credit to certain executive officers and other officers effective February 15, 2008 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 2007, File No. 1-8841).</a>	x	x
*10(g)	<a href="#">NextEra Energy, Inc. (formerly known as FPL Group, Inc.) Amended and Restated Long-Term Incentive Plan, most recently amended and restated on May 22, 2009 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended June 30, 2009, File No. 1-8841).</a>	x	x
*10(h)	<a href="#">NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan (filed as Exhibit 10(c) to Form 8-K dated March 16, 2012, File No. 1-8841).</a>	x	x
*10(i)	<a href="#">Form of Performance Share Award Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(b) to Form 10-Q for the quarter ended March 31, 2018, File No. 1-8841).</a>	x	x

Exhibit Number	Description	NEE	FPL
*10(j)	<a href="#">Form of Restricted Stock Award Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(c) to Form 10-Q for the quarter ended March 31, 2018, File No. 1-8841).</a>	x	x
*10(k)	<a href="#">Form of Restricted Stock Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(a) to Form 10-Q for the quarter ended March 31, 2021, File No. 1-8841).</a>	x	x
*10(l)	<a href="#">Form of Restricted Stock Unit Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(b) to Form 10-Q for the quarter ended March 31, 2021, File No. 1-8841).</a>	x	x
*10(m)	<a href="#">Form of Restricted Stock Unit Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(c) to Form 10-Q for the quarter ended March 31, 2021, File No. 1-8841).</a>	x	x
*10(n)	<a href="#">Form of Restricted Stock Unit Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(d) to Form 10-Q for the quarter ended March 31, 2021, File No. 1-8841).</a>	x	x
*10(o)	<a href="#">Form of Non-Qualified Stock Option Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(f) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841).</a>	x	x
*10(p)	<a href="#">Form of Non-Qualified Stock Option Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(g) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841).</a>	x	x
*10(q)	<a href="#">Form of Non-Qualified Stock Option agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(d) to Form 10-Q for the quarter ended March 31, 2018, File No. 1-8841).</a>	x	x
*10(r)	<a href="#">Form of Non-Qualified Stock Option Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(e) to Form 10-Q for the quarter ended March 31, 2021, File No. 1-8841).</a>	x	x
*10(s)	<a href="#">Form of Non-Qualified Stock Option Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(f) to Form 10-Q for the quarter ended March 31, 2021, File No. 1-8841).</a>	x	x
*10(t)	<a href="#">Form of Performance Share Award Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(g) to Form 10-Q for the quarter ended March 31, 2021, File No. 1-8841).</a>	x	x
*10(u)	<a href="#">Form of Performance Share Award Agreement under the NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(h) to Form 10-Q for the quarter ended March 31, 2021, File No. 1-8841).</a>	x	x
*10(v)	<a href="#">NextEra Energy, Inc. 2021 Long Term Incentive Plan (filed as Exhibit 10 to Form 8-K dated May 20, 2021, File No. 1-8841).</a>	x	x
*10(w)	<a href="#">Form of Non-Qualified Stock Option Agreement under the NextEra Energy, Inc. 2021 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2021, File No. 1-8841).</a>	x	x
*10(x)	<a href="#">Form of Non-Qualified Stock Option Agreement under the NextEra Energy, Inc. 2021 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(b) to Form 10-Q for the quarter ended March 31, 2022, File No. 1-8841).</a>	x	x
*10(y)	<a href="#">Form of Performance Share Award Agreement under the NextEra Energy, Inc. 2021 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(c) to Form 10-Q for the quarter ended June 30, 2021, File No. 1-8841).</a>	x	x
*10(z)	<a href="#">Form of Restricted Stock Award Agreement under the NextEra Energy, Inc. 2021 Long Term Incentive Plan for certain executive officers (filed as Exhibit 10(d) to Form 10-Q for the quarter ended June 30, 2021, File No. 1-8841).</a>	x	x
*10(aa)	<a href="#">Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Amended and Restated Deferred Stock Award Agreement effective February 12, 2010 between FPL Group, Inc. and James L. Robo (filed as Exhibit 10(dd) to Form 10-K for the year ended December 31, 2009, File No. 1-8841).</a>	x	x
*10(bb)	<a href="#">Form of Deferred Stock Award Agreement under NextEra Energy, Inc. Amended and Restated 2011 Long Term Incentive Plan (filed as Exhibit 10(a) to Form 8-K dated March 16, 2012, File No. 1-8841).</a>	x	x



Exhibit Number	Description	NEE	FPL
*10(cc)	<a href="#">NextEra Energy, Inc. 2013 Executive Annual Incentive Plan (filed as Exhibit 10(c) to Form 8-K dated October 11, 2012, File No. 1-8841)</a>	x	x
*10(dd)	<a href="#">NextEra Energy, Inc. 2023 Executive Annual Incentive Plan (filed as Exhibit 10(a) to Form 8-K dated December 16, 2022, File No. 1-8841)</a>	x	x
*10(ee)	<a href="#">NextEra Energy, Inc. Deferred Compensation Plan effective January 1, 2005 as amended and restated through February 11, 2016 (filed as Exhibit 10(h) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841)</a>	x	x
*10(ff)	<a href="#">FPL Group, Inc. Deferred Compensation Plan, amended and restated effective January 1, 2003 (filed as Exhibit 10(k) to Form 10-K for the year ended December 31, 2002, File No. 1-8841)</a>	x	x
*10(gg)	<a href="#">FPL Group, Inc. Executive Long-Term Disability Plan effective January 1, 1995 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)</a>	x	x
*10(hh)	<a href="#">FPL Group, Inc. Amended and Restated Non-Employee Directors Stock Plan, as amended and restated October 13, 2006 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 2006, File No. 1-8841)</a>	x	
*10(ii)	<a href="#">FPL Group, Inc. 2007 Non-Employee Directors Stock Plan (filed as Exhibit 99 to Form S-8, File No. 333-143739)</a>	x	
*10(jj)	<a href="#">NextEra Energy, Inc. 2017 Non-Employee Directors Stock Plan, as amended and restated as of May 18, 2017 (filed as Exhibit 10 to Form 10-Q for the quarter ended June 30, 2017, File No. 1-8841)</a>	x	
*10(kk)	<a href="#">NextEra Energy, Inc. Non-Employee Director Compensation Summary effective January 1, 2021 (filed as Exhibit 10(bb) to Form 10-K for the year ended December 31, 2020, File No. 1-8841)</a>	x	
*10(ll)	<a href="#">NextEra Energy, Inc. Non-Employee Director Compensation Summary effective January 1, 2022 (filed as Exhibit 10(jj) to Form 10-K for the year ended December 31, 2021, File No. 1-8841)</a>	x	
10(mm)	<a href="#">NextEra Energy, Inc. Non-Employee Director Compensation Summary effective January 1, 2023</a>	x	
*10(nn)	<a href="#">Form of Amended and Restated Executive Retention Employment Agreement effective December 10, 2009 between FPL Group, Inc. and each of James L. Robo and Charles E. Sieving (filed as Exhibit 10(nn) to Form 10-K for the year ended December 31, 2009, File No. 1-8841)</a>	x	x
*10(oo)	<a href="#">Executive Retention Employment Agreement between NextEra Energy, Inc. and Eric E. Silagy dated as of May 2, 2012 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2012, File No. 1-8841)</a>	x	x
*10(pp)	<a href="#">Form of 2012 409A Amendment to NextEra Energy, Inc. Executive Retention Employment Agreement effective October 11, 2012 between NextEra Energy, Inc. and each of James L. Robo, Eric E. Silagy and Charles E. Sieving (filed as Exhibit 10(ddd) to Form 10-K for the year ended December 31, 2012, File No. 1-8841)</a>	x	x
*10(qq)	<a href="#">Executive Retention Employment Agreement between NextEra Energy, Inc. and Deborah H. Caplan dated as of April 23, 2013 (filed as Exhibit 10(e) to Form 10-Q for the quarter ended June 30, 2013, File No. 1-8841)</a>	x	x
*10(rr)	<a href="#">Executive Retention Employment Agreement between NextEra Energy, Inc. and Miguel Arechabala dated as of January 1, 2014 (filed as Exhibit 10(bbb) to Form 10-K for the year ended December 31, 2013, File No. 1-8841)</a>	x	x
*10(ss)	<a href="#">Executive Retention Employment Agreement between NextEra Energy, Inc. and John W. Ketchum dated as of March 4, 2016 (filed as Exhibit 10(i) to Form 10-Q for the quarter ended March 31, 2016, File No. 1-8841)</a>	x	x
*10(tt)	<a href="#">Executive Retention Employment Agreement between NextEra Energy, Inc. and Rebecca J. Kujawa dated as of March 1, 2019 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended March 31, 2019, File No. 1-8841)</a>	x	x
*10(uu)	<a href="#">Executive Retention Employment Agreement between NextEra Energy, Inc. and Ronald Reagan dated as of January 1, 2020 (filed as Exhibit 10(tt) to Form 10-K for the year ended December 31, 2019, File No. 1-8841)</a>	x	x
*10(vv)	<a href="#">Executive Retention Employment Agreement between NextEra Energy, Inc. and Robert P. Coffey dated as of June 14, 2021 (filed as Exhibit 10(e) to Form 10-Q for the quarter ended June 30, 2021, File No. 1-8841)</a>	x	x

Exhibit Number	Description	NEE	FPL
*10(ww)	<a href="#">Executive Retention Employment Agreement between NextEra Energy, Inc. and T. Kirk Crews II dated as of March 1, 2022 (filed as Exhibit 10 to Form 10-Q for the quarter ended September 30, 2022, File No. 1-8841)</a>	x	x
10(xx)	<a href="#">Executive Retention Employment Agreement between NextEra Energy, Inc. and Mark Lemasney dated as of January 1, 2023</a>	x	x
*10(yy)	<a href="#">NextEra Energy, Inc. Executive Severance Benefit Plan effective February 26, 2013 (filed as Exhibit 10(eee) to Form 10-K for the year ended December 31, 2012, File No. 1-8841)</a>	x	x
*10(zz)	<a href="#">Guarantee Agreement between FPL Group, Inc. and FPL Group Capital Inc. dated as of October 14, 1998 (filed as Exhibit 10(y) to Form 10-K for the year ended December 31, 2001, File No. 1-8841)</a>	x	
*10(aaa)	<a href="#">NextEra Energy Partners, LP 2014 Long-Term Incentive Plan (filed as Exhibit 10.8 to Form 8-K dated July 1, 2014, File No. 1-36518)</a>	x	
*10(bbb)	<a href="#">Form of Restricted Unit Award Agreement under the NextEra Energy Partners, LP 2014 Long-Term Incentive Plan (filed as Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2021, File No. 1-36518)</a>	x	
*10(ccc)	<a href="#">Confirmation of Post-Retirement Covenants Agreement and Release, dated as of January 23, 2023, between Eric E. Silagy and NextEra Energy, Inc. (filed as Exhibit 10 to Form 8-K dated January 23, 2023, File No. 1-8841)</a>	x	x
21	<a href="#">Subsidiaries of NextEra Energy, Inc.</a>	x	
22	<a href="#">Guaranteed Securities</a>	x	
23	<a href="#">Consent of Independent Registered Public Accounting Firm</a>	x	x
31(a)	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of NextEra Energy, Inc.</a>	x	
31(b)	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of NextEra Energy, Inc.</a>	x	
31(c)	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of Florida Power &amp; Light Company</a>		x
31(d)	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of Florida Power &amp; Light Company</a>		x
32(a)	<a href="#">Section 1350 Certification of NextEra Energy, Inc.</a>	x	
32(b)	<a href="#">Section 1350 Certification of Florida Power &amp; Light Company</a>		x
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	x	x
101.SCH	Inline XBRL Schema Document	x	x
101.PRE	Inline XBRL Presentation Linkbase Document	x	x
101.CAL	Inline XBRL Calculation Linkbase Document	x	x
101.LAB	Inline XBRL Label Linkbase Document	x	x
101.DEF	Inline XBRL Definition Linkbase Document	x	x
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	x	x

\* Incorporated herein by reference

NEE and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that NEE and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

## Item 16. Form 10-K Summary

Not applicable



## NEXTERA ENERGY, INC. SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized and in the capacities and on the date indicated.

NextEra Energy, Inc.

**JOHN W. KETCHUM**

**John W. Ketchum**

Chairman, President and Chief Executive Officer  
and Director  
(Principal Executive Officer)

Date: February 17, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 17, 2023:

**TERRELL KIRK CREWS II**

**Terrell Kirk Crews II**

Executive Vice President, Finance  
and Chief Financial Officer  
(Principal Financial Officer)

**JAMES M. MAY**

**James M. May**

Vice President, Controller and Chief Accounting  
Officer  
(Principal Accounting Officer)

Directors:

**NICOLE S. ARNABOLDI**

**Nicole S. Arnaboldi**

**AMY B. LANE**

**Amy B. Lane**

**SHERRY S. BARRAT**

**Sherry S. Barrat**

**DAVID L. PORGES**

**David L. Porges**

**JAMES L. CAMAREN**

**James L. Camaren**

**RUDY E. SCHUPP**

**Rudy E. Schupp**

**KENNETH B. DUNN**

**Kenneth B. Dunn**

**JOHN L. SKOLDS**

**John L. Skolds**

**NAREN K. GURSAHANEY**

**Naren K. Gursahaney**

**JOHN A. STALL**

**John A. Stall**

**KIRK S. HACHIGAN**

**Kirk S. Hachigian**

**DARRYL L. WILSON**

**Darryl L. Wilson**

## FLORIDA POWER & LIGHT COMPANY SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized and in the capacities and on the date indicated.

Florida Power & Light Company

**ARMANDO PIMENTEL, JR.**

**Armando Pimentel, Jr.**  
President and Chief Executive Officer and Director  
(Principal Executive Officer)

Date: February 17, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 17, 2023:

**TERRELL KIRK CREWS II**

**Terrell Kirk Crews II**

Executive Vice President, Finance  
and Chief Financial Officer and Director  
(Principal Financial Officer)

**KEITH FERGUSON**

**Keith Ferguson**

Controller  
(Principal Accounting Officer)

Director:

**JOHN W. KETCHUM**

**John W. Ketchum**

**Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Securities Exchange Act of 1934 by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Securities Exchange Act of 1934**

No annual report, proxy statement, form of proxy or other proxy soliciting material has been sent to security holders of FPL during the period covered by this Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

**Description of Securities  
Registered Pursuant to Section 12  
of the Securities Exchange Act of 1934**

As of January 1, 2023 (“Description Date”), (a) NextEra Energy, Inc. (“NEE”) had four classes of securities registered under Section 12 of the Securities Exchange Act of 1934: (i) common stock, \$.01 par value per share (“common stock”), (ii) 5.279% Corporate Units (“5.279% Corporate Units”), (iii) 6.219% Corporate Units (“6.219% Corporate Units”) and (iv) 6.926% Corporate Units (“6.926% Corporate Units”) and (b) NextEra Energy Capital Holdings, Inc. (“NEE Capital”) had one class of securities registered under Section 12 of the Exchange Act—its Series N Junior Subordinated Debentures due March 1, 2079 (“Series N Junior Subordinated Debentures”). The common stock is listed on The New York Stock Exchange (“NYSE”) under the symbol “NEE”, the 5.279% Corporate Units are listed on the NYSE under the symbol “NEE.PRQ”, the 6.219% Corporate Units are listed on the NYSE under the symbol “NEE.PRR” and the Series N Junior Subordinated Debentures are listed on the NYSE under the symbol “NEE.PRN.”

The following description is as of the Description Date, unless otherwise noted.

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**I. COMMON STOCK**

**DESCRIPTION OF COMMON STOCK**

The following is a summary description of the terms of the common stock of NEE. The description is qualified in its entirety by reference to the provisions of NEE’s Restated Articles of Incorporation (the “Charter”) and the Amended and Restated Bylaws (“Bylaws”) as in effect on the Description Date, as well as provisions of the Florida Business Corporation Act (“Florida Act”) and other applicable laws. Copies of the Charter and Bylaws have been filed by NEE with the Securities and Exchange Commission (“SEC”) and are exhibits to the NEE’s Annual Report on Form 10-K to which this Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 is an exhibit (“Form 10-K”).

**Authorized and Outstanding Capital Stock**

NEE’s Charter authorizes it to issue 3,300,000,000 shares of capital stock, each with a par value of \$.01, consisting of:

- 3,200,000,000 shares of common stock; and
- 100,000,000 shares of preferred stock.

As of January 31, 2023, there were 1,987,495,306 shares of common stock and no shares of preferred stock outstanding.

## Common Stock Terms

**Voting Rights.** In general, each holder of common stock is entitled to one vote for each share held by such holder on all matters submitted to a vote of holders of common stock, including the election of directors. Each holder of common stock is entitled to attend all special and annual meetings of NEE's shareholders. The holders of common stock do not have cumulative voting rights.

In general, if a quorum exists at a meeting of NEE's shareholders, unless a greater or different vote is required by the Florida Act, NEE's Charter or NEE's Bylaws, or by action of the board of directors, (1) on all matters other than the election of directors, action on such matters will be approved if the votes cast favoring the action exceed the votes cast opposing the action, (2) in an uncontested director election, a nominee for director will be elected if the votes cast for the nominee's election exceed the votes cast against the nominee's election, and (3) in a contested director election, which is an election in which the number of persons considered for election to the board of directors exceeds the total number of directors to be elected, a nominee for director will be elected by a plurality of the votes cast. Other voting rights of shareholders are described below under "—Anti-Takeover Effects of Provisions in NEE's Charter and NEE's Bylaws."

**Dividend Rights.** The holders of common stock are entitled to participate on an equal per share basis in any dividends declared on the common stock by NEE's board of directors out of funds legally available for dividend payments.

The declaration and payment of dividends on the common stock is within the sole discretion of NEE's board of directors. NEE's Charter does not limit the dividends that may be paid on the common stock.

The ability of NEE to pay dividends on the common stock is currently subject to, and in the future may be limited by:

- various risks which affect the businesses of Florida Power & Light Company ("FPL") and NEE's other subsidiaries that may in certain instances limit the ability of such subsidiaries to pay dividends to NEE; and
- various contractual restrictions applicable to NEE and some of its subsidiaries, including those described below.

FPL is subject to the terms of its Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas, as mortgage trustee, as amended and supplemented from time to time (the "FPL Mortgage"), that secures its obligations under outstanding first mortgage bonds issued by it from time to time. In specified circumstances, the terms of the FPL Mortgage could restrict the amount of retained earnings that FPL can use to pay cash dividends on its common stock. As of the Description Date, no retained earnings were restricted by these provisions of the FPL Mortgage.

Other contractual restrictions on the dividend-paying ability of NEE and its subsidiaries are contained in outstanding financing arrangements, and similar or other restrictions may be included in future financing arrangements. As of the Description Date, NEE has equity units outstanding. In accordance with the terms of the equity units, NEE has the right, from time to time, to defer the payment of contract adjustment payments on the purchase contracts that form a part of the equity units to a date no later than the applicable Purchase Contract Settlement Date. As of the Description Date, a subsidiary of NEE, NEE Capital, has junior subordinated debentures outstanding. In accordance with the terms of the junior subordinated debentures NEE Capital has the right, from time to time, to defer the payment of interest on its outstanding junior subordinated debentures on one or more occasions for up to ten consecutive years. NEE, FPL and NEE Capital may issue, from time to time, additional equity units, junior subordinated debentures or other securities that (i) provide them with rights to defer the payment of interest or other payments and (ii) contain dividend restrictions in the event of the exercise of such rights. In the



event that NEE or NEE Capital were to exercise any right to defer interest or other payments on currently outstanding or future series of equity units, junior subordinated debentures or other securities, or if there were to occur certain payment defaults on those securities, NEE would not be able, with limited exceptions, to pay dividends on the common stock during the periods in which such payments were deferred or such payment defaults continued. In the event that FPL was to issue equity units, junior subordinated debentures or other securities having similar provisions and was to exercise any such right to defer the payment of interest or other payments on such securities, or if there was to occur certain payment defaults on those securities, FPL would not be able, with limited exceptions, to pay dividends to NEE or any other holder of its common stock or preferred stock during the periods in which such payments were deferred or such payment defaults continued. In addition, NEE, NEE Capital and FPL might issue other securities in the future containing similar or other restrictions on, or that affect, NEE's ability to pay dividends on its common stock and on the ability of NEE's subsidiaries, including NEE Capital and FPL, to pay dividends to any holder of their respective common stock or preferred stock, including NEE.

In addition, the right of the holders of NEE's common stock to receive dividends might become subject to the preferential dividend, redemption, sinking fund or other rights of the holders of any series of NEE preferred stock that may be issued in the future, and the right of the holders (including NEE) of FPL or NEE Capital, as the case may be, common stock or preferred stock, as the case may be, to receive dividends might become subject to the preferential dividend, redemption, sinking fund or other rights of the holders of any series of FPL or NEE Capital, as the case may be, preferred stock that may be issued in the future.

**Liquidation Rights.** If there is a liquidation, dissolution or winding up of NEE, the holders of common stock are entitled to share equally and ratably in any assets remaining after NEE has paid, or provided for the payment of, all of its debts and other liabilities, and after NEE has paid, or provided for the payment of, any preferential amounts payable to the holders of any outstanding preferred stock.

**Other Rights.** The holders of common stock do not have any preemptive, subscription, conversion or sinking fund rights. The common stock is not subject to redemption.

#### **Anti-Takeover Effects of Provisions in NEE's Charter and NEE's Bylaws**

NEE's Charter and NEE's Bylaws contain provisions that may make it difficult and expensive for a third party to pursue a takeover attempt that NEE's board of directors and management oppose even if a change in control of NEE might be beneficial to the interests of holders of common stock.

**NEE's Charter Provisions.** Among NEE's Charter provisions that could have an anti-takeover effect are those that:

- provide that a vacancy on the board of directors may be filled only by a majority vote of the remaining directors;
- prohibit the shareholders from taking action by written consent in lieu of a meeting of shareholders;
- limit the persons who may call a special meeting of shareholders to the chairman of the NEE board of directors, the president or the secretary, a majority of the board of directors or the holders of 20% of the outstanding shares of stock entitled to vote on the matter or matters to be presented at the meeting;
- require any action by shareholders to amend or repeal NEE's Bylaws, or to adopt new bylaws, to receive the affirmative vote of holders of at least a majority of the voting power of the outstanding shares of voting stock, voting together as a single class; and
- require the affirmative vote of holders of at least a majority of the voting power of the outstanding shares of voting stock, voting together as a single class, to alter, amend or repeal specified provisions of NEE's Charter, including the foregoing provisions.

**NEE's Bylaw Provisions.** NEE's Bylaws contain some of the foregoing provisions contained in NEE's Charter. NEE's Bylaws also contain a provision limiting to 16 directors the maximum number of authorized directors of NEE. In addition, NEE's Bylaws contain provisions that establish advance notice requirements for shareholders to nominate candidates for election as directors at any annual or special meeting of shareholders or to present any other business for consideration at any annual meeting of shareholders. These provisions generally require a shareholder to submit in writing to NEE's secretary any nomination of a candidate for election to the board of directors or any other proposal for consideration at any annual meeting not earlier than 120 days or later than 90 days before the first anniversary of the preceding year's annual meeting. NEE's Bylaws also require a shareholder to submit in writing to NEE's secretary any nomination of a candidate for election to the board of directors for consideration at any special meeting not earlier than 120 days before such special meeting and not after the later of 90 days before such special meeting or the tenth day following the day of the first public announcement of the date of the special meeting and of the fact that directors are to be elected at the meeting. For the shareholder's notice to be in proper form, it must include all of the information specified in NEE's Bylaws.

**Preferred Stock.** The rights and privileges of holders of common stock may be adversely affected by the rights, privileges and preferences of holders of shares of any series of preferred stock which NEE's board of directors may authorize for issuance from time to time. NEE's board of directors has broad discretion with respect to the creation and issuance of any series of preferred stock without shareholder approval, subject to any applicable rights of holders of any shares of preferred stock outstanding at any time. In that regard, NEE's Charter authorizes NEE's board of directors from time to time and without shareholder action to provide for the issuance of up to 100,000,000 shares of preferred stock in one or more series, and to determine the designations, preferences, limitations and relative or other rights of any such series, including voting rights, dividend rights, liquidation preferences, sinking fund provisions, conversion privileges and redemption rights. Among other things, by authorizing the issuance of shares of preferred stock with particular voting, conversion or other rights, the board of directors could adversely affect the voting power of the holders of common stock and could discourage any attempt to effect a change in control of NEE, even if such a transaction would be beneficial to the interests of holders of common stock.

#### **Restrictions on Affiliated and Control Share Transactions under Florida Act**

**Affiliated Transactions.** As a Florida corporation, NEE is subject to the Florida Act, which provides that a Florida corporation generally may not engage in an "affiliated transaction" with an "interested shareholder," as those terms are defined in the statute, for three years following the date a shareholder becomes an "interested shareholder," unless:

- prior to the time that such shareholder became an interested shareholder, the board of directors approved either the affiliated transaction or the transaction which resulted in the shareholder becoming an interested shareholder,
- upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85 percent of the voting shares of the corporation outstanding at the time the transaction commenced, subject to certain exclusions, or
- at or subsequent to the time that such shareholder became an interested shareholder, the affiliated transaction is approved by the board of directors and authorized by the affirmative vote of at least two-thirds of the outstanding voting shares which are not owned by the interested shareholder.

The Florida Act generally defines an "interested shareholder" as any person who is the beneficial owner of more than 15% of the outstanding voting shares of the corporation. The affiliated transactions covered by the Florida Act include, with specified exceptions:

- mergers and consolidations to which the corporation and the interested shareholder are parties,

- sales or certain other dispositions of assets representing 10% or more of the aggregate fair market value of the corporation's assets, outstanding shares, earning power or net income to the interested shareholder,
- generally, issuances by the corporation of 10% or more of the aggregate fair market value of its outstanding shares to the interested shareholder,
- the adoption of any plan for the liquidation or dissolution of the corporation proposed by or pursuant to an arrangement with the interested shareholder,
- any reclassification of the corporation's securities, recapitalization of the corporation, merger or consolidation, or other transaction which has the effect of increasing by more than 10% the percentage of the outstanding voting shares of the corporation beneficially owned by the interested shareholder, and
- the receipt by the interested shareholder of certain loans or other financial assistance from the corporation.

The foregoing transactions generally also include transactions involving any affiliate of the interested shareholder and involving or affecting any direct or indirect majority-owned subsidiary of the corporation.

The voting requirements above will not apply if, among other things, subject to specified qualifications:

- the transaction has been approved by a majority of the corporation's disinterested directors,
- the interested shareholder has been the beneficial owner of at least 80% of the corporation's outstanding voting shares for at least three years preceding the transaction,
- the interested shareholder is the beneficial owner of at least 90% of the outstanding voting shares, or
- specified fair price and procedural requirements are satisfied.

***Control-Share Acquisitions.*** The Florida Act also contains a control-share acquisition statute which provides that a person who acquires shares in an "issuing public corporation," as defined in the statute, in excess of certain specified thresholds generally will not have any voting rights with respect to such shares unless such voting rights are approved by the holders of a majority of the votes of each class of securities entitled to vote separately, excluding shares held or controlled by the acquiring person. The thresholds specified in the Florida Act are the acquisition of a number of shares representing:

- one-fifth or more, but less than one-third, of all voting power of the corporation,
- one-third or more, but less than a majority, of all voting power of the corporation, or
- a majority or more of all voting power of the corporation.

The statute does not apply if, among other things, the acquisition:

- is approved by the corporation's board of directors, or
- is effected pursuant to a statutory merger or share exchange to which the corporation is a party.

The statute also does not apply to an acquisition of shares of a corporation in excess of a specified threshold if, before the acquisition, the corporation's articles of incorporation or bylaws provide that the corporation will not be governed by the statute. The statute also permits a corporation to adopt a provision in its articles of incorporation

or bylaws providing for the redemption of the acquired shares by the corporation in specified circumstances. NEE's Charter and NEE's Bylaws do not contain such provisions.

### **Indemnification**

Florida law generally provides that a Florida corporation, such as NEE, may indemnify its directors and officers against liabilities and expenses they may incur. Florida law also limits the liability of directors to NEE and other persons. NEE's Bylaws contain provisions requiring NEE to indemnify its directors, officers, employees and agents under specified conditions. In addition, NEE carries insurance permitted by the laws of Florida on behalf of its directors, officers, employees and agents.

### **Shareholder Access**

NEE's Bylaws permit a shareholder, or a group of up to 20 shareholders, owning continuously for at least three years 3% or more of NEE's outstanding common stock (an "eligible shareholder") to nominate and include in NEE's annual meeting proxy materials director candidates to occupy (together with any nominees of other eligible shareholders) up to two or 20% of the number of directors in office (whichever is greater), provided that such eligible shareholder satisfies the requirements set forth in NEE's Bylaws. Those requirements generally include receipt by NEE's secretary of written notice from an eligible shareholder of the nomination not earlier than 150 days or later than 120 days before the first anniversary of the mailing of NEE's proxy materials for the most recent annual meeting. For the eligible shareholder's notice to be in proper form, it must include all of the information specified in NEE's Bylaws.

### **Transfer Agent and Registrar**

The transfer agent and registrar for the common stock is Computershare Trust Company, N.A.

## **II. CORPORATE UNITS**

### **DESCRIPTION OF THE EQUITY UNITS**

NEE has issued three series of equity units, as described in the following paragraph, which are currently outstanding. NEE entered into a separate purchase contract agreement, pledge agreement and remarketing agreement with respect to each series of equity units. In addition, NEE Capital issued a different series of debentures, as described below, in connection with each issuance of equity units. References in this section to the foregoing agreements refer to the corresponding agreements that were entered into in connection with such equity unit transactions. In addition, certain terms are defined in Annex A and reference is made to such Annex A.

NEE has issued

- Equity Units ("February 2020 Equity Units") under a purchase contract agreement, dated as of February 1, 2020 ("February 2020 purchase contract agreement"),
- Equity Units ("September 2020 Equity Units") under a purchase contract agreement, dated as of September 1, 2020 ("September 2020 purchase contract agreement"), and
- Equity Units ("2022 Equity Units" and together with the February 2020 Equity Units and the September 2020 Equity Units, the "Equity Units") under a purchase contract agreement, dated as of September 1, 2022 ("September 2022 purchase contract agreement" and together with the February 2020 purchase contract agreement and the September 2020 purchase contract agreement, each a "purchase contract agreement", and collectively, the "purchase contract agreements"),

each between NEE and The Bank of New York Mellon, as purchase contract agent ("purchase contract agent"). The February 2020 Equity Units initially consisted of 50,000,000 5.279% Corporate Units, the September 2020 Equity

Units initially consisted of 40,000,000 6.219% Corporate Units, and the 2022 Equity Units initially consisted of 40,000,000 6.926% Corporate Units (the 6.926% Corporate Units, together with the 5.279% Corporate Units and the 6.219% Corporate Units, the “Corporate Units”). This section briefly summarizes some of the terms of the Equity Units, including the Corporate Units, and some of the provisions of the respective purchase contract agreements and

- a pledge agreement, dated as of February 1, 2020 (“February 2020 pledge agreement”) with respect to the February 2020 Equity Units,
- a pledge agreement, dated as of September 1, 2020 (“September 2020 pledge agreement”) with respect to the September 2020 Equity Units, and
- a pledge agreement, dated as of September 1, 2022 (“2022 pledge agreement” and together with the February 2020 pledge agreement and the September 2020 pledge agreement, each a “pledge agreement”, and collectively the “pledge agreements”) with respect to the 2022 Equity Units

in each case between NEE, Deutsche Bank Trust Company Americas, as collateral agent, custodial agent and securities intermediary (“collateral agent”), and The Bank of New York Mellon, as purchase contract agent. This summary does not contain a complete description of the Equity Units. You should read this summary together with the respective purchase contract agreement and the respective pledge agreement for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The purchase contract agreements and the pledge agreements have been filed by NEE with the SEC and are exhibits to the Form 10-K. In addition, each purchase contract agreement is qualified under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

## General

The February 2020 Equity Units initially consisted of 50,000,000 Corporate Units, the September 2020 Equity Units initially consisted of 40,000,000 Corporate Units and the 2022 Equity Units initially consisted of 40,000,000 Corporate Units, in each case with a stated amount of \$50.

Each Corporate Unit consists of a unit comprised of:

- a purchase contract, pursuant to which
  - the holder agrees to purchase from NEE, and NEE agrees to sell to the holder, not later than the Purchase Contract Settlement Date (as defined in Annex A), or upon early settlement, for \$50, a number of newly issued shares of NEE common stock equal to the applicable settlement rate described below under “Description of the Purchase Contracts—Purchase of NEE Common Stock,” “Description of the Purchase Contracts—Early Settlement by Delivering Cash,” and “Description of the Purchase Contracts—Early Settlement upon a Fundamental Change,” and
  - NEE will make contract adjustment payments to the holder at the Contract Adjustment Rate (as defined in Annex A) per year on the stated amount of \$50, or the Contract Adjustment Annualized Amount (as defined in Annex A) per year, payable quarterly, and subject to NEE’s right to defer these payments,
- and either
  - a 5% applicable ownership interest in a NEE Capital Related Debenture (as defined in Annex A, and herein referred to as, a “NEE Capital debenture” and collectively, “NEE Capital debentures”) in the principal amount of \$1,000 under which NEE Capital will pay to the holder 5% of the interest payment on a debenture in the principal amount of \$1,000 at the



initial rate of the Initial Interest Rate (as defined in Annex A) per year (resulting in a payment of the Initial Interest Annualized Amount (as defined in Annex A) per year), or

- following a successful remarketing of the NEE Capital debentures on or prior to the ninth business day preceding the Purchase Contract Settlement Date, or the occurrence of a special event redemption or a mandatory redemption, the applicable ownership interest in a portfolio of U.S. Treasury securities maturing on or prior to the Treasury Portfolio Maturity Deadline (as defined in Annex A), which is referred to as the “Treasury portfolio.”

“Applicable ownership interest” means with respect to the U.S. Treasury securities in the Treasury portfolio:

- for a remarketing Treasury portfolio,
- a 5% undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) included in the Treasury portfolio that mature on or prior to the Treasury Portfolio Maturity Deadline,
- if the “reset effective date” (which means, in the case of a successful remarketing during the period for early remarketing, the third business day immediately following the date of the successful remarketing, unless the remarketing is successful within five business days of the next succeeding interest payment date in which case the reset effective date will be such interest payment date, and, in the case of a successful remarketing during the final three-day remarketing period, the Purchase Contract Settlement Date) occurs prior to the Three Month Date (as defined in Annex A), with respect to the originally-scheduled quarterly interest payment dates on the NEE Capital debentures that would have occurred on the Three Month Date and the Purchase Contract Settlement Date, an undivided beneficial ownership interest in a \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to (i) the Day Before the Three Month Date (as defined in Annex A) (in connection with the interest payment date that would have occurred on the Three Month Date) and (ii) the Treasury Portfolio Maturity Deadline (in connection with the interest payment date that would have occurred on the Purchase Contract Settlement Date), each in an aggregate amount at maturity equal to the aggregate interest payments that would be due on the Three Month Date and the Purchase Contract Settlement Date, respectively, with respect to a 5% beneficial ownership interest in a NEE Capital debenture in the principal amount of \$1,000 that would have been components of the Corporate Units assuming no remarketing and no reset of the interest rate on the NEE Capital debentures as described under “Description of the NEE Capital Debentures—Market Reset Rate” and assuming that interest on the NEE Capital debentures accrued from the reset effective date to, but excluding, the Three Month Date and from the Three Month Date to, but excluding, the Purchase Contract Settlement Date, respectively, and
- if the reset effective date occurs on or after the Three Month Date, with respect to the originally-scheduled quarterly interest payment date on the NEE Capital debentures that would have occurred on the Purchase Contract Settlement Date, an undivided beneficial ownership interest in a \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the Treasury Portfolio Maturity Deadline in an aggregate amount at maturity equal to the aggregate interest payment that would be due on the Purchase Contract Settlement Date with respect to a 5% beneficial ownership interest in a NEE Capital debenture in the principal amount of \$1,000 that would have been components of the Corporate Units assuming no remarketing and no reset of the interest rate on the NEE Capital debentures and assuming that interest on the NEE Capital debentures accrued from the reset effective date to, but excluding, the Purchase Contract Settlement Date.

If U.S. Treasury securities (or principal or interest strips thereof) that are to be included in the remarketing Treasury portfolio have a yield that is less than zero, then instead, at NEE

Capital's option, the remarketing Treasury portfolio will consist of an amount in cash equal to the aggregate principal amount at maturity of the applicable U.S. Treasury securities (or principal or interest strips thereof) described above. If the provisions set forth in this paragraph apply, references to "U.S. Treasury securities (or principal or interest strips thereof)" in connection with the remarketing Treasury portfolio will, thereafter, be deemed to be references to such amount of cash.

- for a special event Treasury portfolio,
- a 5% undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) included in the Treasury portfolio that mature on or prior to the Treasury Portfolio Maturity Deadline, and
- with respect to each scheduled interest payment date on the NEE Capital debentures that would have occurred after the special event redemption date and on or prior to the Purchase Contract Settlement Date, an undivided beneficial ownership interest in a \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to that interest payment date in an aggregate amount equal to the aggregate interest payment that would be due with respect to a 5% beneficial ownership interest in a NEE Capital debenture in the principal amount of \$1,000 that would have been components of the Corporate Units on that date (assuming no special event redemption) and accruing from and including the immediately preceding interest payment date to which interest has been paid.

If a Treasury portfolio is required to be purchased in connection with a mandatory redemption of NEE Capital debentures, an applicable ownership interest in such Treasury portfolio will be the same as an applicable ownership interest in a special event Treasury portfolio.

For U.S. federal income tax purposes, the purchase price of each Corporate Unit was allocated between the related purchase contract and the applicable ownership interest in a NEE Capital debenture in proportion to their respective fair market values at the time of issuance. NEE will report the fair market value of the 5% applicable ownership interest in a \$1,000 principal amount of each NEE Capital debenture as the NEE Capital Debenture Fair Market Value (as defined in Annex A), and NEE Capital will report the fair market value of each purchase contract as \$0 at the time of issuance. This position generally will be binding on each beneficial owner of each Corporate Unit, but not on the Internal Revenue Service ("IRS"). See "United States Federal Income Tax Discussion—U.S. Holders—Allocation of Original Purchase Price."

As long as an Equity Unit is in the form of a Corporate Unit, the related applicable ownership interest in a NEE Capital debenture or the applicable ownership interest in a Treasury portfolio, as applicable, that is a component of the Corporate Unit will be pledged to NEE through the collateral agent to secure the holder's obligation to purchase NEE common stock under the related purchase contract.

#### **Creating Treasury Units by Substituting a Treasury Security for a NEE Capital Debenture**

Unless the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units as a result of a successful remarketing, a special event redemption or a mandatory redemption, each holder of Corporate Units has the right, on or prior to the seventh business day immediately preceding the Purchase Contract Settlement Date, to substitute for the related NEE Capital debentures held by the collateral agent a zero-coupon U.S. Treasury security (Zero-Coupon CUSIP (as defined in Annex A)) maturing on the Treasury Portfolio Maturity Deadline, having a principal amount at maturity equal to the aggregate principal amount of the NEE Capital debentures for which substitution is being made. These substitutions will create Treasury Units, and the NEE Capital debentures will be released to the holder. Because Treasury securities and NEE Capital debentures are issued in integral multiples of \$1,000, holders of Corporate Units may make these substitutions only in integral multiples of 20 Corporate Units.

The ability of holders of Corporate Units to create Treasury Units is subject to the limitation that holders may not create Treasury Units during any period commencing on and including the business day prior to the first day of any three-day remarketing period and ending on and including, in the case of a successful remarketing during that three-day remarketing period, the reset effective date, or, if none of the remarketings during that three-day remarketing period is successful, the business day following the last remarketing date in the applicable three-day remarketing period.

If a Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units as a result of a successful remarketing of the NEE Capital debentures, a special event redemption or a mandatory redemption, each holder of Corporate Units may create Treasury Units by making substitutions of Treasury securities for the applicable ownership interest in the Treasury portfolio, on or prior to the second business day immediately preceding the Purchase Contract Settlement Date and only in integral multiples of the Minimum Number (as defined in Annex A) of Corporate Units (or such other number of Corporate Units as may be determined by the remarketing agents upon a successful remarketing of the NEE Capital debentures if the reset effective date is not a regular quarterly interest payment date). In such a case, the holder would also obtain the release of the applicable ownership interest in the Treasury portfolio rather than a release of the NEE Capital debentures.

Each Treasury Unit will consist of a unit with a stated amount of \$50, comprised of:

- a purchase contract, pursuant to which
  - the holder will agree to purchase from NEE, and NEE will agree to sell to the holder, not later than the Purchase Contract Settlement Date, or upon early settlement, for \$50, a number of newly issued shares of NEE common stock equal to the applicable settlement rate described below under “Description of the Purchase Contracts—Purchase of NEE Common Stock,” “Description of the Purchase Contracts—Early Settlement by Delivering Cash,” and “Description of the Purchase Contracts—Early Settlement upon a Fundamental Change,” and
  - NEE will make contract adjustment payments to the holder at the Contract Adjustment Rate per year on the stated amount of \$50, or the Contract Adjustment Annualized Amount per year, payable quarterly, and subject to NEE’s right to defer these payments, and
- a 5% undivided beneficial ownership interest in a Treasury security having a principal amount at maturity of \$1,000.

Unless the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units, to create 20 Treasury Units the Corporate Unit holder will:

- deposit with the collateral agent a Treasury security having a principal amount at maturity of \$1,000, which Treasury security must have been purchased in the open market at the holder’s expense, unless otherwise owned by the holder; and
- transfer 20 Corporate Units to the purchase contract agent accompanied by a notice stating that the holder has deposited a Treasury security in the required amount with the collateral agent and requesting that the purchase contract agent instruct the collateral agent to release the related NEE Capital debenture.

Upon that deposit and the receipt of an instruction from the purchase contract agent, the collateral agent will release the related NEE Capital debenture from the pledge under the applicable pledge agreement and deliver it to the purchase contract agent, on behalf of the holder, free and clear of NEE’s security interest. The purchase contract agent then will:

- cancel the 20 Corporate Units;
- transfer the related NEE Capital debenture to the holder; and

- deliver 20 Treasury Units to the holder.

The Treasury security will be substituted for the NEE Capital debenture and will be pledged to NEE through the collateral agent to secure the holder's obligation to purchase NEE common stock under the related purchase contract. The related NEE Capital debenture released to the holder thereafter will trade separately from the resulting Treasury Units.

If the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units, then to create Treasury Units the Corporate Unit holder will have the right to substitute Treasury securities for the applicable ownership interests in the Treasury portfolio by following the same procedure specified above for creating a Treasury Unit, except the holder will have to deposit integral multiples of the Minimum Number of Corporate Units (or such other number of Corporate Units as may be determined by the remarketing agents upon a successful remarketing of the NEE Capital debentures if the reset effective date is not a regular quarterly interest payment date).

Holders that elect to substitute pledged securities, thereby creating Treasury Units or recreating Corporate Units, will be responsible for any fees or expenses payable in connection with the substitution. See "Certain Other Provisions of the Purchase Contract Agreements and the Pledge Agreements—Miscellaneous."

### **Recreating Corporate Units**

Unless the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units as a result of a successful remarketing, a special event redemption or a mandatory redemption, each holder of Treasury Units will have the right, on or prior to the second business day immediately preceding the first day of the final three-day remarketing period, to substitute NEE Capital debentures for any related Treasury securities held by the collateral agent, having a principal amount equal to the aggregate principal amount of the Treasury securities at maturity for which substitution is being made. These substitutions will recreate Corporate Units, and the Treasury securities will be released to the holder. Because Treasury securities and NEE Capital debentures are issued in integral multiples of \$1,000, holders of Treasury Units may make these substitutions only in integral multiples of 20 Treasury Units.

The ability of holders of Treasury Units to recreate Corporate Units will be subject to the limitation that holders may not recreate Corporate Units during any period commencing on and including the business day prior to the first day of any three-day remarketing period and ending on and including, in the case of a successful remarketing during that three-day remarketing period, the reset effective date, or, if none of the remarketings during that three-day remarketing period is successful, the business day following the last remarketing date in the applicable three-day remarketing period.

If a Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units as a result of a successful remarketing of the NEE Capital debentures, a special event redemption or a mandatory redemption, each holder of Treasury Units may recreate Corporate Units by making substitutions of the applicable ownership interest in the Treasury portfolio for the Treasury securities, on or prior to the second business day immediately preceding the Purchase Contract Settlement Date and only in integral multiples of the Minimum Number of Treasury Units (or such other number of Treasury Units as may be determined by the remarketing agents in connection with a successful remarketing of the NEE Capital debentures if the reset effective date is not a regular quarterly interest payment date). In such a case, the holder would also obtain the release of the Treasury securities for which substitution is being made.

Unless the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units, to recreate 20 Corporate Units a Treasury Unit holder will:

- deposit with the collateral agent a NEE Capital debenture in the principal amount of \$1,000, which NEE Capital debenture must have been purchased in the open market at the holder's expense, unless otherwise owned by the holder; and



- transfer 20 Treasury Units to the purchase contract agent accompanied by a notice stating that the holder has deposited a NEE Capital debenture in the principal amount of \$1,000 with the collateral agent and requesting that the purchase contract agent instruct the collateral agent to release the related Treasury security.

Upon that deposit and the receipt of an instruction from the purchase contract agent, the collateral agent will release the related Treasury security from the pledge under the applicable pledge agreement and deliver it to the purchase contract agent, on behalf of the holder, free and clear of NEE's security interest. The purchase contract agent will then:

- cancel the 20 Treasury Units;
- transfer the related Treasury security to the holder; and
- deliver 20 Corporate Units to the holder.

The NEE Capital debenture will be substituted for the Treasury security and will be pledged to NEE through the collateral agent to secure the holder's obligation to purchase NEE common stock under the related purchase contract.

If the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units, the Treasury Unit holder will follow the same procedure specified above for recreating Corporate Units, except that the holder will have to deposit integral multiples of the Minimum Number of Treasury Units and must deposit integral multiples of the Minimum Number of applicable ownership interests in the Treasury portfolio with the collateral agent, which must be purchased in the open market at the expense of the Treasury Unit holder, unless otherwise owned by the holder.

Holders that elect to substitute pledged securities, thereby creating Treasury Units or recreating Corporate Units, will be responsible for any fees or expenses payable in connection with the substitution. See "Certain Other Provisions of the Purchase Contract Agreements and the Pledge Agreements—Miscellaneous."

#### **Payments on Corporate Units and Treasury Units**

Holders of Corporate Units will be entitled to receive aggregate cash payments at the Corporate Unit Aggregate Rate (as defined in Annex A) per year on the \$50 stated amount per Corporate Unit, payable quarterly in arrears. The quarterly payments on the Corporate Units will consist of:

- interest on the related applicable ownership interest in NEE Capital debentures payable by NEE Capital (or cash distributions on the applicable ownership interest in the Treasury portfolio if the NEE Capital debentures have been replaced by the Treasury portfolio), equivalent to the Initial Interest Rate per year on the stated amount; and
- distributions of quarterly contract adjustment payments payable by NEE at the Contract Adjustment Rate per year on the stated amount, subject to NEE's right to defer the payment of such contract adjustment payments.

If interest on the NEE Capital debentures is reset on a reset effective date that is not a scheduled interest payment date, the purchase contract agent will receive on behalf of holders of Corporate Units a payment from NEE Capital on the reset effective date of accrued and unpaid interest on the NEE Capital debentures from the most recent quarterly interest payment date to, but excluding, the reset effective date. On the quarterly payment date next following the reset effective date, Corporate Unit holders will receive a quarterly cash distribution comprised of their pro rata portion of that interest payment, the portion of their applicable ownership interest in the remarketing Treasury portfolio that matures prior to that quarterly payment date and the contract adjustment payment payable on that date. If interest on the NEE Capital debentures is reset on a reset effective date that is not a scheduled interest payment date, holders of separate NEE Capital debentures that were not a component of Corporate Units will

receive on the reset effective date a payment of accrued and unpaid interest from the most recent quarterly interest payment date to, but excluding, the reset effective date. On the semi-annual interest payment date next following the reset effective date, holders of NEE Capital debentures will receive a payment of interest accrued from and including the reset effective date, to, but excluding, such interest payment date.

Holders of Treasury Units will be entitled to receive quarterly cash distributions of contract adjustment payments payable by NEE at the Contract Adjustment Rate per year on the \$50 stated amount per Treasury Unit, subject to NEE's right to defer the payment of such contract adjustment payments. Although holders of Treasury Units will not receive any interest payments on the Treasury securities pledged in connection with the creation of the Treasury Units, the holders of Treasury Units will continue to receive the scheduled interest payments on the NEE Capital debentures that were released to them when the Treasury Units were created for so long as they hold the NEE Capital debentures. Holders of Treasury Units will be required to accrue original issue discount ("OID") on these Treasury securities.

### **Ranking**

The NEE Capital debentures are senior unsecured obligations of NEE Capital and rank equally in right of payment with all of NEE Capital's other unsecured and unsubordinated debt obligations. See "Description of the NEE Capital Debentures."

NEE's obligations under its guarantee of NEE Capital debentures are senior unsecured obligations of NEE and rank equally in right of payment with all of NEE's other unsecured and unsubordinated debt obligations. See "Description of NEE Guarantee."

NEE's obligations with respect to contract adjustment payments are unsecured and subordinate and junior in right of payment to its obligations under any of its senior indebtedness. "Senior indebtedness" with respect to contract adjustment payments means all of NEE's indebtedness of any kind, existing or incurred in the future, unless the instrument, if any, under which such indebtedness is incurred expressly provides that it is on a parity in right of payment with or subordinate in right of payment to the contract adjustment payments. Senior indebtedness will be entitled to the benefits of the subordination provisions in the purchase contract agreements.

### **Voting and Certain Other Rights**

Holders of purchase contracts that are components of the Corporate Units or Treasury Units, in their capacities as such holders, will have no rights with respect to NEE common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on NEE common stock).

### **Trading of the Securities**

Each series of Corporate Units is listed on the NYSE. Unless and until substitution has been made as described in "—Creating Treasury Units by Substituting a Treasury Security for a NEE Capital Debenture" or "—Recreating Corporate Units," prior to a successful remarketing neither the NEE Capital debentures, nor the applicable ownership interest in the Treasury portfolio component of a Corporate Unit nor the Treasury security component of a Treasury Unit will trade separately from Corporate Units or Treasury Units. The applicable ownership interests in NEE Capital debentures or applicable ownership interest in the Treasury portfolio component will trade as a unit with the purchase contract component of the Corporate Units, and the Treasury security component will trade as a unit with the purchase contract component of the Treasury Units. NEE has no obligation or current intention to apply for listing of the Treasury Units or the NEE Capital debentures. There can be no assurance as to the liquidity of any secondary market for the Corporate Units or that may develop for the Treasury Units or the NEE Capital debentures.

## **Purchase of Equity Units and NEE Capital Debentures**

NEE, its subsidiaries or its affiliates may from time to time, to the extent permitted by law, purchase any of the Corporate Units, Treasury Units or NEE Capital debentures which are then outstanding by tender, in the open market or by private agreement.

### **DESCRIPTION OF THE PURCHASE CONTRACTS**

This section briefly summarizes some of the terms of the purchase contract agreements, the purchase contracts, the pledge agreements, each remarketing agreement, and the indenture and the officer's certificates which supplemented the indenture and created the specific terms of the NEE Capital debentures. This summary does not contain a complete description of the purchase contracts. You should read this summary together with the purchase contract agreements, the pledge agreements, the remarketing agreements, the indenture, the officer's certificates and other documents which established the purchase contracts for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The purchase contract agreements, the purchase contracts, the pledge agreements and the officer's certificates creating the specific terms of the NEE Capital debentures and the indenture have been previously filed with the SEC and are exhibits to the Form 10-K. In addition, the purchase contract agreements and the indenture are qualified under the Trust Indenture Act of 1939 and are therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

## **Purchase of NEE Common Stock**

Each purchase contract that is part of a Corporate Unit or a Treasury Unit will obligate its holder to purchase, and NEE to sell, on the Purchase Contract Settlement Date (unless the purchase contract terminates prior to that date or is settled early at the holder's option), a number of newly issued shares of NEE common stock determined by reference to the "settlement rate," for \$50 in cash. The number of shares of NEE common stock issuable upon settlement of each purchase contract will be calculated, subject to adjustment under the circumstances described under "—Anti-dilution Adjustments" and "—Early Settlement upon a Fundamental Change," as follows:

- If the applicable market value of NEE common stock is equal to or greater than the Threshold Appreciation Price (as defined in Annex A), the applicable settlement rate shall equal the Minimum Settlement Rate (as defined in Annex A) of shares of NEE common stock, which is equal to \$50 divided by the Threshold Appreciation Price.

Accordingly, if the applicable market value is greater than the Threshold Appreciation Price, the aggregate market value of the shares of NEE common stock issued upon settlement of each purchase contract will be higher than \$50, assuming that the market price of NEE common stock on the date of settlement is the same as the applicable market value of NEE common stock. If the market price is the same as the Threshold Appreciation Price, the aggregate market value of those shares of NEE common stock will be equal to \$50, assuming that the market price of NEE common stock on the date of settlement is the same as the applicable market value.

- If the applicable market value of NEE common stock is less than the Threshold Appreciation Price but greater than the Reference Price (as defined in Annex A), the applicable settlement rate shall equal the number of shares of NEE common stock equal to \$50 divided by the applicable market value.

Accordingly, if the applicable market value is greater than the Reference Price, but the applicable market value does not exceed the Threshold Appreciation Price, the aggregate market value of the shares of NEE common stock issued upon settlement of each purchase contract will be equal to \$50, assuming that the market price of NEE common stock on the date of settlement is the same as the applicable market value of NEE common stock.

- If the applicable market value of NEE common stock is less than or equal to the Reference Price, the applicable settlement rate shall equal the Maximum Settlement Rate (as defined in Annex A) of shares of NEE common stock, which is equal to \$50 divided by the Reference Price.

Accordingly, if the applicable market value is less than the Reference Price, the aggregate market value of the shares of NEE common stock issued upon settlement of each purchase contract will be less than \$50, assuming that the market price of NEE common stock on the date of settlement is the same as the applicable market value of NEE common stock. If the market price is the same as the Reference Price, the aggregate market value of those shares of NEE common stock will be equal to \$50, assuming that the market price of NEE common stock on the date of settlement is the same as the applicable market value of NEE common stock.

If a holder elects to settle its purchase contract early in the manner described under “—Early Settlement by Delivering Cash,” the number of shares of NEE common stock issuable upon settlement of such purchase contract will be Minimum Settlement Rate, subject to adjustment as described under “—Anti-dilution Adjustments.” The Maximum Settlement Rate and Minimum Settlement Rate are collectively referred to as the “fixed settlement rates.”

“Applicable market value” means the average of the closing price per share of NEE common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the Purchase Contract Settlement Date.

“Closing price” of NEE common stock on any date of determination means

- the closing sale price (or, if no closing price is reported, the last reported sale price) of NEE common stock on the NYSE on that date or, if NEE common stock is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which NEE common stock is so listed;
- if shares of NEE common stock are not so reported, the last quoted bid price for NEE common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization; or
- if the bid price is not available, the market value of NEE common stock on the date of determination as determined by a nationally recognized independent investment banking firm retained by NEE for this purpose.

A “trading day” means a day on which NEE common stock

- is not suspended from trading on any national or regional securities exchange or over-the-counter market at the close of business, and
- has traded at least once on the national or regional securities exchange or over-the-counter market that is the primary market for the trading of NEE common stock.

If the NEE common stock is not traded on a securities exchange or quoted in the over-the-counter market, then “trading day” shall mean business day.

NEE will not issue any fractional shares of its common stock pursuant to the purchase contracts. In lieu of fractional shares otherwise issuable (calculated on an aggregate basis) in respect of the purchase contracts being settled by a holder of Corporate Units or Treasury Units, the holder will be entitled to receive an amount of cash equal to the fraction of a share multiplied by the applicable market value (or, for an early settlement, by the Threshold Appreciation Price (taking into account any adjustments described under “—Anti-dilution Adjustments”)).



Unless:

- a holder of Corporate Units or Treasury Units has early settled the related purchase contracts through the delivery of cash to the purchase contract agent in the manner described under “—Early Settlement by Delivering Cash” or under “—Early Settlement upon a Fundamental Change;”
- a holder of Corporate Units or Treasury Units has settled the related purchase contracts with separate cash pursuant to prior notice given in the manner described under “—Notice to Settle with Cash;” or
- an event described under “—Termination of Purchase Contracts” has occurred,

then, on the Purchase Contract Settlement Date,

- in the case of Corporate Units, provided that the Treasury portfolio has not replaced the NEE Capital debentures as a component of the Corporate Units as the result of a successful remarketing of the NEE Capital debentures or because a special event redemption or a mandatory redemption has occurred, such holders will be deemed to have elected to apply a portion of the put price equal to the principal amount of the NEE Capital debentures to satisfy in full the holder’s obligation to purchase NEE common stock under the related purchase contracts, and any amount of the put price remaining following settlement of such purchase contracts will be delivered to the purchase contract agent for the benefit of the holder of such Corporate Units; and
- in the case of Treasury Units or, in the event that the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units as the result of a successful remarketing of the NEE Capital debentures, a special event redemption or a mandatory redemption, in the case of Corporate Units, the principal amount of the related Treasury securities, or the applicable ownership interest in the Treasury portfolio, as applicable, when paid at maturity, will automatically be applied to satisfy in full the holder’s obligation to purchase NEE common stock under the related purchase contract.

NEE common stock will then be issued and delivered to the holder or the holder’s designee, upon presentation and surrender of the certificate evidencing the Equity Units, and payment by the holder of any transfer or similar taxes payable in connection with the issuance of NEE common stock to any person other than the holder.

Each holder of Corporate Units or Treasury Units, by acceptance of those securities, will be deemed to have:

- irrevocably agreed to be bound by the terms and provisions of the Corporate Units and the Treasury Units and to perform such holder’s obligations under the related purchase contract and the related pledge agreement for so long as the holder remains a holder of Equity Units; and
- duly and irrevocably appointed the purchase contract agent as the holder’s attorney-in-fact to enter into and perform the related purchase contracts and the related pledge agreement on behalf of and in the name of the holder.

In addition, each holder and beneficial owner of Corporate Units or Treasury Units, by acceptance of a beneficial interest in those securities, will be deemed to have covenanted and agreed to treat:

- itself as the beneficial owner of the related applicable ownership interest in NEE Capital debentures, the applicable ownership interest in the Treasury portfolio (or, if applicable, cash) or the Treasury securities, as the case may be, and
- the related applicable ownership interest in NEE Capital debentures as indebtedness,

in each case, for all U.S. federal, state and local income, and franchise tax purposes.

So long as the Equity Units are held through the Depositary, the beneficial owners will have rights and obligations with respect to the Equity Units equivalent to those of a holder except exercisable only through the Depositary or its participants. See “—Book-Entry Only System.”

## Remarketing

Pursuant to the applicable remarketing agreement, and subject to the terms of the related supplemental remarketing agreement, NEE Capital may, at its option and in its sole discretion, elect to remarket the NEE Capital debentures on any remarketing date occurring during the period for early remarketing beginning on the fifth business day preceding the Six Month Date (as defined in Annex A) and ending on and including the ninth business day preceding the Purchase Contract Settlement Date, unless the NEE Capital debentures have been previously redeemed in connection with a special event redemption or a mandatory redemption or have been previously successfully remarketed. Any remarketing during the period for early remarketing will occur during one or more three-day remarketing periods that consist of three sequential possible remarketing days selected by NEE Capital and will include the NEE Capital debentures that are components of the Corporate Units and other separate NEE Capital debentures of holders that have elected to include those NEE Capital debentures in the remarketing.

On each remarketing date occurring during the period for early remarketing, the remarketing agents will use their commercially reasonable efforts to obtain a price for the NEE Capital debentures remarketed equal to or greater than 100% of the remarketing Treasury portfolio purchase price plus the separate NEE Capital debentures purchase price plus the remarketing fee. In no event shall the price for the NEE Capital debentures on each remarketing date, if any, occurring during the period for early remarketing be less than a price equal to 100% of the purchase price for the remarketing Treasury portfolio plus the separate NEE Capital debentures purchase price. The proceeds from the remarketing equal to the remarketing Treasury portfolio purchase price will be applied to purchase, on the reset effective date, a remarketing Treasury portfolio consisting of:

- U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the Treasury Portfolio Maturity Deadline in an aggregate amount at maturity equal to the principal amount of the NEE Capital debentures that are components of the Corporate Units;
- if the reset effective date occurs prior to the Three Month Date, with respect to the originally-scheduled quarterly interest payment dates on the NEE Capital debentures that would have occurred on the Three Month Date and the Purchase Contract Settlement Date, U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to (i) the Day Before the Three Month Date (in connection with the interest payment date that would have occurred on the Three Month Date) and (ii) the Treasury Portfolio Maturity Deadline (in connection with the interest payment date that would have occurred on the Purchase Contract Settlement Date), each in an aggregate amount at maturity equal to the aggregate interest payments that would be due on the Three Month Date and the Purchase Contract Settlement Date, respectively, on the principal amount of the NEE Capital debentures that would have been components of the Corporate Units assuming no remarketing and no reset of the interest rate on the NEE Capital debentures as described under “Description of the NEE Capital Debentures—Market Reset Rate” and assuming that interest on the NEE Capital debentures accrued from the reset effective date to, but excluding, the Three Month Date and from the Three Month Date to, but excluding, the Purchase Contract Settlement Date, respectively; and
- if the reset effective date occurs on or after the Three Month Date, with respect to the originally-scheduled quarterly interest payment date on the NEE Capital debentures that would have occurred on the Purchase Contract Settlement Date, U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the Treasury Portfolio Maturity Deadline in an aggregate amount at maturity equal to the aggregate interest payment that would be due on the Purchase Contract Settlement Date on the principal amount of the NEE Capital debentures that would have been components of the Corporate Units assuming no remarketing and no reset of the interest rate on the NEE Capital debentures and assuming that interest on the NEE Capital debentures accrued from the reset effective date to, but excluding, the Purchase Contract Settlement Date.

If U.S. Treasury securities (or principal or interest strips thereof) that are to be included in the remarketing Treasury portfolio have a yield that is less than zero, then instead, at NEE Capital's option, the remarketing Treasury portfolio will consist of an amount in cash equal to the aggregate principal amount at maturity of the applicable U.S. Treasury securities (or principal or interest strips thereof) described above. If the provisions set forth in this paragraph apply, references to "U.S. Treasury securities (or principal or interest strips thereof)" in connection with the remarketing Treasury portfolio will, thereafter, be deemed to be references to such amount of cash.

The remarketing Treasury portfolio will be substituted for the NEE Capital debentures that are components of the Corporate Units and will be pledged to NEE through the collateral agent to secure the Corporate Unit holders' obligations to purchase NEE common stock under the related purchase contracts.

In addition, if a remarketing during the period for early remarketing is successful, the remarketing agents may deduct the remarketing fee from any portion of the proceeds from the remarketing of the NEE Capital debentures that is in excess of the sum of the remarketing Treasury portfolio purchase price and the aggregate separate NEE Capital debentures purchase price, which remarketing fee shall be 25 basis points (0.25%) of the sum of the remarketing Treasury portfolio purchase price and the aggregate separate NEE Capital debentures purchase price. The remarketing agents will then remit the separate NEE Capital debentures purchase price to the holders of NEE Capital debentures that were not a component of Corporate Units and whose holders elected to include those NEE Capital debentures in an early remarketing. The remarketing agents will then remit the remaining portion of the proceeds from the remarketing of those NEE Capital debentures, if any, for the benefit of the holders of the Corporate Units and the holders, prior to remarketing, of NEE Capital debentures that were not a component of Corporate Units and whose holders elected to include those NEE Capital debentures in an early remarketing.

As used in this context, "remarketing Treasury portfolio purchase price" means the lowest aggregate price quoted by a primary U.S. government securities dealer in New York City to the quotation agent on the applicable remarketing day during the period for early remarketing for the purchase of the remarketing Treasury portfolio described above for settlement on the reset effective date; provided that if the remarketing Treasury portfolio consists of cash, "remarketing Treasury portfolio purchase price" means an amount of cash equal to the aggregate principal amount at maturity of the U.S. Treasury securities (or principal or interest strips thereof) that would have otherwise been components of the remarketing Treasury portfolio. "Quotation agent" means any primary U.S. government securities dealer in New York City selected by NEE Capital.

Following a successful remarketing, interest on the NEE Capital debentures will be payable semi-annually at the reset rate. The reset rate on the NEE Capital debentures to the maturity date will be determined on the date that the remarketing agents are able to successfully remarket the NEE Capital debentures. The reset rate and the semi-annual interest payment dates will become effective, if the remarketing is successful, on the reset effective date, which, in the case of a remarketing during the period for early remarketing, will be the third business day immediately following the date of the successful remarketing, unless the remarketing is successful within five business days of the next succeeding interest payment date in which case the reset effective date will be such interest payment date. See "—General," "—Interest and Payment" and "—Market Reset Rate" under "Description of the NEE Capital Debentures." The interest rate and scheduled interest payment dates of NEE Capital debentures that are held by holders that do not participate in a remarketing will still be reset on the reset effective date in accordance with any reset of the interest rate and modification of the scheduled interest payment dates of the NEE Capital debentures in connection with a successful remarketing.

If a remarketing attempt described above is unsuccessful on the first remarketing day of a three-day remarketing period, subsequent remarketings will be attempted as described above on each of the two following remarketing days in that three-day remarketing period until a successful remarketing occurs. If (1) despite using their commercially reasonable efforts, the remarketing agents cannot remarket the NEE Capital debentures at a price equal to at least 100% of the remarketing Treasury portfolio purchase price plus the separate NEE Capital debentures purchase price or (2) the remarketing has not occurred because a condition precedent to the remarketing has not been fulfilled, in each case resulting in an unsuccessful remarketing on each of the three remarketing days comprising the three-day remarketing period, the NEE Capital debentures will continue to be a component of the Corporate Units and additional remarketings may, subject to the next paragraph, be attempted during one or more subsequent three-day remarketing periods as described above.

Unless the NEE Capital debentures have been successfully remarketed on or prior to the ninth business day immediately preceding the Purchase Contract Settlement Date, the NEE Capital debentures that are components of the Corporate Units whose holders have failed to notify the purchase contract agent on or prior to the seventh business day preceding the Purchase Contract Settlement Date of their intention to settle the related purchase contracts with separate cash will, unless a special event redemption or mandatory redemption has occurred or will occur prior to the Purchase Contract Settlement Date, be remarketed during a three-day remarketing period beginning on and including the fifth business day, and ending on and including the third business day, immediately preceding the Purchase Contract Settlement Date. This three-day remarketing period is referred to as the “final three-day remarketing period,” and the third business day immediately preceding the Purchase Contract Settlement Date is referred to as the “final remarketing date.” The reset effective date relating to any remarketing during the final three-day remarketing period will be the Purchase Contract Settlement Date. In this remarketing, the remarketing agents will use their commercially reasonable efforts to obtain a price for the NEE Capital debentures equal to or greater than 100% of the aggregate principal amount of the NEE Capital debentures being remarketed plus the remarketing fee. In no event shall the price for the NEE Capital debentures being remarketed in this remarketing be less than the aggregate principal amount of the NEE Capital debentures being remarketed. A portion of the proceeds from this remarketing equal to the aggregate principal amount of the NEE Capital debentures that are components of the Corporate Units will be automatically applied to satisfy in full the Corporate Unit holders’ obligations to purchase NEE common stock on the Purchase Contract Settlement Date.

If a remarketing during the final three-day remarketing period is successful, the remarketing agents may deduct the remarketing fee from any portion of the proceeds from the remarketing of the NEE Capital debentures that is in excess of the aggregate principal amount of the remarketed NEE Capital debentures, which remarketing fee shall be 25 basis points (0.25%) of the aggregate principal amount of the NEE Capital debentures remarketed. The remarketing agents will then remit any remaining portion of the proceeds for the benefit of the holders. Corporate Unit holders whose component NEE Capital debentures are remarketed as well as holders of separate NEE Capital debentures who elect to participate in the remarketing will not otherwise be responsible for the payment of any remarketing fee in connection with any remarketing.

If the remarketing of the NEE Capital debentures on or prior to the final remarketing date is not successful because the remarketing agents cannot obtain a price of at least 100% of the aggregate principal amount of the NEE Capital debentures being remarketed or a condition precedent to such remarketing has not been fulfilled, all holders of NEE Capital debentures (including beneficial owners of NEE Capital debentures that are components of the Corporate Units) will have the right to put their NEE Capital debentures to NEE Capital on the Purchase Contract Settlement Date for an amount equal to the put price. A holder of Corporate Units will be deemed to have automatically exercised this put right with respect to the NEE Capital debentures that are components of such Corporate Units unless such holder has elected to settle the related purchase contracts with separate cash as described below under “—Notice to Settle with Cash.” Unless a holder of Corporate Units has so elected to settle the related purchase contracts with separate cash, such holder will be deemed to have elected to apply a portion of the put price equal to the principal amount of the NEE Capital debentures against such holder’s obligations to purchase NEE common stock under the related purchase contracts, thereby satisfying such obligations in full, and NEE will deliver to such holder NEE common stock pursuant to the related purchase contracts. Any amount of the put price remaining following settlement of such purchase contracts will be delivered to the purchase contract agent for the benefit of the holder of such Corporate Units.

NEE Capital will announce any remarketing of the NEE Capital debentures on the sixth business day immediately preceding the first remarketing day of a three-day remarketing period and, for the final three-day remarketing period, NEE Capital will announce the remarketing of the NEE Capital debentures on the third business day immediately preceding the first remarketing day of the final three-day remarketing period. Each such announcement (each a “remarketing announcement”) on each such date (each, a “remarketing announcement date”) shall specify

- if the remarketing announcement relates to a remarketing to occur during the period for early remarketing, that
  - the NEE Capital debentures may be remarketed on any and all of the sixth, seventh or eighth business days following the remarketing announcement date,



- the reset effective date will be the third business day following the remarketing date on which the NEE Capital debentures are successfully remarketed, unless the remarketing is successful within five business days of the next succeeding interest payment date in which case the reset effective date will be such interest payment date,
  - the reset rate and interest payment dates for the NEE Capital debentures will be established on the remarketing date on which the NEE Capital debentures are successfully remarketed and effective on and after the reset effective date,
  - the reset rate will equal the coupon rate on the NEE Capital debentures that will enable the NEE Capital debentures to be remarketed at a price equal to 100% of the remarketing Treasury portfolio purchase price and the aggregate separate NEE Capital debentures purchase price plus the remarketing fee, and
  - the remarketing fee will equal 25 basis points (0.25%) of the sum of the remarketing Treasury portfolio purchase price and the aggregate separate NEE Capital debentures purchase price.
- if the remarketing announcement relates to a remarketing to occur during the final three-day remarketing period, that
    - the NEE Capital debentures may be remarketed on any and all of the third, fourth or fifth business days following the remarketing announcement date,
    - the reset effective date will be the Purchase Contract Settlement Date if there is a successful remarketing,
    - the reset rate and interest payment dates for the NEE Capital debentures will be established on the remarketing date on which the NEE Capital debentures are successfully remarketed and effective on and after the reset effective date,
    - the reset rate will equal the coupon rate on the NEE Capital debentures that will enable the NEE Capital debentures to be remarketed at a price equal to 100% of their aggregate principal amount plus the remarketing fee, and
    - the remarketing fee will equal 25 basis points (0.25%) of the aggregate principal amount of the NEE Capital debentures being remarketed.

NEE Capital will cause each remarketing announcement to be published on or prior to the business day following the remarketing announcement date by making a timely release to any appropriate news agency, including Bloomberg News and the Dow Jones Newswires. In addition, NEE Capital will request, not later than ten business days prior to each remarketing announcement date, that the Depositary notify its participants holding NEE Capital debentures, Corporate Units and Treasury Units of the remarketing. If required, NEE Capital will use its commercially reasonable efforts to ensure that a registration statement with respect to the full principal amount of the NEE Capital debentures to be remarketed is effective such that the remarketing agents may rely on it in connection with the remarketing process. If a successful remarketing occurs on a remarketing date, NEE Capital will request the Depositary to notify its participants holding separate NEE Capital debentures of the reset rate and interest payment dates established for the NEE Capital debentures during the remarketing on the business day following the remarketing date on which the NEE Capital debentures were successfully remarketed. If a successful remarketing does not occur during a three-day remarketing period, NEE Capital will cause a notice of the unsuccessful remarketing attempt to be published on the business day following the last of the three remarketing days comprising the three-day remarketing period (which notice, in the event of an unsuccessful remarketing on the final remarketing date, shall be published not later than 9:00 a.m., New York City time, and shall include the procedures that must be followed if a holder of separate NEE Capital debentures wishes to exercise its right to put such NEE Capital debentures to NEE Capital), in each case, by making a timely release to any appropriate news agency, including Bloomberg News and the Dow Jones Newswires.

In connection with a remarketing, holders of NEE Capital debentures that are not a component of the Corporate Units may elect to have their NEE Capital debentures remarketed as described under “Description of the NEE Capital Debentures—Optional Remarketing.”

A holder of Corporate Units may elect not to participate in any remarketing and to retain its applicable ownership interests in NEE Capital debentures that are components of the holder’s Corporate Units by (1) creating Treasury Units at any time prior to the business day preceding any three-day remarketing period, (2) if there has not been a successful remarketing prior to the final three-day remarketing period, providing written notice to the purchase contract agent of the holder’s intention to pay cash to satisfy its obligation under the related purchase contracts on or prior to the seventh business day before the Purchase Contract Settlement Date and delivering the cash payment required under the purchase contracts to the collateral agent on or prior to the sixth business day before the Purchase Contract Settlement Date or (3) settling the related purchase contracts early.

### **Early Settlement by Delivering Cash**

At any time prior to the seventh business day immediately preceding the Purchase Contract Settlement Date, in the case of Corporate Units (of which the applicable ownership interest in a NEE Capital debenture remains a component), or at any time prior to the second business day immediately preceding the Purchase Contract Settlement Date, in the case of Treasury Units (or Corporate Units of which the applicable ownership interest in a NEE Capital debenture no longer is a component, or which remains a component because a successful remarketing did not occur during the final three-day remarketing period), a holder of Equity Units may settle the related purchase contracts in their entirety provided that at such time, if so required under the U.S. federal securities laws, there is in effect a registration statement covering the shares of common stock to be delivered in respect of the purchase contracts being settled, by presenting and surrendering the related Equity Units certificate at the office of the purchase contract agent with the form of “Election to Settle Early/Fundamental Change Early Settlement” on the reverse side of such certificate completed and executed as indicated, accompanied by payment to NEE in immediately available funds of an amount equal to:

- \$50 multiplied by the number of purchase contracts being settled, plus
- if the delivery is made with respect to any purchase contract during the period from the close of business on any record date next preceding any payment date to the opening of business on such payment date, an amount equal to the contract adjustment payments payable, if any, on the payment date with respect to the purchase contract; provided that no payment is required if NEE has elected to defer the contract adjustment payments which would otherwise be payable on the payment date.

If a purchase contract is settled early other than on a fundamental change early settlement date, and other than as discussed under “—Option to Defer Contract Adjustment Payments” with respect to deferred contract adjustment payments, a holder will have no right to receive any accrued and unpaid contract adjustment payments.

If the Treasury portfolio has not replaced the NEE Capital debentures as a component of Corporate Units, holders of Corporate Units will not be permitted to exercise their early settlement right during any period commencing on and including the business day preceding any three-day remarketing period and ending on and including, in the case of a successful remarketing during that three-day remarketing period, the reset effective date or, if none of the remarketings during that three-day remarketing period is successful, the business day following the last remarketing date in the applicable three-day remarketing period.

Holders of Corporate Units may settle early only in integral multiples of 20 Corporate Units. If a Treasury portfolio has replaced the NEE Capital debentures as a component of Corporate Units as a result of a successful remarketing of the NEE Capital debentures, a special event redemption or a mandatory redemption, holders of Corporate Units may settle early only in integral multiples of the Minimum Number of Corporate Units (or such other number of Corporate Units as may be determined by the remarketing agents upon a successful remarketing of NEE Capital debentures if the reset effective date is not a regular quarterly interest payment date). Holders of Treasury Units may settle early only in integral multiples of 20 Treasury Units.

So long as the Equity Units are evidenced by one or more global security certificates deposited with the Depositary, procedures for early settlement will also be governed by standing arrangements between the Depositary and the purchase contract agent.

The early settlement right is also subject to the condition that, if so required under the U.S. federal securities laws, NEE has a registration statement under the Securities Act of 1933 in effect covering the shares of NEE common stock and other securities, if any, deliverable upon settlement of a purchase contract. NEE has agreed that, if so required under the U.S. federal securities laws, NEE will use its commercially reasonable efforts to (1) have a registration statement in effect covering those shares of common stock and other securities to be delivered in respect of the purchase contracts being settled, and (2) provide a prospectus in connection therewith, in each case in a form that may be used in connection with the early settlement.

Upon early settlement of the purchase contracts related to any Corporate Units or Treasury Units:

- the holder will receive a number of newly issued shares of NEE common stock equal to the Minimum Settlement Rate per Corporate Unit or Treasury Unit, regardless of the market price of NEE common stock on the date of early settlement, subject to adjustment under the circumstances described under “—Anti-dilution Adjustments” below, accompanied by an appropriate prospectus if required by law;
- the NEE Capital debentures, the applicable ownership interest in the Treasury portfolio or the Treasury securities, as the case may be, related to the Corporate Units or Treasury Units will be transferred to the holder free and clear of NEE’s security interest;
- the holder’s right to receive future contract adjustment payments will terminate and any accrued and unpaid contract adjustment payments for the period since the most recent quarterly payment date will terminate; and
- no adjustment will be made to or for the holder on account of any accrued and unpaid contract adjustment payments referred to in the previous bullet point.

NEE will not issue any fractional shares of its common stock in connection with early settlement of any purchase contracts. In lieu of fractional shares otherwise issuable (calculated on an aggregate basis) in respect of the purchase contracts being early settled on any date by a holder of Corporate Units or Treasury Units, the holder will be entitled to receive an amount of cash equal to the fraction of a share multiplied by the Threshold Appreciation Price (taking into account any adjustments described under “—Anti-dilution Adjustments.”).

If the purchase contract agent receives an Equity Unit certificate, accompanied by the completed and executed “Election to Settle Early/Fundamental Change Early Settlement” and the required immediately available funds, from a holder of Equity Units by 5:00 p.m., New York City time, on a business day, that day will be considered the settlement date for the purchase contracts that form a component of those Equity Units. If the purchase contract agent receives the necessary documentation and funds after 5:00 p.m., New York City time, on a business day or at any time on a day that is not a business day, the next business day will be considered the settlement date for the purchase contracts that form a component of those Equity Units.

Upon early settlement of purchase contracts in the manner described above, presentation and surrender of the Equity Unit certificate evidencing the related Corporate Units or Treasury Units and payment of any transfer or similar taxes payable by the holder in connection with the issuance of the related NEE common stock to any person other than the holder of the Corporate Units or Treasury Units, NEE will cause the shares of its common stock being purchased to be issued, and the related NEE Capital debentures, the applicable ownership interest in the Treasury portfolio or the Treasury securities, as the case may be, securing the purchase contracts to be released from the pledge under the pledge agreements described under “—Pledged Securities and Pledge Agreements” and transferred, within three business days following the settlement date, to the purchasing holder or the holder’s designee.

### Early Settlement upon a Fundamental Change

Prior to the Purchase Contract Settlement Date, if NEE is involved in a transaction that constitutes a fundamental change (as defined below), then following the fundamental change each holder of an Equity Unit will have the right to accelerate and settle the related purchase contract that is a component of the Equity Unit early at the settlement rate determined as if the applicable market value equaled the stock price (as defined below), plus an additional make-whole amount of shares (such additional make-whole amount of shares being hereafter referred to as the “make-whole shares”), provided that at such time, if so required under the U.S. federal securities laws, there is in effect a registration statement covering the common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled. This right is referred to as the “fundamental change early settlement right.”

NEE will provide each holder of an Equity Unit with a notice of the completion of a fundamental change within five business days thereof. The notice will specify a date, which shall be at least ten days after the date of the notice but no later than the earlier of 20 days after the date of such notice or five business days prior to the Purchase Contract Settlement Date, by which each holder’s fundamental change early settlement right must be exercised. The notice will set forth, among other things, the applicable settlement rate and the kind and amount of securities, cash or other consideration receivable by the holder upon settlement. To exercise the fundamental change early settlement right, a holder of an Equity Unit must deliver to the purchase contract agent, no later than 4:00 p.m., New York City time, on the third business day before the fundamental change early settlement date, the certificate or certificates evidencing its Corporate Units or Treasury Units, and payment of the applicable purchase price in immediately available funds.

A “fundamental change” will be deemed to have occurred if either of the following occurs:

- (1) a “person” or “group” within the meaning of Section 13(d) of the Securities Exchange Act of 1934 has become the direct or indirect “beneficial owner,” as defined in Rule 13d-3 under the Securities Exchange Act of 1934, of NEE common stock representing more than 50% of the voting power of NEE common stock; or
- (2) NEE is involved in a consolidation with or merger into any other person, or any merger of another person into NEE, or any transaction or series of related transactions (other than a merger or consolidation that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of NEE common stock), in each case in which 10% or more of the total consideration paid to NEE’s shareholders consists of cash or cash equivalents.

If a holder exercises the fundamental change early settlement right, NEE will deliver to the holder on the fundamental change early settlement date the kind and amount of securities, cash or other consideration that the holder would have been entitled to receive if it had settled the purchase contract immediately before the fundamental change at the settlement rate described above, plus the additional make-whole shares. The holder will also receive the NEE Capital debentures, the applicable ownership interest in the Treasury portfolio or the Treasury securities that are a component of the Corporate Units or Treasury Units, as the case may be. If a holder of an Equity Unit does not elect to exercise its fundamental change early settlement right, its Corporate Units or Treasury Units will remain outstanding and subject to normal settlement on the Purchase Contract Settlement Date. NEE has agreed that, if so required under the U.S. federal securities laws, NEE will use its commercially reasonable efforts to (1) have in effect a registration statement covering the securities, if any, to be delivered in respect of the purchase contracts being settled and (2) provide a prospectus in connection therewith, in each case in a form that may be used in connection with an early settlement upon a fundamental change. In the event that a holder seeks to exercise its fundamental change early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder’s exercise of such right shall be void unless and until such a registration statement shall be effective and NEE will have no further obligation with respect to any such registration statement if, notwithstanding using its commercially reasonable efforts, no registration statement is then effective.

If the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units, holders of Corporate Units may exercise the fundamental change early settlement right only in integral multiples of the Minimum Number of Corporate Units (or such other number of Corporate Units as may be determined by the



remarketing agents upon a successful remarketing of the NEE Capital debentures if the reset effective date is not a regular quarterly interest payment date). Otherwise, a holder of Corporate Units or Treasury Units may exercise the fundamental change early settlement right only in integral multiples of 20 Corporate Units or 20 Treasury Units, respectively.

*Calculation of the Number of Make-Whole Shares.* The number of make-whole shares per purchase contract applicable to a fundamental change early settlement will be determined by reference to the applicable Fundamental Change Early Settlement Table (set forth in Annex A), based on the date on which the fundamental change becomes effective (the “effective date”) and the “stock price” in the fundamental change, which will be:

- in the case of a fundamental change described in clause (2) in the definition of “fundamental change” above and the holders of NEE common stock receive only cash in such fundamental change, the stock price paid per share will be the cash amount paid per share; or
- otherwise, the stock price paid per share will be the average of the closing prices of NEE common stock over the 20 consecutive trading day period ending on the trading day immediately preceding the effective date of the fundamental change.

The stock prices set forth in the first column heading of the Fundamental Change Early Settlement Tables will be adjusted upon the occurrence of certain events requiring anti-dilution adjustments to the fixed settlement rates. Each of the make-whole share amounts in the tables will be subject to adjustment in the same manner as the fixed settlement rates. See “—Anti-dilution Adjustments.”

The exact stock price and effective date applicable to a fundamental change may not be set forth on the table, in which case:

- if the stock price is between two stock price amounts on the table or the effective date is between two dates on the table, the amount of make-whole shares will be determined by straight line interpolation between the make-whole share amounts set forth for the higher and lower stock price amounts and the two dates, as applicable, based on a 365-day year;
- if the stock price is in excess of the Fundamental Change Early Settlement Table High Price (as defined in Annex A) per share (subject to adjustment as described above), then the amount of make-whole shares will be zero; and
- if the stock price is less than the Fundamental Change Early Settlement Table Low Price (as defined in Annex A) per share (subject to adjustment as described above) (the “minimum stock price”), then the amount of make-whole shares will be determined as if the stock price equaled the minimum stock price, using straight line interpolation, as described above, if the effective date is between two dates on the table.

#### **Notice to Settle with Cash**

A holder of a Corporate Unit (of which the applicable ownership interest in a NEE Capital debenture remains a component) that wishes to settle the related purchase contract with separate cash prior to the final three-day remarketing period must notify the purchase contract agent by presenting and surrendering the certificate evidencing the Corporate Unit at the office of the purchase contract agent with the form of “Notice to Settle by Separate Cash” on the reverse side of the certificate completed and executed as indicated on or prior to 5:00 p.m., New York City time, on the seventh business day immediately preceding the Purchase Contract Settlement Date and delivering the required cash payment to the collateral agent on or prior to 11:00 a.m., New York City time, on the sixth business day immediately preceding the Purchase Contract Settlement Date.

A holder of a Treasury Unit or a Corporate Unit (of which the applicable ownership interest in a NEE Capital debenture is no longer a component or remains a component because a successful remarketing did not occur during the final three-day remarketing period) that wishes to settle the related purchase contract with separate cash

must notify the purchase contract agent by presenting and surrendering the certificate representing the Treasury Unit or the certificate evidencing the Corporate Unit, as the case may be, at the office of the purchase contract agent with the form of “Notice to Settle by Separate Cash” on the reverse side of such certificate completed and executed as indicated on or prior to 5:00 p.m., New York City time, on the second business day immediately preceding the Purchase Contract Settlement Date and delivering the required cash payment to the collateral agent on or prior to 11:00 a.m., New York City time, on the business day immediately preceding the Purchase Contract Settlement Date.

Upon cash settlement, the NEE Capital debenture or the applicable ownership interest in a Treasury portfolio, as the case may be, related to the Corporate Units will be transferred to the holder free and clear of NEE’s security interest. The holder of the Corporate Units will then receive the applicable number of shares of NEE common stock on the Purchase Contract Settlement Date.

Upon cash settlement, the Treasury security related to the Treasury Units will be transferred to the holder free and clear of NEE’s security interest. The holder of the Treasury Units will then receive the applicable number of shares of NEE common stock on the Purchase Contract Settlement Date.

If a holder of a Corporate Unit that has given notice of its intention to settle the purchase contract with separate cash fails to deliver the cash to the collateral agent by the applicable time and date specified above, the NEE Capital debentures component of such holder’s Corporate Units will automatically be remarketed or, if the NEE Capital debentures are not successfully remarketed during the final three-day remarketing period, all holders of NEE Capital debentures (including beneficial owners of NEE Capital debentures that are components of the Corporate Units) will have the right to put their NEE Capital debentures to NEE Capital as described under “—Remarketing” above.

If a holder of a Treasury Unit that has given notice of its intention to settle the purchase contract with separate cash fails to deliver the cash to the collateral agent by the applicable time and date specified above, the proceeds of the Treasury security component of such holder’s Treasury Unit will be used to satisfy the holder’s obligation to purchase NEE common stock under the related purchase contract.

#### **Contract Adjustment Payments**

Contract adjustment payments in respect of Corporate Units and the Treasury Units are fixed at the Contract Adjustment Rate on \$50 per purchase contract per year. Contract adjustment payments payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of contract adjustment payments for any period shorter than a full quarterly period for which contract adjustments payments are computed will be computed on the basis of the number of days in the period using 30-day calendar months. Contract adjustment payments will accrue from the Closing Date (as defined in Annex A) and will be payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, commencing the Initial Payment Date (as defined in Annex A).

Contract adjustment payments will be payable to the holders of purchase contracts as they appear on the books and records of the purchase contract agent on the relevant record dates, which, as long as all of the Equity Units remain in book-entry only form, will be the close of business on the business day immediately prior to the relevant payment date. These distributions will be paid through the purchase contract agent, who will hold amounts received in respect of the contract adjustment payments for the benefit of the holders of the purchase contracts relating to the Equity Units. Subject to any applicable laws and regulations, each such payment will be made as described under “—Book-Entry Only System.” In the event that all of the Equity Units do not remain in book-entry only form, NEE shall have the right to select relevant record dates, which shall be at least one business day but not more than 60 business days prior to the relevant payment dates, and to make payments by check mailed to the specified address of the holder as of the relevant record date or by wire transfer to an account appropriately designated by the holder entitled to payment.

If any date on which contract adjustment payments are to be made is not a business day, then payment of the contract adjustment payments payable on that date will be made on the next succeeding day which is a business day, and no interest or payment will be paid in respect of the delay. However, if such next succeeding business day is in the next succeeding calendar year, that payment will be made on the business day immediately preceding the

scheduled payment date, in each case with the same force and effect as if made on that scheduled payment date. A “business day” means any day other than a Saturday, Sunday or any other day on which banking institutions and trust companies in New York City are permitted or required by any applicable law, regulation or executive order to close.

NEE’s obligations with respect to contract adjustment payments will be subordinate and junior in right of payment to its obligations under any of its senior indebtedness. Upon any payment or distribution of assets of NEE to its creditors upon any dissolution, winding up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other similar proceedings, the holders of NEE’s senior indebtedness shall first be entitled to receive payment in full of all amounts due or to become due thereon, or payment of such amounts shall have been provided for, before the holders of Equity Units shall be entitled to receive any contract adjustment payments with respect to any Equity Unit.

By reason of this subordination, in those events, holders of NEE’s senior indebtedness may receive more, ratably, and holders of the Equity Units may receive less, ratably, than NEE’s other creditors. Because NEE is a holding company, contract adjustment payments on the Equity Units are effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock issued, guaranteed or otherwise incurred by NEE’s subsidiaries. NEE’s subsidiaries are separate and distinct legal entities and have no obligation to pay any contract adjustment payments or to make any funds available for such payment.

In addition, no payment of contract adjustment payments with respect to any Equity Units may be made if:

- any payment default on any senior indebtedness of NEE has occurred and is continuing beyond any applicable grace period; or
- any default on any indebtedness of NEE (other than a payment default with respect to senior indebtedness) occurs and is continuing that permits the acceleration of the maturity on any indebtedness of NEE and the purchase contract agent receives a written notice of such default from NEE or the holders of such senior indebtedness.

#### **Option to Defer Contract Adjustment Payments**

NEE may, at its option and upon prior written notice to the holders of the Equity Units and the purchase contract agent, defer the payment of contract adjustment payments on the related purchase contracts that are a component of the Equity Units otherwise payable on a payment date to any subsequent payment date (a “deferral period”) until no later than the Purchase Contract Settlement Date; provided, however, that in an early settlement upon a fundamental change or any other early settlement of the purchase contracts, NEE will pay deferred contract adjustment payments to but not including the fundamental change settlement date or the most recent quarterly payment date, as applicable. Prior to the expiration of any deferral period, NEE may further extend such deferral period to any subsequent payment date, but not beyond the Purchase Contract Settlement Date (or any applicable early settlement date or fundamental change early settlement date). Any deferred contract adjustment payments will accrue additional contract adjustment payments at the Corporate Unit Aggregate Rate per year until paid, compounded quarterly, which is equal to the rate of total distributions on the Corporate Units. If a purchase contract is settled early other than on a fundamental change early settlement date, and other than as discussed above with respect to deferred contract adjustment payments, a holder will have no right to receive any accrued and unpaid contract adjustment payments. In addition, if the purchase contracts are terminated upon the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to NEE, the right to receive any accrued and unpaid contract adjustment payments and deferred contract adjustment payments will also terminate.

In the event that NEE exercises its right to defer the payment of contract adjustment payments, then, until the deferred contract adjustment payments have been paid, NEE will not declare or pay dividends on, make other distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of its capital stock or make guarantee payments with respect to the foregoing other than:

- purchases, redemptions or other acquisitions of NEE capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors, consultants or agents or a stock purchase or dividend reinvestment plan, or the satisfaction of its obligations pursuant to any contract or security, outstanding on the date that the payment of contract adjustment payments is deferred requiring NEE to purchase, redeem or acquire its capital stock;
- as a result of a reclassification of NEE's capital stock or the exchange or conversion of all or a portion of one class or series of its capital stock, or the capital stock of one of its subsidiaries, for another class or series of its capital stock;
- any exchange, redemption or conversion of any class or series of its indebtedness, or the indebtedness of one of its subsidiaries (with respect to the 6.926% Corporate Units), for any class or series of its capital stock;
- the purchase of fractional interests in shares of NEE capital stock pursuant to the conversion or exchange provisions of the capital stock or securities of the Company or one of its subsidiaries being converted or exchanged, or in connection with the settlement of stock purchase contracts;
- dividends or other distributions paid or made in NEE capital stock (or rights to acquire NEE capital stock), or repurchases, redemptions or acquisitions of capital stock in connection with the issuance or exchange of capital stock (or of securities convertible into or exchangeable for shares of NEE capital stock) and distributions in connection with the settlement of stock purchase contracts; or
- redemptions, exchanges or repurchases of, or with respect to, any rights outstanding under a shareholder rights plan or the declaration or payment thereunder of a dividend or other distribution of or with respect to rights in the future.

NEE's subsidiaries will not be restricted from making any similar payments on their capital stock if NEE exercises its right to defer payment of any contract adjustment payments.

#### **Anti-dilution Adjustments**

In order to maintain a holder's relative investment in NEE common stock upon the occurrence of certain events, each fixed settlement rate will be subject to the following adjustments:

*(1) Stock Dividends.* If NEE pays or makes a dividend or other distribution on NEE common stock in such common stock, each fixed settlement rate in effect at the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution shall be increased by dividing:

- such fixed settlement rate by
- a fraction, the numerator of which shall be the number of shares of NEE common stock outstanding at the close of business on the date fixed for such determination and the denominator of which shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution.

*(2) Stock Purchase Rights.* If NEE issues to all holders of NEE common stock, rights, options, warrants or other securities (that are not available on an equivalent basis to holders of the Equity Units upon settlement of the purchase contracts), entitling them to subscribe for or purchase shares of NEE common stock for a period expiring within 45 days from the date of issuance of such rights, options, warrants or other securities at a price per share of NEE common stock less than the current market price (as defined below) on the date fixed for the determination of shareholders entitled to receive such rights, options, warrants or other securities (other than

pursuant to a dividend reinvestment, stock purchase or similar plan), each fixed settlement rate in effect at the opening of business on the day following the date fixed for such determination shall be increased by dividing:

- such fixed settlement rate by
- a fraction, the numerator of which shall be the number of shares of NEE common stock outstanding at the close of business on the date fixed for such determination plus the number of shares of NEE common stock which the aggregate consideration expected to be received by NEE upon the exercise, conversion or exchange of such rights, options, warrants or other securities would purchase at such current market price and the denominator of which shall be the number of shares of NEE common stock outstanding at the close of business on the date fixed for such determination plus the number of shares of NEE common stock so offered for subscription or purchase, either directly or indirectly.

(3) *Stock Splits, Reverse Splits and Combinations.* If outstanding shares of NEE common stock shall be subdivided, split or reclassified into a greater number of shares of NEE common stock, each fixed settlement rate in effect at the opening of business on the day following the day upon which such subdivision, split or reclassification becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of NEE common stock shall each be combined or reclassified into a smaller number of shares of NEE common stock, each fixed settlement rate in effect at the opening of business on the day following the day upon which such combination or reclassification becomes effective shall be proportionately reduced.

(4) *Debt or Asset Distributions.* If NEE, by dividend or otherwise, distributes to all holders of NEE common stock evidences of its indebtedness or assets (including securities but excluding any rights, options, warrants or other securities referred to in paragraph (2) above, any dividend or other distribution paid exclusively in cash referred to in paragraph (5) below (including the Reference Dividend (as defined in Annex A), as described therein) and any dividend or other distribution of shares of capital stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit in the case of a spin-off referred to below, or dividend or other distribution referred to in paragraph (1) above), each fixed settlement rate in effect immediately prior to the close of business on the date fixed for the determination of shareholders entitled to receive such distribution shall be increased by dividing:

- such fixed settlement rate by
- a fraction, the numerator of which shall be the current market price on the date fixed for such determination less the then fair market value (as determined in good faith by NEE's board of directors, whose good faith determination will be conclusive) of the portion of the assets or evidences of indebtedness so distributed applicable to one share of NEE common stock and the denominator of which shall be such current market price.

In the case of the payment of a dividend or other distribution on NEE common stock of shares of capital stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit of NEE, which is referred to as a "spin-off," the fixed settlement rates in effect immediately before the close of business on the record date fixed for determination of shareholders entitled to receive that distribution will be increased by dividing:

- such fixed settlement rate by
- a fraction, the numerator of which shall be the current market price of NEE common stock and the denominator of which shall be such current market price plus the fair market value (as determined in good faith by NEE's board of directors, whose good faith determination will be conclusive) of those shares of capital stock or similar equity interests so distributed applicable to one share of common stock.

The adjustment to the fixed settlement rates under the preceding paragraph will occur on the date that is the earlier of:



- the tenth trading day from and including the effective date of the spin-off; and
- in the case of any spin-off that is effected simultaneously with an initial public offering of the securities being distributed in the spin-off, the date on which the initial public offering price of the securities being offered in such initial public offering is determined.

For purposes of this section, “initial public offering” means the first time securities of the same class or type as the securities being distributed in the spin-off are offered to the public for cash.

In the event of a spin-off that is not effected simultaneously with an initial public offering of the securities being distributed in the spin-off, the fair market value of the securities to be distributed to holders of NEE common stock means the average of the closing sale prices of those securities over the first ten trading days following the effective date of the spin-off. Also, for purposes of such a spin-off, the current market price of NEE common stock means the average of the closing sale prices of NEE common stock over the first ten trading days following the effective date of the spin-off.

If, however, an initial public offering of the securities being distributed in the spin-off is to be effected simultaneously with the spin-off, the fair market value of the securities being distributed in the spin-off means the initial public offering price, while the current market price of NEE common stock means the closing sale price of NEE common stock on the trading day on which the initial public offering price of the securities being distributed in the spin-off is determined.

*(5) Cash Distributions.* If NEE, by dividend or otherwise, makes distributions to all holders of NEE common stock exclusively in cash during any fiscal quarter (excluding any cash that is distributed in a reorganization event to which the provisions described below under “—Reorganization Events” apply or as part of a distribution referred to in paragraph (4) above) in an amount that exceeds the Reference Dividend per share of NEE common stock, immediately after the close of business on the date fixed for determination of the shareholders entitled to receive such distribution, each fixed settlement rate shall be increased by dividing:

- each fixed settlement rate by
- a fraction, the numerator of which shall be equal to the current market price on the date fixed for such determination less the per share amount of the distribution and the denominator of which shall be equal to such current market price minus the Reference Dividend.

The Reference Dividend is subject to adjustment (without duplication) from time to time whenever the fixed settlement rates are adjusted, in a manner inversely proportional to any such adjustment, provided that no adjustment will be made to the Reference Dividend for any adjustment made to the fixed settlement rates pursuant to this paragraph (5). In the event that such dividend or other distribution is not so paid or made, each fixed settlement rate shall again be adjusted to be the fixed settlement rates which would then be in effect if such dividend or other distribution had not been declared.

*(6) Tender and Exchange Offers.* In case a tender offer or exchange offer made by NEE or any subsidiary for all or any portion of NEE common stock shall expire and such tender offer or exchange offer (as amended through the expiration thereof) shall require the payment to shareholders (based on the acceptance (up to any maximum specified in the terms of the tender offer or exchange offer) of reacquired shares (as defined below)) of an aggregate consideration having a fair market value per share (as determined in good faith by NEE’s board of directors, whose good faith determination will be conclusive) of NEE common stock that exceeds the closing price of NEE common stock on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender offer or exchange offer, then, immediately prior to the opening of business on the trading day after the date of the last time (which is referred to as the “expiration time”) tenders or exchanges could have been made pursuant to such tender offer or exchange offer (as amended through the expiration thereof), each fixed settlement rate shall be increased by dividing:

- each fixed settlement rate immediately prior to the close of business on the date of the expiration time by
- a fraction (A) the numerator of which shall be equal to (i) the product of (x) the current market price of NEE common stock on the date of the expiration time and (y) the number of shares of common stock outstanding (including any tendered or exchanged shares) on the date of the expiration time less (ii) the amount of cash plus the fair market value (as determined in good faith by NEE's board of directors, whose good faith determination will be conclusive) of the aggregate consideration if any, other than cash, payable to shareholders pursuant to the tender offer or exchange offer (assuming the acceptance, up to any maximum specified in the terms of the tender offer or exchange offer, of reacquired shares), and (B) the denominator of which shall be equal to the product of (i) the current market price on the date of the expiration time and (ii) the result of (x) the number of shares of NEE common stock outstanding (including any tendered or exchanged shares) on the date of the expiration time less (y) the number of all shares validly tendered pursuant to the tender offer or exchange offer, not withdrawn and accepted on the date of the expiration time (such validly tendered or exchanged shares, up to any such maximum, being referred to as the "reacquired shares").

The "current market price" per share of NEE common stock or any other security on any day means the average of the daily closing prices for the 20 consecutive trading days preceding the earlier of the day immediately preceding the day in question and the day before the "ex date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "ex date," when used with respect to any issuance or distribution, means the first date on which NEE common stock or such other security, as applicable, trades, regular way, on the principal U.S. securities exchange or quotation system on which NEE common stock or such other security, as applicable, is listed or quoted at that time, without the right to receive the issuance or distribution.

*Reorganization Events.* The following events are defined as "reorganization events":

- any consolidation or merger of NEE with or into another person or of another person with or into NEE, except in cases where NEE is the continuing entity and NEE common stock outstanding immediately prior to the consolidation or merger is not exchanged for cash, securities or other property of NEE or another person;
- any sale, transfer, lease or conveyance to another person of the property of NEE as an entirety or substantially as an entirety;
- any statutory share exchange business combination of NEE with another person (other than a statutory share exchange business combination in which NEE is the continuing entity and in which NEE common stock outstanding immediately prior to the statutory share exchange business combination is not exchanged for cash, securities or other property of NEE or another person); or
- any liquidation, dissolution or winding up of NEE (other than as a result of, or after the occurrence of, bankruptcy, insolvency or reorganization of NEE).

Upon a reorganization event, each Equity Unit shall thereafter, in lieu of a variable number of shares of NEE common stock, be settled by delivery of exchange property units. An "exchange property unit" represents the right to receive the kind and amount of securities, cash and other property receivable in such reorganization event (without any interest thereon, and without any right to dividends or other distributions thereon which have a record date that is prior to the applicable settlement date) per share of NEE common stock by a holder of common stock that is not a person with which NEE is consolidated or into which NEE is merged or which merged into NEE or to which such sale or transfer was made, as the case may be (any such person is referred to as a "constituent person"), or an affiliate of a constituent person, to the extent such reorganization event provides for different treatment of common stock held by NEE's affiliates and non-affiliates. In the event that holders of NEE common stock have the opportunity to elect the form of consideration to be received in such transaction, the exchange property unit that holders of the Corporate Units or Treasury Units would have been entitled to receive will be deemed to be the weighted average of the types and amounts of consideration received by the holders of NEE common stock that affirmatively make an election.

In the event of such a reorganization event, the person formed by such consolidation or merger or the person which acquires NEE's assets shall execute and deliver to the purchase contract agent an agreement providing that the holder of each Equity Unit that remains outstanding after the reorganization event (if any) shall have the rights described in the preceding paragraph. Such supplemental agreement shall provide for adjustments to the amount of any securities constituting all or a portion of an exchange property unit which, for events subsequent to the effective date of such reorganization event, shall be as nearly equivalent as may be practicable to the adjustments provided for in this "—Anti-dilution Adjustments" section. The provisions described in the preceding two paragraphs shall similarly apply to successive reorganization events.

Holders have the right to settle their obligations under the Equity Units early in the event of certain fundamental changes as described above under "—Early Settlement upon a Fundamental Change."

A holder of Equity Units may be treated as receiving a constructive distribution from NEE with respect to the purchase contract if (1) the fixed settlement rates are adjusted (or fail to be adjusted) and, as a result of the adjustment (or failure to adjust), the holder's proportionate interest in NEE's assets or earnings and profits is increased, and (2) the adjustment (or failure to adjust) is not made pursuant to a bona fide, reasonable anti-dilution formula. Thus, under certain circumstances, an increase in (or a failure to decrease) the fixed settlement rates might give rise to a taxable dividend to a holder of Equity Units even though such holder will not receive any cash in connection with the increase in (or failure to decrease) such fixed settlement rate. In addition, non-U.S. holders of Equity Units may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding tax. See "United States Federal Income Tax Discussion—U.S. Holders—Purchase Contracts—Adjustment to Settlement Rate" and "—Non-U.S. Holders—Dividends."

In addition, NEE may, but shall not be required to, increase a fixed settlement rate if its board of directors considers it to be advisable to avoid or diminish any income tax to any holders of shares of its common stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes or for any other reason.

NEE currently does not have a shareholder rights plan with respect to NEE common stock. If NEE later adopts any shareholder rights plan involving the issuance of preferred share purchase rights or other similar rights (the "rights") to all holders of its common stock, a holder of Equity Units shall be entitled to receive upon settlement of any purchase contract, in addition to the shares of common stock issuable upon settlement of such purchase contract, the related rights for the common stock, unless such rights under the future shareholder rights plan have separated from the common stock prior to the time of settlement of such purchase contract, in which case each fixed settlement rate shall be adjusted as discussed under "—(4) Debt or Asset Distributions" above on the date such rights separate from the common stock.

Adjustments to a fixed settlement rate will be calculated to the nearest 1/10,000th of a share. No adjustment to a fixed settlement rate will be required unless the adjustment would require an increase or decrease of at least one percent in such fixed settlement rate; provided, however, that if any adjustment is not required to be made because it would not change the fixed settlement rate by at least one percent, then the adjustment will be carried forward and taken into account in any subsequent adjustment; and provided further that any such adjustment of less than one percent that has not been made shall be made (x) upon the end of NEE's fiscal year and (y) upon the applicable settlement date for a purchase contract.

No adjustment to a fixed settlement rate need be made if holders may participate in the transaction that would otherwise give rise to an adjustment, so long as the distributed assets or securities the holders would receive upon settlement of the purchase contracts, if convertible, exchangeable, or exercisable, are convertible, exchangeable or exercisable, as applicable, without any loss of rights or privileges for a period of at least 45 days following settlement of the purchase contracts.

The fixed settlement rates will not be adjusted:

- upon the issuance of any shares of NEE common stock pursuant to any present or future plan providing for the direct investment in NEE common stock or the reinvestment of dividends or interest payable on

NEE's securities or investment of additional optional amounts in shares of NEE common stock under any plan;

- upon the issuance of any shares of NEE common stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant compensation or other benefit plan or program of or assumed by NEE or any of its subsidiaries;
- upon the issuance of any shares of NEE common stock pursuant to any option, warrant, right or any exercisable, exchangeable or convertible security outstanding as of the date the Equity Units were first issued;
- for a change in the par value or no par value of the common stock;
- for accumulated and unpaid dividends, other than as discussed under this "—Anti-dilution Adjustments" section; or
- upon the issuance of shares of NEE common stock or securities convertible into, or exercisable or exchangeable for, NEE common stock, in public or private transactions, for consideration in cash or property, at any price NEE deems appropriate.

NEE will be required, within ten business days following the adjustment of any fixed settlement rate, to provide written notice to the purchase contract agent of the occurrence of the adjustment and a statement in reasonable detail setting forth the method by which the adjustment to such fixed settlement rate was determined and setting forth the revised fixed settlement rates.

If an adjustment is made to a fixed settlement rate, an adjustment will also be made to the applicable market value solely to determine which of the clauses of the definition of settlement rate will be applicable on the Purchase Contract Settlement Date or any fundamental change early settlement date.

#### **Termination of Purchase Contracts**

The purchase contracts, and NEE's rights and obligations and the rights and obligations of the holders of Equity Units under the purchase contracts, including the right and obligation to purchase NEE common stock and the right to receive accumulated contract adjustment payments or deferred contract adjustment payments, will immediately and automatically terminate upon the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to NEE.

Upon any termination, the collateral agent will release the NEE Capital debentures underlying applicable ownership interests in NEE Capital debentures, the Treasury portfolio or the Treasury securities, as the case may be, held by it from the related pledge agreement to the purchase contract agent for distribution to the holders of Corporate Units and the Treasury Units. If a holder would otherwise have been entitled to receive less than \$1,000 principal amount at maturity of any Treasury security upon termination of the purchase contract, the purchase contract agent will dispose of the security for cash and pay the cash to the holder. Upon any termination, however, the release and distribution may be subject to a delay. In the event that NEE becomes the subject of a proceeding under the U.S. Bankruptcy Code, the delay may occur as a result of the imposition of the automatic stay under the U.S. Bankruptcy Code and continue until the automatic stay has been lifted. NEE expects any such delay to be limited. Moreover, claims relating to the NEE Capital debentures will be subject to the equitable jurisdiction and powers of the bankruptcy court. For example, although NEE does not believe such an argument would prevail, a party in interest in a bankruptcy proceeding might successfully argue that the holders of Corporate Units or Treasury Units should be treated as equity holders, rather than creditors or owners of collateral, in the bankruptcy proceeding.

#### **Pledged Securities and Pledge Agreements**

The applicable ownership interests in the NEE Capital debentures, or, following a successful remarketing during the period for early remarketing, a special event redemption or a mandatory redemption, the applicable

ownership interests in the Treasury portfolio, that are a component of the Corporate Units or, if substituted, the applicable ownership interest in the Treasury securities that are a component of the Treasury Units, collectively referred to as the “pledged securities,” will be pledged to NEE through the collateral agent, for the benefit of NEE, pursuant to a pledge agreement to secure the obligations of holders of Equity Units to purchase NEE common stock under the related purchase contracts. The rights of holders of Equity Units to the related pledged securities will be subject to NEE’s security interest created by such pledge agreement.

No holder of Corporate Units or Treasury Units will be permitted to withdraw the pledged securities related to such Corporate Units or Treasury Units from the related pledge arrangement except:

- in the case of Corporate Units, to substitute Treasury securities for the related NEE Capital debentures or the applicable ownership interest in the Treasury portfolio, as the case may be, as provided for under “Description of the Equity Units—Creating Treasury Units by Substituting a Treasury Security for a NEE Capital Debenture;”
- in the case of Treasury Units, to substitute NEE Capital debentures or the applicable ownership interest in the Treasury portfolio, as the case may be, for the related Treasury securities, as provided for under “Description of the Equity Units—Recreating Corporate Units;” or
- upon the termination, early settlement or cash settlement of the related purchase contracts.

Subject to the security interest and the terms of the respective purchase contract agreements and the pledge agreements, each holder of Corporate Units, unless the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units, will be entitled through the purchase contract agent and the collateral agent to all of the proportional rights and preferences of the related NEE Capital debentures that are components of the Corporate Units, including distribution, voting, redemption, repayment and liquidation rights. Each holder of Treasury Units and each holder of the Corporate Units, if the Treasury portfolio has replaced the NEE Capital debentures as a component of the Corporate Units, will retain beneficial ownership of the related Treasury securities or the applicable ownership interest in the Treasury portfolio, as applicable, pledged in respect of the related purchase contracts. NEE will have no interest in the pledged securities other than its security interest.

Except as described under “Description of the Equity Units—Payments on Corporate Units and Treasury Units,” the collateral agent will, upon receipt of payments, if any, on the pledged securities, distribute the payments to the purchase contract agent, which will in turn distribute those payments to the persons in whose names the related Corporate Units or Treasury Units are registered at the close of business on the record date immediately preceding the date of payment.

#### **Book-Entry Only System**

The Depositary acts as securities depositary for the Equity Units. The Equity Units were issued only as fully-registered securities registered in the name of Cede & Co., the Depositary’s nominee. Fully-registered global security certificates, representing the total aggregate number of Equity Units, were issued and were deposited with the purchase contract agent, as custodian for the Depositary, and bear a legend regarding the restrictions on exchanges and registration of transfer referred to below.

In the event that the Depositary notifies NEE that it is unwilling or unable to continue as a depositary for the global security certificates and no successor depositary has been appointed within 90 days after this notice occurred and is continuing, certificates for the Equity Units will be printed and delivered in exchange for beneficial interests in the global security certificates. NEE may also decide to discontinue use of the system of book-entry transfers through the Depositary (or successor depositary). In that event, Equity Units certificates will be printed and delivered.

As long as the Depositary or its nominee is the registered owner of the global security certificates, the Depositary or the nominee, as the case may be, will be considered the sole owner and holder of the global security certificates and all Equity Units represented by these certificates for all purposes under the Equity Units and the



purchase contract agreements. Except in the limited circumstances referred to above, owners of beneficial interests in global security certificates will not be entitled to have such global security certificates or the Equity Units represented by the global security certificates registered in their names, will not receive or be entitled to receive physical delivery of Equity Unit certificates in exchange for beneficial interests in global security certificates and will not be considered to be owners or holders of global security certificates or any Equity Units represented by these certificates for any purpose under the Equity Units or the purchase contract agreements.

All payments on the Equity Units represented by the global security certificates and all transfers and deliveries of related NEE Capital debentures, Treasury securities, NEE common stock and the Treasury portfolio will be made to the Depositary or its nominee, as the case may be, as the holder of the securities.

Ownership of beneficial interests in the global security certificates is limited to participants or persons that may hold beneficial interests through institutions that have accounts with the Depositary or its nominee. Ownership of beneficial interests in global security certificates will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the Depositary or its nominee, with respect to participants' interests, or any participant, with respect to interests of persons held by the participant on their behalf. Procedures for settlement of purchase contracts on the Purchase Contract Settlement Date or upon early settlement will be governed by arrangements among the Depositary, participants and persons that may hold beneficial interests through participants designed to permit settlement without the physical movement of certificates. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the Depositary from time to time. Neither NEE, NEE Capital nor any of their agents, nor the purchase contract agent nor any of its agents will have any responsibility or liability for any aspect of the Depositary's or any participant's records relating to, or for payments made on account of, beneficial interests in global security certificates, or for maintaining, supervising or reviewing any of the Depositary's records or any participant's records relating to these beneficial ownership interests.

Purchases of global securities under the DTC system must be made by or through direct participants, which will receive a credit for the global securities on DTC's records. The ownership interest of each actual purchaser of each security ("Beneficial Owner") is in turn to be recorded on the direct and indirect participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct participant or indirect participant through which the Beneficial Owner entered into the transaction.

The information in this section concerning the Depositary and the Depositary's book-entry system has been obtained from sources that NEE and NEE Capital believe to be reliable, but neither NEE nor NEE Capital take any responsibility for the accuracy of this information.

#### **CERTAIN OTHER PROVISIONS OF THE PURCHASE CONTRACT AGREEMENTS AND THE PLEDGE AGREEMENTS**

This section briefly summarizes some of the material provisions of the purchase contract agreements and the pledge agreements that are not described elsewhere in Part II. Corporate Units—Description of Equity Units. This summary does not contain a complete description of each purchase contract agreement and each pledge agreement. You should read this summary together with the purchase contract agreements and the pledge agreements for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The purchase contract agreements and pledge agreements have been previously filed with the SEC and are exhibits to the Form 10-K. In addition, each purchase contract agreement is qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

##### **General**

Except as described under "Description of the Purchase Contracts—Book-Entry Only System," distributions on the Equity Units will be payable, purchase contracts will be settled (and documents related to the Equity Units and purchase contracts will be delivered), and transfers of the Equity Units will be registrable, at the

office of the purchase contract agent in New York City. In addition, if all of the Equity Units do not remain in book-entry only form, payment of distributions on the Equity Units may be made, at NEE's option, by check mailed to the address of the holder entitled to payment or by wire transfer to an account appropriately designated by the holder entitled to payment.

Shares of NEE common stock will be delivered on the Purchase Contract Settlement Date (or earlier upon early settlement), or, if the purchase contracts have terminated, the related pledged securities will be delivered (potentially after a delay as a result of the imposition of the automatic stay under the U.S. Bankruptcy Code (see "Description of the Purchase Contracts—Termination of Purchase Contracts")), at the office of the purchase contract agent upon presentation and surrender of the related Equity Unit certificate.

If a holder of outstanding Corporate Units or Treasury Units fails to present and surrender the certificate evidencing the Corporate Units or Treasury Units to the purchase contract agent on or before the Purchase Contract Settlement Date (or earlier upon early settlement), the shares of NEE common stock issuable in settlement of the related purchase contract will be registered in the name of the purchase contract agent. The shares, together with any distributions thereon, will be held by the purchase contract agent as agent for the benefit of the holder until the applicable certificate is presented and surrendered or the holder provides satisfactory evidence that the certificate has been destroyed, mutilated, lost or stolen, together with any indemnity that may be required by the purchase contract agent and NEE.

If the purchase contracts have terminated prior to the Purchase Contract Settlement Date, the related pledged securities have been transferred to the purchase contract agent for distribution to the holders, and a holder fails to present and surrender the Equity Unit certificate evidencing the holder's Corporate Units or Treasury Units to the purchase contract agent, the related pledged securities delivered to the purchase contract agent and payments on the pledged securities will be held by the purchase contract agent as agent for the benefit of the holder until the applicable certificate is presented and surrendered or the holder provides the evidence and the indemnity described above.

The purchase contract agent will have no obligation to invest or to pay interest on any amounts held by the purchase contract agent pending distribution to any holder.

No service charge will be made for any registration of transfer or exchange of the Equity Units, except for any tax or other governmental charge that may be imposed in connection therewith.

#### **Modification**

Each purchase contract agreement and pledge agreement contains provisions permitting NEE and the purchase contract agent, and in the case of the pledge agreements, the collateral agent, to modify the terms of the purchase contracts, such purchase contract agreement or the pledge agreement without the consent of the holders for any of the following purposes:

- to evidence the succession of another person to NEE's obligations;
- to add to the covenants for the benefit of holders or to surrender any right or power of NEE under those agreements;
- to evidence and provide for the acceptance of appointment of a successor purchase contract agent or a successor collateral agent, custodial agent or securities intermediary;
- to cure any ambiguity, to correct or supplement any provisions that may be inconsistent with any other provision or to make such other provisions with respect to matters or questions arising under the purchase contract agreement and the pledge agreement, respectively, that do not adversely affect the interests of any holders in any material respect, provided that any amendment made solely to conform the provisions of such purchase contract agreement and the pledge agreement, respectively, to the description of the Equity Units contained in the applicable prospectus supplement relating to the Equity

Units, the purchase contracts and the other components of the Equity Units will not be deemed to adversely affect the interests of the holders; or

- in the case of the purchase contract agreement only, to make provision with respect to the rights of holders pursuant to adjustments due to consolidations, mergers or other reorganization events.

Each purchase contract agreement and pledge agreement contains provisions permitting NEE and the purchase contract agent, and in the case of the pledge agreements, the collateral agent, with the consent of the holders of not less than a majority of the purchase contracts at the time outstanding, to modify the terms of such purchase contract, purchase contract agreement and pledge agreement. However, no such modification may, without the consent of the holder of each outstanding purchase contract affected by the modification:

- change any payment date;
- change the amount or type of pledged securities related to the purchase contract;
- impair the right of the holder of any Equity Unit to receive distributions on the pledged securities or otherwise adversely affect the holder's rights in or to the pledged securities;
- reduce any contract adjustment payments or any deferred contract adjustment payments, or change the place or currency of payment;
- impair the right to institute suit for the enforcement of the purchase contract, any contract adjustment payments or any deferred contract adjustment payments;
- except as required pursuant to any anti-dilution adjustment, reduce the number of shares of NEE common stock or the amount of any other property purchasable under a purchase contract, increase the price to purchase NEE common stock or any other property upon settlement of any purchase contract, change the Purchase Contract Settlement Date or the right to early settlement or fundamental change early settlement or otherwise adversely affect the holder's rights under a purchase contract in any material respect; or
- reduce the percentage of outstanding purchase contracts the consent of the holders of which is required for the modification or amendment of the provisions of the purchase contracts, the purchase contract agreements or the pledge agreements.

If any amendment or proposal referred to above would adversely affect only the Corporate Units or the Treasury Units, then only the affected class of holders will be entitled to vote on the amendment or proposal and the amendment or proposal will not be effective except with the consent of the holders of not less than a majority of the affected class or, if referred to in the seven preceding bullet points, all of the holders of the affected class.

#### **No Consent to Assumption**

Each holder of Corporate Units or Treasury Units, by acceptance of those securities, will under the terms of the purchase contract agreements and the Corporate Units or Treasury Units, as applicable, be deemed expressly to have withheld any consent to the assumption (i.e., affirmance) of the related purchase contracts by NEE or its trustee if NEE becomes the subject of a case under the U.S. Bankruptcy Code.

#### **Consolidation, Merger, Sale or Conveyance**

NEE covenanted in the purchase contract agreements that it will not merge or consolidate with or into any other entity or sell, assign, transfer, lease or convey all or substantially all of its properties and assets to any person or entity, unless:

- NEE is the continuing entity, or the successor entity is an entity organized and existing under the laws of the United States, any state thereof or the District of Columbia and expressly assumes NEE's obligations under the purchase contracts, the purchase contract agreements, the pledge agreements, the guarantee agreement and each remarketing agreement; and
- NEE or the successor entity is not, immediately after the merger, consolidation, sale, assignment, transfer, lease or conveyance, in default of its payment obligations under the purchase contracts, the purchase contract agreements, the pledge agreements, the guarantee agreement or each remarketing agreement or in material default in the performance of any of its other obligations under these agreements.

#### **Title**

NEE, NEE Capital, the purchase contract agent, the collateral agent and any agent of NEE, NEE Capital, the purchase contract agent or the collateral agent may treat the registered owner of an Equity Unit as the absolute owner of that Equity Unit for the purpose of making payments and settling the related purchase contracts and for all other purposes regardless of any notice to the contrary.

#### **Replacement of Equity Unit Certificates**

In the event that physical certificates have been issued, any mutilated Equity Unit certificate will be replaced by NEE at the expense of the holder upon surrender of the certificate to the purchase contract agent. Equity Units certificates that have been destroyed, lost or stolen will be replaced by NEE at the expense of the holder upon delivery to NEE and the purchase contract agent of evidence of the destruction, loss or theft satisfactory to NEE and the purchase contract agent. In the case of a destroyed, lost or stolen Equity Unit certificate, an indemnity satisfactory to NEE and the purchase contract agent may be required at the expense of the holder of the Equity Units evidenced by the certificate before a replacement will be issued.

Notwithstanding the foregoing, NEE will not be obligated to issue any certificates for Corporate Units or Treasury Units on or after

- the business day immediately preceding the earliest of
  - any early settlement date,
  - any fundamental change early settlement date, or
  - the Purchase Contract Settlement Date or
- the date on which the purchase contracts have terminated.

Each purchase contract agreement provides that, in lieu of the delivery of a replacement Equity Unit certificate following the Purchase Contract Settlement Date, the purchase contract agent, upon delivery of the evidence and indemnity described above, will deliver NEE common stock issuable pursuant to the purchase contracts included in Corporate Units or Treasury Units evidenced by the certificate, or, if the purchase contracts have terminated prior to the Purchase Contract Settlement Date, transfer the pledged securities included in Corporate Units or Treasury Units evidenced by the certificate.

#### **Defaults under the Purchase Contract Agreements**

Within 90 days after the occurrence of any default by NEE in any of its obligations under a purchase contract agreement of which the purchase contract agent has received written notice at the corporate trust office of the purchase contract agent, the purchase contract agent will give notice of such default to the holders of the related Equity Units unless such default has been cured or waived. Except for a default in any payment obligation under a

purchase contract agreement, the purchase contract agent will be protected in withholding such notice if and so long as a responsible officer of the purchase contract agent in good faith determines that the withholding of such notice is in the interests of the holders of Equity Units.

The purchase contract agent is not required to enforce any of the provisions of a purchase contract agreement against NEE. Each holder of Equity Units shall have the right to institute suit for the enforcement of any payment of contract adjustment payments then due and payable and the right to purchase NEE common stock as provided in such holder's purchase contracts and generally exercise any other rights and remedies provided by law.

The holders of a majority of the outstanding purchase contracts under the related purchase contract agreement voting as one class may waive any past default by NEE and its consequences, except a default (1) in any payment on any Equity Unit or (2) in respect of a provision of such purchase contract agreement which cannot be modified or amended without the consent of the holder of each outstanding Equity Unit affected.

The Trust Indenture Act of 1939 requires NEE to provide annually to the purchase contract agent a certificate of one of its principal officers as to NEE's compliance with all conditions and covenants in a purchase contract agreement.

### **Governing Law**

The purchase contract agreements, the pledge agreements and the purchase contracts are governed by, and will be interpreted in accordance with, the laws of the State of New York without regard to New York's conflict of laws principles, except to the extent that the laws of any other jurisdiction are mandatorily applicable.

### **Information Concerning the Purchase Contract Agent**

The Bank of New York Mellon is the purchase contract agent. The purchase contract agent acts as the agent for the holders of Corporate Units and the Treasury Units from time to time. The purchase contract agreements do not obligate the purchase contract agent to exercise any discretionary actions in connection with a default under the terms of the Corporate Units and the Treasury Units or a purchase contract agreement.

The purchase contract agreements contain provisions limiting the liability of the purchase contract agent. The purchase contract agreements contain provisions under which the purchase contract agent may resign or be replaced. This resignation or replacement would be effective upon the appointment of a successor.

The Bank of New York Mellon also acts, and may act, as trustee under various indentures, trusts and guarantees of NEE and its affiliates, including as indenture trustee, security registrar and paying agent under the indenture and as guarantee trustee under the guarantee agreement. NEE and its affiliates maintain various banking and trust relationships with The Bank of New York Mellon.

### **Information Concerning the Collateral Agent**

Deutsche Bank Trust Company Americas is the collateral agent. The collateral agent will act solely as NEE's agent and will not assume any obligation or relationship of agency or trust for or with any of the holders of Corporate Units and Treasury Units except for the obligations owed by a pledgee of property to the owner of the property under the pledge agreement and applicable law.

The pledge agreements contain provisions limiting the liability of the collateral agent. The pledge agreements contain provisions under which the collateral agent may resign or be replaced. This resignation or replacement would be effective upon the appointment of a successor.

NEE and its affiliates maintain various banking and trust relationships with Deutsche Bank Trust Company Americas and its affiliates.



## Miscellaneous

NEE will pay all fees and expenses related to the retention of the collateral agent and the enforcement by the purchase contract agent of the rights of the holders of the Equity Units.

Holders that elect to substitute the related pledged securities, thereby creating Treasury Units or recreating Corporate Units, will be responsible for any fees or expenses payable in connection with the substitution, as well as any commissions, fees or other expenses incurred in acquiring the pledged securities to be substituted, and NEE will not be responsible for any of those fees or expenses.

## DESCRIPTION OF THE NEE CAPITAL DEBENTURES

This section briefly summarizes some of the terms of the NEE Capital debentures and some of the provisions of the indenture. This summary does not contain a complete description of the NEE Capital debentures or the indenture referred to below. You should read this summary together with the indenture and the officer's certificate creating the NEE Capital debentures for a complete understanding of all the provisions of the NEE Capital debentures and for the definitions of some terms used in this summary. The indenture and the officer's certificates have been previously filed with the SEC and are exhibits to the Form 10-K. In addition, the indenture is qualified under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

### General

NEE Capital issued

- \$2,500,000,000 in aggregate principal amount of the NEE Capital Series K Debentures due March 1, 2025 which are a component of the 5.279% Corporate Units,
- \$2,000,000,000 in aggregate principal amount of the NEE Capital Series L Debentures due September 1, 2025 which are a component of the 6.219% Corporate Units, and
- \$2,000,000,000 in aggregate principal amount of the NEE Capital Series M Debentures due September 1, 2027 which are a component of the 6.926% Corporate Units,

in each case under an indenture, dated as of June 1, 1999, as amended, referred to as the "indenture," between NEE Capital and The Bank of New York Mellon, as indenture trustee. An officer's certificate supplemented the indenture and created the specific terms of each series of the NEE Capital debentures. In addition to acting as purchase contract agent with respect to the Equity Units, The Bank of New York Mellon acts as indenture trustee, security registrar and paying agent under the indenture and as guarantee trustee under the guarantee agreement with respect to the NEE Capital debentures. Under the indenture, NEE Capital may issue an unlimited amount of additional debt securities. The NEE Capital debentures and all other debentures, notes or other debt of NEE Capital issued previously or hereafter under the indenture are collectively referred to as the "Senior Debt Securities."

The indenture provides that NEE Capital may not grant a lien on the capital stock of any of its majority-owned subsidiaries which shares of capital stock NEE Capital now or hereafter directly owns to secure indebtedness of NEE Capital without similarly securing the NEE Capital debentures, with certain exceptions. However, the indenture does not limit the aggregate amount of indebtedness that NEE Capital and its subsidiaries may issue, guarantee or otherwise incur nor does it limit the ability of NEE Capital's subsidiaries to grant a lien on any of their assets, including the capital stock of their respective subsidiaries. The guarantee agreement referred to below under "—Mandatory Redemption" does not limit the aggregate amount of indebtedness NEE and its subsidiaries may issue, guarantee or otherwise incur.

NEE Capital's corporate parent, NEE, absolutely, irrevocably and unconditionally guarantees the payment of principal, interest and premium, if any, on the NEE Capital debentures. The NEE Capital debentures and the guarantee are unsecured and unsubordinated and rank equally with other unsecured and unsubordinated

indebtedness from time to time outstanding of NEE Capital and NEE, respectively. See “Description of NEE Guarantee” below.

Unless an earlier redemption has occurred, the entire principal amount of the NEE Capital debentures will mature and become due and payable, together with any accrued and unpaid interest, on the NEE Capital Debenture Maturity Date (as defined in Annex A). Except as described below under “—Mandatory Redemption” and except for a special event redemption as described below under “—Special Event Redemption,” the NEE Capital debentures will not be redeemable by NEE Capital.

NEE Capital debentures which are a component of the Corporate Units were issued in certificated form, in denominations of \$1,000 and integral multiples of \$1,000, without coupons; provided, however, that upon release by the collateral agent of NEE Capital debentures underlying the applicable ownership interests in the NEE Capital debentures pledged to secure the Corporate Units holders’ obligations to purchase NEE common stock under the related purchase contracts (other than any release of the NEE Capital debentures in connection with the creation of Treasury Units, an early settlement with separate cash, an early settlement upon a fundamental change, or a remarketing, each as described under “Description of the Purchase Contracts”), the NEE Capital debentures will be issuable in denominations of \$50 principal amount and integral multiples thereof. The NEE Capital debentures may be transferred or exchanged, without service charge but upon payment of any taxes or other governmental charges payable in connection with the transfer or exchange, at the office described below.

Payments on NEE Capital debentures issued as a global security will be made to the Depository, a successor depository or, in the event that no depository is used, to a paying agent for the NEE Capital debentures. Principal and interest with respect to certificated NEE Capital debentures will be payable, the transfer of the NEE Capital debentures will be registrable and NEE Capital debentures will be exchangeable for NEE Capital debentures of a like aggregate principal amount in denominations of \$1,000 and integral multiples of \$1,000 (unless the NEE Capital debentures have previously been issued in denominations of \$50 and integral multiples thereof, in which case debentures will be exchangeable for a like aggregate principal amount in denominations of \$50 and integral multiples of \$50), at the office or agency maintained by NEE Capital for this purpose in New York City. However, at NEE Capital’s option, payment of interest may be made by check mailed to the address of the holder entitled to payment or by wire transfer to an account appropriately designated by the holder entitled to payment.

Each Corporate Unit includes a 5% undivided beneficial ownership interest in a NEE Capital debenture in the principal amount of \$1,000 that corresponds to the stated amount of \$50 per Corporate Unit.

The indenture trustee is initially the security registrar and the paying agent for the NEE Capital debentures. All transactions with respect to the NEE Capital debentures, including registration, transfer and exchange of the NEE Capital debentures, will be handled by the security registrar at an office in New York City designated by NEE Capital. NEE Capital has initially designated the corporate trust office of the indenture trustee as that office. In addition, holders of NEE Capital debentures should address any notices to NEE Capital regarding the NEE Capital debentures to that office. NEE Capital will notify holders of NEE Capital debentures of any change in the location of that office.

## **Interest and Payment**

Each NEE Capital debenture bears interest initially at the respective Initial Interest Rate (as defined in Annex A) per year from the original issuance date to, but excluding, the reset effective date or, if no successful remarketing of the NEE Capital debentures of such series occurs, the respective NEE Capital Debenture Maturity Date. On or prior to the reset effective date, interest payments will be payable quarterly in arrears on each March 1, June 1, September 1 and December 1, each a “quarterly interest payment date,” commencing on the Initial Payment Date for such NEE Capital debentures. In addition, if the reset effective date falls on a day that is not also a quarterly interest payment date, holders of NEE Capital debentures will receive on the reset effective date a payment of accrued and unpaid interest from the most recent quarterly interest payment date to, but excluding, the reset effective date. In addition, for U.S. federal income tax purposes OID will accrue on the NEE Capital debentures. See “United States Federal Income Tax Discussion—U.S. Holders—NEE Capital Debentures—Original Issue Discount.”

The interest rate on the NEE Capital debentures will be reset to the reset rate upon a successful remarketing as described above under “Description of the Purchase Contracts—Remarketing.” The reset rate will become effective on the reset effective date, which is three business days immediately following a successful remarketing, unless the remarketing is successful within five business days of the next succeeding interest payment date, in which case such interest payment date will be the reset effective date; provided that in the event of a successful remarketing during the final three-day remarketing period, the reset effective date will be the Purchase Contract Settlement Date. Following a successful remarketing of the NEE Capital debentures, the NEE Capital debentures will bear interest from the reset effective date at the reset rate to, but excluding, the NEE Capital Debenture Maturity Date. From the reset effective date, interest payments on all NEE Capital debentures will be paid semi-annually in arrears on interest payment dates to be selected by NEE Capital. Semi-annual interest payments will include interest accrued from and including the immediately preceding semi-annual interest payment date or, in the case of the first semi-annual interest payment date following the reset effective date, from the reset effective date.

If no successful remarketing of the NEE Capital debentures occurs, the interest rate on the NEE Capital debentures will not be reset and interest payments on all NEE Capital debentures will remain payable quarterly in arrears on the originally-scheduled quarterly interest payment dates.

The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly or semi-annual period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months. Interest on the NEE Capital debentures will be payable to the holders of NEE Capital debentures as they appear on the books and records of the securities registrar on the relevant record dates which, as long as all of the NEE Capital debentures remain in certificated form and are held by the purchase contract agent or are held in book-entry only form, will be one business day prior to the relevant payment date. In the event that NEE Capital debentures remain in certificated form but all are not held by the purchase contract agent or are not held in book-entry only form, NEE Capital shall have the right to select relevant record dates, which shall be at least one business day but no more than 60 business days prior to the relevant payment dates, and to make payments by check mailed to the address of the holder as of the relevant record date or by wire transfer to an account appropriately designated by the holder entitled to payment. In the event that any date on which interest is payable on the NEE Capital debentures is not a business day, then payment of the interest payable on that date will be made on the next succeeding day which is a business day, and no interest or payment will be paid in respect of the delay. However, if that business day is in the next succeeding calendar year, that payment will be made on the immediately preceding business day, in each case with the same force and effect as if made on the scheduled payment date.

#### **Market Reset Rate**

The reset rate will be equal to the rate that is sufficient to allow a successful remarketing of the NEE Capital debentures and will be determined by the remarketing agents. In the case of a reset prior to the final three-day remarketing period, which rate would be effective on the third day following the date of such successful remarketing, unless the remarketing is successful within five business days of the next succeeding interest payment date in which case such interest payment date will be the reset effective date, the reset rate will be the rate determined by the remarketing agents as the rate the NEE Capital debentures should bear in order for the NEE Capital debentures that are components of the Corporate Units to have an aggregate market value on the reset effective date of at least 100% of the Treasury portfolio purchase price described under “Description of the Purchase Contracts—Remarketing” plus the aggregate separate NEE Capital debenture purchase price plus the remarketing fee. In the case of a reset during the final three-day remarketing period, the reset rate will be the rate determined by the remarketing agents as the rate the NEE Capital debentures should bear in order for each NEE Capital debenture being remarketed to have an aggregate market value of at least 100% of the principal amount of the NEE Capital debenture plus the remarketing fee. The reset rate will in no event exceed the maximum rate, if any, permitted by applicable law.

If the NEE Capital debentures are not successfully remarketed, the interest rate will not be reset and the NEE Capital debentures will continue to bear interest at the Initial Interest Rate, payable quarterly in arrears.

### **Optional Remarketing**

On or prior to the second business day, but no earlier than the fifth business day immediately preceding the first of the three sequential remarketing days of any three-day remarketing period, holders of NEE Capital debentures that are not components of Corporate Units may elect to have their NEE Capital debentures remarketed in the same manner as NEE Capital debentures that are a component of Corporate Units by delivering their NEE Capital debentures, along with a notice of this election to the custodial agent. By delivering such notice, holders will elect to have their NEE Capital debentures remarketed in each remarketing attempt during the applicable three-day remarketing period. The custodial agent will hold the NEE Capital debentures in an account separate from the collateral account in which the pledged securities will be held. Holders of NEE Capital debentures electing to have those NEE Capital debentures remarketed will also have the right to withdraw the election on or prior to the second business day immediately preceding the first of the three sequential remarketing days of the applicable three-day remarketing period. If each remarketing attempt during the applicable three-day remarketing period is unsuccessful, the custodial agent will return the NEE Capital debentures that are not a component of the Corporate Units to their holders and these holders may elect to have their NEE Capital debentures included in the remarketings during each subsequent three-day remarketing period by redelivering their NEE Capital debentures and notice of election in the manner described in this paragraph. Holders of Treasury Units that are also holders of NEE Capital debentures that are not part of the Corporate Units may also participate in any remarketing by recreating Corporate Units from their Treasury Units on or prior to the second business day immediately prior to the first of the three sequential remarketing days of any three-day remarketing period.

### **Put Right Following Unsuccessful Final Remarketing**

If the NEE Capital debentures have not been successfully remarketed prior to the Purchase Contract Settlement Date, holders of all NEE Capital debentures (including beneficial owners of NEE Capital debentures that are components of the Corporate Units) will have the right to put their NEE Capital debentures to NEE Capital on the Purchase Contract Settlement Date, upon at least two business days' prior written notice to the purchase contract agent, for an amount equal to the put price. A holder of Corporate Units will be deemed to have automatically exercised this put right with respect to the NEE Capital debentures that are components of such Corporate Units as described under "Description of the Purchase Contracts—Remarketing," unless the holder settles the related purchase contracts with separate cash as described under "Description of the Purchase Contracts—Early Settlement by Delivering Cash" and "—Notice to Settle with Cash."

### **Mandatory Redemption**

The following constitute "Guarantor Events" with respect to the NEE Capital debentures:

- the guarantee agreement, dated as of June 1, 1999, between NEE, as guarantor, and The Bank of New York Mellon, as guarantee trustee, ceases to be in full force and effect;
- a court issues a decree ordering or acknowledging the bankruptcy or insolvency of NEE, or appointing a custodian, receiver or other similar official for NEE, or ordering the winding up or liquidation of its affairs, and the decree remains in effect for 90 days; or
- NEE seeks or consents to relief under federal or state bankruptcy or insolvency laws, or to the appointment of a custodian, receiver or other similar official for NEE, or makes an assignment for the benefit of its creditors, or admits in writing that it is bankrupt or insolvent.

NEE Capital shall, if a Guarantor Event occurs and is continuing, redeem all of the outstanding NEE Capital debentures within 60 days after the occurrence of the Guarantor Event at a redemption price described below unless, within 30 days after the occurrence of the Guarantor Event, S&P Global Ratings, a division of S&P Global Inc., and Moody's Investors Service, Inc. (if the outstanding NEE Capital debentures are then rated by those rating agencies, or, if the outstanding NEE Capital debentures are then rated by only one of those rating agencies, then such rating agency, or, if the outstanding NEE Capital debentures are not then rated by either one of those rating agencies but are then rated by one or more other nationally recognized rating agencies, then at least one of those

other nationally recognized rating agencies) shall have reaffirmed in writing that, after giving effect to such Guarantor Event, the credit rating on the outstanding NEE Capital debentures is investment grade (i.e., in one of the four highest categories, without regard to subcategories within such rating categories, of such rating agency).

If a Guarantor Event occurs and NEE Capital is not required to redeem the outstanding NEE Capital debentures as described above, NEE Capital will provide to the indenture trustee and the holders of the outstanding NEE Capital debentures annual and quarterly reports containing the information that NEE Capital would be required to file with the SEC under Section 13 or Section 15(d) of the Securities Exchange Act of 1934 if it were subject to the reporting requirements of either of those Sections. If NEE Capital is, at that time, subject to the reporting requirements of either of those Sections, the filing of annual and quarterly reports with the SEC pursuant to either of those Sections will satisfy this requirement.

If NEE Capital is required to redeem all of the outstanding NEE Capital debentures following a Guarantor Event:

- prior to the applicable Purchase Contract Settlement Date, if the purchase contracts have been previously or concurrently terminated as described under “Description of the Purchase Contracts—Termination of Purchase Contracts,” the mandatory redemption price will be equal to the principal amount of each NEE Capital debenture plus accrued and unpaid interest, if any, to, but excluding, the date of redemption;
- prior to the applicable Purchase Contract Settlement Date, if the purchase contracts have not been so previously or concurrently terminated, the mandatory redemption price will be equal to, for each NEE Capital debenture, the redemption amount described below under “—Special Event Redemption” plus accrued and unpaid interest, if any, to, but excluding, the date of redemption, and such redemption price will be distributed to the collateral agent, as described below under “—Special Event Redemption”; or
- on or after the applicable Purchase Contract Settlement Date, the mandatory redemption price will be equal to the principal amount of each NEE Capital debenture plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

### **Special Event Redemption**

If a special event occurs and is continuing, NEE Capital may, at its option, redeem the NEE Capital debentures in whole but not in part at any time at a price, which is referred to as the “redemption price,” equal to, for each NEE Capital debenture, the redemption amount described below plus accrued and unpaid interest, if any, to, but excluding, the date of redemption. Installments of interest on NEE Capital debentures which are due and payable on or prior to a redemption date will be payable to the holders of NEE Capital debentures registered as such at the close of business on the relevant record dates. If, following the occurrence of a special event, NEE Capital exercises its option to redeem the NEE Capital debentures, the proceeds of the redemption will be payable in cash to the holders of NEE Capital debentures which are not part of Corporate Units. If the special event redemption occurs prior to a successful remarketing of the NEE Capital debentures, or if the NEE Capital debentures are not successfully remarketed prior to the Purchase Contract Settlement Date, the redemption price for the NEE Capital debentures that are components of the Corporate Units at the time of the special event redemption will be distributed to the collateral agent, who in turn will purchase the Treasury portfolio described below on behalf of the holders of Corporate Units and remit the remainder of the redemption price, if any, to the purchase contract agent for payment to the holders. Thereafter, the applicable ownership interests in the Treasury portfolio will be substituted for the applicable ownership interests in the NEE Capital debentures and will be pledged to NEE through the collateral agent to secure the Corporate Unit holders’ obligations to purchase NEE common stock under the purchase contracts.

“Special event” means either an accounting event or a tax event, each as defined below.



“Accounting event” means the receipt by the audit committee of NEE’s Board of Directors (or, if there is no such committee, by such Board of Directors) of a written report in accordance with Statement on Auditing Standards (“SAS”) No. 97, “Amendment to SAS No. 50—Reports on the Application of Accounting Principles,” from NEE’s independent auditors, provided at the request of NEE management, to the effect that, as a result of a change in accounting rules that becomes effective after the Closing Date, NEE must either (1) account for the purchase contracts as derivatives (or otherwise mark-to-market or measure the fair value of all or any portion of the purchase contracts with changes appearing in NEE’s income statement) or (2) account for the Equity Units using the if-converted method, and that such accounting treatment will cease to apply upon redemption of the NEE Capital debentures.

“Tax event” means the receipt by NEE Capital of an opinion of nationally recognized independent tax counsel experienced in such matters (which may be Morgan, Lewis & Bockius LLP or Squire Patton Boggs (US) LLP) to the effect that there is more than an insubstantial risk that interest payable by NEE Capital on the NEE Capital debentures would not be deductible, in whole or in part, by NEE Capital for U.S. federal income tax purposes as a result of any amendment to, change in, or announced proposed change in, the laws, or any regulations thereunder, of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, any amendment to or change in an interpretation or application of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority or any interpretation or pronouncement by any legislative body, court, governmental agency or regulatory authority that provides for a position with respect to any such laws or regulations that differs from the generally accepted position on the Tax Event Measurement Date (as defined in Annex A), which amendment, change or proposed change is effective or which interpretation or pronouncement is announced on or after the Tax Event Measurement Date.

“Redemption amount” means

- in the case of a special event redemption occurring prior to the earlier of (1) a successful remarketing or (2) the Purchase Contract Settlement Date, for each NEE Capital debenture, the product of the principal amount of that NEE Capital debenture and a fraction, the numerator of which is the Treasury portfolio purchase price and the denominator of which is the aggregate principal amount of the NEE Capital debentures included in Corporate Units on the special event redemption date, and
- in the case of a special event redemption occurring on or after the earlier of (1) a successful remarketing or (2) the Purchase Contract Settlement Date, for each NEE Capital debenture outstanding on the special event redemption date, the principal amount of the NEE Capital debenture.

Depending on the Treasury portfolio purchase price, the redemption amount could be less than or greater than the principal amount of the NEE Capital debentures.

As used in this context, “Treasury portfolio purchase price” means the lowest aggregate price quoted by a primary U.S. government securities dealer in New York City to the quotation agent on the third business day immediately preceding the special event redemption date for the purchase of the special event Treasury portfolio for settlement on the special event redemption date.

The Treasury portfolio to be purchased in connection with a special event redemption, or a special event Treasury portfolio, will consist of:

- U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the Treasury Portfolio Maturity Deadline in an aggregate amount at maturity equal to the aggregate principal amount of the NEE Capital debentures which are a component of the Corporate Units; and
- with respect to each scheduled interest payment date on the NEE Capital debentures that occurs after the special event redemption date and on or prior to the Purchase Contract Settlement Date, U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to such scheduled interest payment date in an aggregate amount at maturity equal to the aggregate interest payment that would be due on the aggregate principal amount of the NEE Capital debentures which would have been components of the Corporate Units on that date (assuming no special event redemption) and

assuming that interest accrued from and including the immediately preceding interest payment date to which interest has been paid.

Subject to the following sentence, the NEE Capital debentures are redeemable upon notice from NEE Capital at least 30 days but no more than 60 days prior to the redemption date. NEE Capital has reserved the right to amend the indenture without any consent, vote or other action of the holders of any debt securities issued under the indenture after December 1, 2021 to provide that notice of any redemption shall be given in the manner provided in the indenture to the holders of the debt securities to be redeemed not less than 10 nor more than 60 days prior to the date of redemption. Unless NEE Capital defaults in payment of the redemption price, on and after the redemption date interest shall cease to accrue on the NEE Capital debentures. In the event any NEE Capital debentures are called for redemption, neither NEE Capital nor the indenture trustee will be required to register the transfer of or exchange the NEE Capital debentures to be redeemed.

**Security and Ranking.** The NEE Capital debentures are unsecured obligations of NEE Capital. The indenture does not limit NEE Capital's ability to provide security with respect to other Senior Debt Securities. All Senior Debt Securities issued under the indenture will rank equally and ratably with all other Senior Debt Securities issued under the indenture, except to the extent that NEE Capital elects to provide security with respect to any Senior Debt Security (other than the NEE Capital debentures) without providing that security to all outstanding Senior Debt Securities in accordance with the indenture. The NEE Capital debentures rank senior to any debt securities of NEE Capital that are expressly subordinated by their terms. The indenture does not limit NEE Capital's ability to issue other unsecured debt.

While NEE Capital is a holding company that derives substantially all of its income from its operating subsidiaries, NEE Capital's subsidiaries are separate and distinct legal entities and have no obligation to make any payments on the Senior Debt Securities or to make any funds available for such payment. Therefore, the Senior Debt Securities will effectively be subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by NEE Capital's subsidiaries. In addition to trade liabilities, many of NEE Capital's operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will effectively be senior to the Senior Debt Securities. The indenture does not place any limit on the amount of liabilities, including debt or preferred stock, that NEE Capital's subsidiaries may issue, guarantee or incur.

**Payment and Paying Agents.** On each interest payment date NEE Capital will pay interest on each NEE Capital debenture to the person in whose name that NEE Capital debenture is registered as of the close of business on the record date relating to that interest payment date. However, on the date that the NEE Capital Debentures mature, NEE Capital will pay the interest to the person to whom it pays the principal. Also, if NEE Capital has defaulted in the payment of interest on any NEE Capital debenture, it may pay that defaulted interest to the registered owner of that NEE Capital debenture:

- (1) as of the close of business on a date that the indenture trustee selects, which may not be more than 15 days or less than 10 days before the date that NEE Capital proposes to pay the defaulted interest, or
- (2) in any other lawful manner that does not violate the requirements of any securities exchange on which that Offered Senior Debt Security is listed and that the indenture trustee believes is practicable. (Indenture, Section 307).

The principal, premium, if any, and interest on the NEE Capital debentures at maturity will be payable when such NEE Capital debentures are presented at the main corporate trust office of The Bank of New York Mellon, as paying agent, in New York City. NEE Capital may change the place of payment on the NEE Capital debentures, appoint one or more additional paying agents, including NEE Capital, and remove any paying agent. (Indenture, Section 602).

**Transfer and Exchange.** NEE Capital debentures may be transferred or exchanged at the main corporate trust office of The Bank of New York Mellon, as security registrar, in New York City. NEE Capital may change the place for transfer and exchange of the NEE Capital debentures and may designate one or more additional places for that transfer and exchange.

There will be no service charge for any transfer or exchange of the NEE Capital debentures. However, NEE Capital may require payment of any tax or other governmental charge in connection with any transfer or exchange of the NEE Capital debentures.

NEE Capital will not be required to transfer or exchange any NEE Capital debenture selected for redemption. Also, NEE Capital will not be required to transfer or exchange any NEE Capital debenture during a period of 15 days before notice is to be given identifying the NEE Capital debentures selected to be redeemed. (Indenture, Section 305).

**Defeasance.** NEE Capital may, at any time, elect to have all of its obligations discharged with respect to all or a portion of any Senior Debt Securities. To do so, NEE Capital must irrevocably deposit with the indenture trustee or any paying agent, in trust:

- (1) money in an amount that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Senior Debt Securities, on or prior to their maturity, or
- (2) in the case of a deposit made prior to the maturity of that series of Senior Debt Securities,
  - (a) direct obligations of, or obligations unconditionally guaranteed by, the United States and entitled to the benefit of its full faith and credit that do not contain provisions permitting their redemption or other prepayment at the option of their issuer, and
  - (b) certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations that do not contain provisions permitting their redemption or other prepayment at the option of their issuer,

the principal of and the interest on which, when due, without any regard to reinvestment of that principal or interest, will provide money that, together with any money deposited with or held by the indenture trustee, will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Senior Debt Securities, on or prior to their maturity, or

- (3) a combination of (1) and (2) that will be sufficient to pay all or that portion of the principal, premium, if any, and interest due and to become due on those Senior Debt Securities, on or prior to their maturity. (Indenture, Section 701).

**Limitation on Liens.** So long as any Senior Debt Securities remain outstanding, NEE Capital will not secure any indebtedness with a lien on any shares of the capital stock of any of its majority-owned subsidiaries, which shares of capital stock NEE Capital now or hereafter directly owns, unless NEE Capital equally secures all Senior Debt Securities. However, this restriction does not apply to or prevent:

- (1) any lien on capital stock created at the time NEE Capital acquires that capital stock, or within 270 days after that time, to secure all or a portion of the purchase price for that capital stock,
- (2) any lien on capital stock existing at the time NEE Capital acquires that capital stock (whether or not NEE Capital assumes the obligations secured by the lien and whether or not the lien was created in contemplation of the acquisition),
- (3) any extensions, renewals or replacements of the liens described in (1) and (2) above, or of any indebtedness secured by those liens; provided, that,
  - (a) the principal amount of indebtedness secured by those liens immediately after the extension, renewal or replacement may not exceed the principal amount of indebtedness secured by those liens immediately before the extension, renewal or replacement, and

- (b) the extension, renewal or replacement lien is limited to no more than the same proportion of all shares of capital stock as were covered by the lien that was extended, renewed or replaced, or
- (4) any lien arising in connection with court proceedings; provided that, either
  - (a) the execution or enforcement of that lien is effectively stayed within 30 days after entry of the corresponding judgment (or the corresponding judgment has been discharged within that 30 day period) and the claims secured by that lien are being contested in good faith by appropriate proceedings,
  - (b) the payment of that lien is covered in full by insurance and the insurance company has not denied or contested coverage, or
  - (c) so long as that lien is adequately bonded, any appropriate legal proceedings that have been duly initiated for the review of the corresponding judgment, decree or order have not been fully terminated or the periods within which those proceedings may be initiated have not expired.

Liens on any shares of the capital stock of any of NEE Capital's majority-owned subsidiaries, which shares of capital stock NEE Capital now or hereafter directly owns, other than liens described in (1) through (4) above, are referred to as "Restricted Liens." The foregoing limitation does not apply to the extent that NEE Capital creates any Restricted Liens to secure indebtedness that, together with all other indebtedness of NEE Capital secured by Restricted Liens, does not at the time exceed 5% of NEE Capital's Consolidated Capitalization. (Indenture, Section 608).

For this purpose, "Consolidated Capitalization" means the sum of:

- (1) Consolidated Shareholders' Equity,
- (2) Consolidated Indebtedness for borrowed money (exclusive of any amounts which are due and payable within one year); and, without duplication, and
- (3) any preference or preferred stock of NEE Capital or any Consolidated Subsidiary which is subject to mandatory redemption or sinking fund provisions.

The term "Consolidated Shareholders' Equity" as used above means the total assets of NEE Capital and its Consolidated Subsidiaries less all liabilities of NEE Capital and its Consolidated Subsidiaries. As used in this definition, the term "liabilities" means all obligations which would, in accordance with generally accepted accounting principles, be classified on a balance sheet as liabilities, including without limitation:

- (1) indebtedness secured by property of NEE Capital or any of its Consolidated Subsidiaries whether or not NEE Capital or such Consolidated Subsidiary is liable for the payment thereof unless, in the case that NEE Capital or such Consolidated Subsidiary is not so liable, such property has not been included among the assets of NEE Capital or such Consolidated Subsidiary on such balance sheet,
- (2) deferred liabilities, and
- (3) indebtedness of NEE Capital or any of its Consolidated Subsidiaries that is expressly subordinated in right and priority of payment to other liabilities of NEE Capital or such Consolidated Subsidiary.

As used in this definition, "liabilities" includes preference or preferred stock of NEE Capital or any Consolidated Subsidiary only to the extent of any such preference or preferred stock that is subject to mandatory redemption or sinking fund provisions.

The term “Consolidated Indebtedness” means total indebtedness as shown on the consolidated balance sheet of NEE Capital and its Consolidated Subsidiaries.

The term “Consolidated Subsidiary,” means at any date any direct or indirect majority-owned subsidiary whose financial statements would be consolidated with those of NEE Capital in NEE Capital’s consolidated financial statements as of such date in accordance with generally accepted accounting principles. (Indenture, Section 608).

The foregoing limitation does not limit in any manner the ability of:

- (1) NEE Capital to place liens on any of its assets other than the capital stock of directly held, majority-owned subsidiaries,
- (2) NEE Capital or NEE to cause the transfer of its assets or those of its subsidiaries, including the capital stock covered by the foregoing restrictions,
- (3) NEE to place liens on any of its assets, or
- (4) any of the direct or indirect subsidiaries of NEE Capital or NEE (other than NEE Capital) to place liens on any of their assets.

**Consolidation, Merger, and Sale of Assets.** Under the indenture, NEE Capital may not consolidate with or merge into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity, unless:

- (1) the entity formed by that consolidation, or the entity into which NEE Capital is merged, or the entity that acquires or leases NEE Capital’s properties and assets, is an entity organized and existing under the laws of the United States, any state or the District of Columbia and that entity expressly assumes NEE Capital’s obligations on all Senior Debt Securities and under the indenture,
- (2) immediately after giving effect to the transaction, no event of default under the indenture and no event that, after notice or lapse of time or both, would become an event of default under the indenture exists, and
- (3) NEE Capital delivers an officer’s certificate and an opinion of counsel to the indenture trustee, as provided in the indenture. (Indenture, Section 1101).

The indenture does not restrict NEE Capital in a merger in which NEE Capital is the surviving entity.

**Events of Default.** Each of the following is an event of default under the indenture with respect to the Senior Debt Securities of any series:

- (1) failure to pay interest on the Senior Debt Securities of that series within 30 days after it is due,
- (2) failure to pay principal or premium, if any, on the Senior Debt Securities of that series when it is due,
- (3) failure to perform, or breach of, any other covenant or warranty in the indenture, other than a covenant or warranty that does not relate to that series of Senior Debt Securities, that continues for 90 days after (i) NEE Capital receives written notice of such failure to comply from the indenture trustee or (ii) NEE Capital and the indenture trustee receive written notice of such failure to comply from the registered owners of at least 33% in principal amount of the Senior Debt Securities of that series,
- (4) certain events of bankruptcy, insolvency or reorganization of NEE Capital, or



- (5) any other event of default specified with respect to the Senior Debt Securities of that series. (Indenture, Section 801).

In the case of an event of default listed in item (3) above, the indenture trustee may extend the grace period. In addition, if registered owners of a particular series have given a notice of default, then registered owners of at least the same percentage of Senior Debt Securities of that series, together with the indenture trustee, may also extend the grace period. The grace period will be automatically extended if NEE Capital has initiated and is diligently pursuing corrective action. (Indenture, Section 801). An event of default with respect to the Senior Debt Securities of a particular series will not necessarily constitute an event of default with respect to Senior Debt Securities of any other series issued under the indenture.

In addition to the events of default listed above, each of the following events will be an event of default under the indenture with respect to the NEE Capital debentures:

- (1) NEE consolidates with or merges into any other entity or conveys, transfers or leases substantially all of its properties and assets to any entity, unless
  - (a) the entity formed by such consolidation or into which NEE is merged, or the entity to which NEE conveys, transfers or leases substantially all of its properties and assets is an entity organized and existing under the laws of the United States, any state thereof or the District of Columbia, and expressly assumes the obligations of NEE under the guarantee agreement; and
  - (b) immediately after giving effect to such transaction, no event of default under the indenture and no event that, after notice or lapse of time or both, would become an event of default under the indenture, shall have occurred and be continuing; or
- (2) NEE Capital fails to redeem any of the NEE Capital debentures that it is required to redeem as described under “—Mandatory Redemption” above.

**Remedies.** If an event of default applicable to the Senior Debt Securities of one or more series, but not applicable to all outstanding Senior Debt Securities, exists, then either (i) the indenture trustee or (ii) the registered owners of at least 33% in aggregate principal amount of the Senior Debt Securities of each of the affected series may declare the principal of and accrued but unpaid interest on all the Senior Debt Securities of that series to be due and payable immediately. (Indenture, Section 802). However, under the indenture, some Senior Debt Securities may provide for a specified amount less than their entire principal amount to be due and payable upon that declaration. Such a Senior Debt Security is defined as a “Discount Security” in the indenture.

If an event of default is applicable to all outstanding Senior Debt Securities, then either (i) the indenture trustee or (ii) the registered owners of at least 33% in aggregate principal amount of all outstanding Senior Debt Securities of all series, voting as one class, and not the registered owners of any one series, may make a declaration of acceleration. However, the event of default giving rise to the declaration relating to any series of Senior Debt Securities will be automatically waived, and that declaration and its consequences will be automatically rescinded and annulled, if, at any time after that declaration and before a judgment or decree for payment of the money due has been obtained:

- (1) NEE Capital pays or deposits with the indenture trustee a sum sufficient to pay:
  - (a) all overdue interest on all Senior Debt Securities of that series,
  - (b) the principal of and any premium on any Senior Debt Securities of that series that have become due for reasons other than that declaration, and interest that is then due,
  - (c) interest on overdue interest for that series, and
  - (d) all amounts then due to the indenture trustee under the indenture, and

- (2) any other event of default with respect to the Senior Debt Securities of that series has been cured or waived as provided in the indenture. (Indenture, Section 802).

Other than its obligations and duties in case of an event of default under the indenture, the indenture trustee is not obligated to exercise any of its rights or powers under the indenture at the request or direction of any of the registered owners of the Senior Debt Securities, unless those registered owners offer reasonable indemnity to the indenture trustee. (Indenture, Section 903). If they provide this reasonable indemnity, the registered owners of a majority in principal amount of any series of Senior Debt Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the indenture trustee, or exercising any trust or power conferred on the indenture trustee, with respect to the Senior Debt Securities of that series. However, if an event of default under the indenture relates to more than one series of Senior Debt Securities, only the registered owners of a majority in aggregate principal amount of all affected series of Senior Debt Securities, considered as one class, will have the right to make that direction. Also, the direction must not violate any law or the indenture, and may not expose the indenture trustee to personal liability in circumstances where the indemnity would not, in the indenture trustee's sole discretion, be adequate, and the indenture trustee may take any other action that it deems proper and not inconsistent with such direction. (Indenture, Section 812).

A registered owner of a Senior Debt Security has the right to institute a suit for the enforcement of payment of the principal of or premium, if any, or interest on that Senior Debt Security on or after the applicable due date specified in that Senior Debt Security. (Indenture, Section 808). No registered owner of Senior Debt Securities of any series will have any other right to institute any proceeding under the indenture, or any other remedy under the indenture, unless:

- (1) that registered owner has previously given to the indenture trustee written notice of a continuing event of default with respect to the Senior Debt Securities of that series,
- (2) the registered owners of a majority in aggregate principal amount of the outstanding Senior Debt Securities of all series in respect of which an event of default under the indenture exists, considered as one class, have made written request to the indenture trustee to institute that proceeding in its own name as trustee, and have offered reasonable indemnity to the indenture trustee against related costs, expenses and liabilities,
- (3) the indenture trustee for 60 days after its receipt of that notice, request and offer of indemnity has failed to institute any such proceeding, and
- (4) no direction inconsistent with that request was given to the indenture trustee during this 60 day period by the registered owners of a majority in aggregate principal amount of the outstanding Senior Debt Securities of all series in respect of which an event of default under the Indenture exists, considered as one class. (Indenture, Section 807).

NEE Capital is required to deliver to the indenture trustee an annual statement as to its compliance with all conditions and covenants under the indenture. (Indenture, Section 606).

**Modification and Waiver.** Without the consent of any registered owner of Senior Debt Securities, NEE Capital and the indenture trustee may amend or supplement the indenture for any of the following purposes:

- (1) to provide for the assumption by any permitted successor to NEE Capital of NEE Capital's obligations under the indenture and the Senior Debt Securities in the case of a merger or consolidation or a conveyance, transfer or lease of NEE Capital's properties and assets substantially as an entirety,
- (2) to add covenants of NEE Capital or to surrender any right or power conferred upon NEE Capital by the indenture,
- (3) to add any additional events of default,

- (4) to change, eliminate or add any provision of the indenture, provided that if that change, elimination or addition will materially adversely affect the interests of the registered owners of Senior Debt Securities of any series or tranche, that change, elimination or addition will become effective with respect to that particular series or tranche only
  - (a) when the required consent of the registered owners of Senior Debt Securities of that particular series or tranche has been obtained, or
  - (b) when no Senior Debt Securities of that particular series or tranche remain outstanding under the indenture,
- (5) to provide collateral security for all but not a part of the Senior Debt Securities,
- (6) to create the form or terms of Senior Debt Securities of any other series or tranche,
- (7) to provide for the authentication and delivery of bearer securities and the related coupons and for other matters relating to those bearer securities,
- (8) to accept the appointment of a successor indenture trustee with respect to the Senior Debt Securities of one or more series and to change any of the provisions of the indenture as necessary to provide for the administration of the trusts under the indenture by more than one trustee,
- (9) to add procedures to permit the use of a non-certificated system of registration for all, or any series or tranche of, the Senior Debt Securities,
- (10) to change any place where
  - (a) the principal of and premium, if any, and interest on all, or any series or tranche of, Senior Debt Securities are payable,
  - (b) all, or any series or tranche of, Senior Debt Securities may be surrendered for registration, transfer, or exchange, and
  - (c) notices and demands to or upon NEE Capital in respect of Senior Debt Securities and the indenture may be served, or
- (11) to cure any ambiguity or inconsistency or to add or change any other provisions with respect to matters and questions arising under the indenture, provided those changes or additions may not materially adversely affect the interests of the registered owners of Senior Debt Securities of any series or tranche. (Indenture, Section 1201).

The registered owners of a majority in aggregate principal amount of the Senior Debt Securities of all series then outstanding may waive compliance by NEE Capital with certain restrictive provisions of the indenture. (Indenture, Section 607). The registered owners of a majority in principal amount of the outstanding Senior Debt Securities of any series may waive any past default under the indenture with respect to that series, except a default in the payment of principal, premium, if any, or interest and a default with respect to certain restrictive covenants or provisions of the indenture that cannot be modified or amended without the consent of the registered owner of each outstanding Senior Debt Security of that series affected. (Indenture, Section 813).

In addition to any amendments described above, if the Trust Indenture Act of 1939 is amended after the date of the indenture in a way that requires changes to the indenture or in a way that permits changes to, or the elimination of, provisions that were previously required by the Trust Indenture Act of 1939, the indenture will be deemed to be amended to conform to that amendment of the Trust Indenture Act of 1939 or to make those changes,

additions or eliminations. NEE Capital and the indenture trustee may, without the consent of any registered owners, enter into supplemental indentures to make that amendment. (Indenture, Section 1201).

Except for any amendments described above, the consent of the registered owners of a majority in aggregate principal amount of the Senior Debt Securities of all series then outstanding, considered as one class, is required for all other modifications to the indenture. However, if less than all of the series of Senior Debt Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the registered owners of a majority in aggregate principal amount of outstanding Senior Debt Securities of all directly affected series, considered as one class, is required. But, if NEE Capital issues any series of Senior Debt Securities in more than one tranche and if the proposed supplemental indenture directly affects the rights of the registered owners of Senior Debt Securities of less than all of those tranches, then the consent only of the registered owners of a majority in aggregate principal amount of the outstanding Senior Debt Securities of all directly affected tranches, considered as one class, will be required. However, none of those amendments or modifications may:

- (1) change the dates on which the principal of or interest on a Senior Debt Security is due without the consent of the registered owner of that Senior Debt Security,
- (2) reduce any Senior Debt Security's principal amount or rate of interest (or the amount of any installment of that interest) or change the method of calculating that rate without the consent of the registered owner of that Senior Debt Security,
- (3) reduce any premium payable upon the redemption of a Senior Debt Security without the consent of the registered owner of that Senior Debt Security,
- (4) change the currency (or other property) in which a Senior Debt Security is payable without the consent of the registered owner of that Senior Debt Security,
- (5) impair the right to sue to enforce payments on any Senior Debt Security on or after the date that it states that the payment is due (or, in the case of redemption, on or after the redemption date) without the consent of the registered owner of that Senior Debt Security,
- (6) reduce the percentage in principal amount of the outstanding Senior Debt Securities of any series or tranche whose owners must consent to an amendment, supplement or waiver without the consent of the registered owner of each outstanding Senior Debt Security of that particular series or tranche,
- (7) reduce the requirements for quorum or voting of any series or tranche without the consent of the registered owner of each outstanding Senior Debt Security of that particular series or tranche, or
- (8) modify certain of the provisions of the indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the Senior Debt Securities of any series or tranche, without the consent of the registered owner of each outstanding Senior Debt Security affected by the modification.

A supplemental indenture that changes or eliminates any provision of the indenture that has expressly been included only for the benefit of one or more particular series or tranches of Senior Debt Securities, or that modifies the rights of the registered owners of Senior Debt Securities of that particular series or tranche with respect to that provision, will not affect the rights under the indenture of the registered owners of the Senior Debt Securities of any other series or tranche. (Indenture, Section 1202).

The indenture provides that, in order to determine whether the registered owners of the required principal amount of the outstanding Senior Debt Securities have given any request, demand, authorization, direction, notice, consent or waiver under the indenture, or whether a quorum is present at the meeting of the registered owners of Senior Debt Securities, Senior Debt Securities owned by NEE Capital or any other obligor upon the Senior Debt Securities or any affiliate of NEE Capital or of that other obligor (unless NEE Capital, that affiliate or that obligor

owns all Senior Debt Securities outstanding under the indenture, determined without regard to this provision) will be disregarded and deemed not to be outstanding. (Indenture, Section 101).

If NEE Capital solicits any action under the indenture from registered owners of Senior Debt Securities, NEE Capital may, at its option, fix in advance a record date for determining the registered owners of Senior Debt Securities entitled to take that action, but NEE Capital will not be obligated to do so. If NEE Capital fixes such a record date, that action may be taken before or after that record date, but only the registered owners of record at the close of business on that record date will be deemed to be registered owners of Senior Debt Securities for the purposes of determining whether registered owners of the required proportion of the outstanding Senior Debt Securities have authorized that action. For these purposes, the outstanding Senior Debt Securities will be computed as of the record date. Any action of a registered owner of any Senior Debt Security under the indenture will bind every future registered owner of that Senior Debt Security, or any Senior Debt Security replacing that Senior Debt Security, with respect to anything that the indenture trustee or NEE Capital do, fail to do, or allow to be done in reliance on that action, whether or not that action is noted upon that Senior Debt Security. (Indenture, Section 104).

**Resignation and Removal of Indenture Trustee.** The indenture trustee may resign at any time with respect to any series of Senior Debt Securities by giving written notice of its resignation to NEE Capital. Also, the registered owners of a majority in principal amount of the outstanding Senior Debt Securities of one or more series of Senior Debt Securities may remove the indenture trustee at any time with respect to the Senior Debt Securities of that series, by delivering an instrument evidencing this action to the indenture trustee and NEE Capital. The resignation or removal of the indenture trustee and the appointment of a successor trustee will not become effective until a successor trustee accepts its appointment.

Except with respect to a trustee under the indenture appointed by the registered owners of Senior Debt Securities, the indenture trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the indenture if:

- (1) no event of default under the indenture or event that, after notice or lapse of time, or both, would become an event of default under the indenture exists, and
- (2) NEE Capital has delivered to the indenture trustee a resolution of its Board of Directors appointing a successor trustee and that successor trustee has accepted that appointment in accordance with the terms of the indenture. (Indenture, Section 910).

**Notices.** Notices to registered owners of Senior Debt Securities will be sent by mail to the addresses of those registered owners as they appear in the security register for those Senior Debt Securities. (Indenture, Section 106).

**Title.** NEE Capital, the indenture trustee, and any agent of NEE Capital or the indenture trustee, may treat the person in whose name a Senior Debt Security is registered as the absolute owner of that Senior Debt Security, whether or not that Senior Debt Security is overdue, for the purpose of making payments and for all other purposes, regardless of any notice to the contrary. (Indenture, Section 308).

**Governing Law.** The indenture and the Senior Debt Securities are governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Indenture, Section 112).

#### **Book-Entry and Settlement**

NEE Capital debentures which are released from the pledge following substitution of collateral or cash settlement of the purchase contracts will be issued in the form of one or more global certificates, which are referred to as global securities, registered in the name of the Depositary or its nominee. Except under the limited circumstances described below or except upon recreation of Corporate Units, NEE Capital debentures represented by the global securities will not be exchangeable for, and will not otherwise be issuable as, NEE Capital debentures in certificated form. The global securities described above may not be transferred except by the Depositary to a



nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or to a successor depositary or its nominee.

Except as provided below, owners of beneficial interests in such a global security will not be entitled to receive physical delivery of NEE Capital debentures in certificated form and will not be considered the holders (as defined in the indenture) thereof for any purpose under the indenture, and no global security representing NEE Capital debentures shall be exchangeable, except for another global security of like denomination and tenor to be registered in the name of the Depositary or its nominee or a successor depositary or its nominee. Accordingly, each beneficial owner must rely on the procedures of the Depositary or if such person is not a participant, on the procedures of the participant through which such person owns its interest to exercise any rights of a holder under the indenture.

In the event that

- the Depositary notifies NEE Capital that it is unwilling or unable to continue as a Depositary for the global security certificates and no successor depositary has been appointed within 90 days after this notice,
- the Depositary at any time ceases to be a clearing agency registered under the Securities Exchange Act of 1934 at which time the Depositary is required to be so registered to act as the Depositary and no successor depositary has been appointed within 90 days after NEE Capital learns that the Depositary has ceased to be so registered, or
- NEE Capital determines in its sole discretion that it will no longer have NEE Capital debentures represented by global securities or permit any the global security certificates to be exchangeable,

certificates for the NEE Capital debentures will be printed and delivered in exchange for beneficial interests in the global security certificates. Any global debenture certificate that is exchangeable pursuant to the preceding sentence shall be exchangeable for NEE Capital debenture certificates registered in the names directed by the Depositary. NEE Capital expects that these instructions will be based upon directions received by the Depositary from its participants with respect to ownership of beneficial interests in the global security certificates.

#### DESCRIPTION OF NEE GUARANTEE

**General.** This section briefly summarizes some of the provisions of the Guarantee Agreement, dated as of June 1, 1999, between NEE and The Bank of New York Mellon, as guarantee trustee, referred to as the “Guarantee Trustee.” The Guarantee Agreement, referred to as the “Guarantee Agreement,” was executed for the benefit of the indenture trustee, which holds the Guarantee Agreement for the benefit of registered owners of the Senior Debt Securities covered by the Guarantee Agreement. This summary does not contain a complete description of the Guarantee Agreement. You should read this summary together with the Guarantee Agreement for a complete understanding of all the provisions. The Guarantee Agreement has previously been filed with the SEC and is an exhibit to the Form 10-K. In addition, the Guarantee Agreement is qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions

Under the Guarantee Agreement, NEE absolutely, irrevocably and unconditionally guarantees the prompt and full payment, when due and payable (including upon acceleration or redemption), of the principal, interest and premium, if any, on the Senior Debt Securities that are covered by the Guarantee Agreement to the registered owners of those Senior Debt Securities, according to the terms of those Senior Debt Securities and the indenture. Pursuant to the Guarantee Agreement, all of the Senior Debt Securities are covered by the Guarantee Agreement except Senior Debt Securities that by their terms are expressly not entitled to the benefit of the Guarantee Agreement. All of the NEE Capital debentures will be covered by the Guarantee Agreement. This guarantee is referred to as the “Guarantee.” NEE is only required to make these payments if NEE Capital fails to pay or provide for punctual payment of any of those amounts on or before the expiration of any applicable grace periods. (Guarantee Agreement, Section 5.01). In the Guarantee Agreement, NEE has waived its right to require the

Guarantee Trustee, the indenture trustee or the registered owners of Senior Debt Securities covered by the Guarantee Agreement to exhaust their remedies against NEE Capital prior to bringing suit against NEE. (Guarantee Agreement, Section 5.06).

The Guarantee is a guarantee of payment when due (i.e., the guaranteed party may institute a legal proceeding directly against NEE to enforce its rights under the Guarantee Agreement without first instituting a legal proceeding against any other person or entity). The Guarantee is not a guarantee of collection. (Guarantee Agreement, Section 5.01).

The covenants in the Guarantee Agreement would not give registered owners of the Senior Debt Securities covered by the Guarantee Agreement protection in the event of a highly-leveraged transaction involving NEE.

**Security and Ranking.** The Guarantee is an unsecured obligation of NEE and ranks equally and ratably with all other unsecured and unsubordinated indebtedness of NEE. There is no limit on the amount of other indebtedness, including guarantees, that NEE may incur or issue.

While NEE is a holding company that derives substantially all of its income from its operating subsidiaries, NEE's subsidiaries are separate and distinct legal entities and have no obligation to make any payments under the Guarantee Agreement or to make any funds available for such payment. Therefore, the Guarantee effectively is subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by NEE's subsidiaries. In addition to trade liabilities, many of NEE's operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will effectively be senior to the Guarantee. Neither the indenture nor the Guarantee Agreement places any limit on the amount of liabilities, including debt or preferred stock, that NEE's subsidiaries may issue, guarantee or incur.

**Events of Default.** An event of default under the Guarantee Agreement will occur upon the failure of NEE to perform any of its payment obligations under the Guarantee Agreement. (Guarantee Agreement, Section 1.01). The registered owners of a majority of the aggregate principal amount of the outstanding Senior Debt Securities covered by the Guarantee Agreement have the right to:

- (1) direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee under the Guarantee Agreement, or
- (2) direct the exercise of any trust or power conferred upon the Guarantee Trustee under the Guarantee Agreement. (Guarantee Agreement, Section 3.01).

The Guarantee Trustee must give notice of any event of default under the Guarantee Agreement known to the Guarantee Trustee to the registered owners of Senior Debt Securities covered by the Guarantee Agreement within 90 days after the occurrence of that event of default, in the manner and to the extent provided in subsection (c) of Section 313 of the Trust Indenture Act of 1939, unless such event of default has been cured or waived prior to the giving of such notice. (Guarantee Agreement, Section 2.07). The registered owners of all outstanding Senior Debt Securities may waive any past event of default and its consequences. (Guarantee Agreement, Section 2.06).

The Guarantee Trustee, the indenture trustee and the registered owners of Senior Debt Securities covered by the Guarantee Agreement have all of the rights and remedies available under applicable law and may sue to enforce the terms of the Guarantee Agreement and to recover damages for the breach of the Guarantee Agreement. The remedies of each of the Guarantee Trustee, the indenture trustee and the registered owners of Senior Debt Securities covered by the Guarantee Agreement, to the extent permitted by law, are cumulative and in addition to any other remedy now or hereafter existing at law or in equity. At the option of any of the Guarantee Trustee, the indenture trustee or the registered owners of Senior Debt Securities covered by the Guarantee Agreement, that person or entity may join NEE in any lawsuit commenced by that person or entity against NEE Capital with respect to any obligations under the Guarantee Agreement. Also, that person or entity may recover against NEE in that lawsuit, or in any independent lawsuit against NEE, without first asserting, prosecuting or exhausting any remedy or claim against NEE Capital. (Guarantee Agreement, Section 5.06).

NEE is required to deliver to the Guarantee Trustee an annual statement as to its compliance with all conditions under the Guarantee Agreement. (Guarantee Agreement, Section 2.04).

**Modification.** NEE and the Guarantee Trustee may, without the consent of any registered owner of Senior Debt Securities covered by the Guarantee Agreement, agree to any changes to the Guarantee Agreement that do not materially adversely affect the rights of registered owners. The Guarantee Agreement also may be amended with the prior approval of the registered owners of a majority in aggregate principal amount of all outstanding Senior Debt Securities covered by the Guarantee Agreement. However, the right of any registered owner of Senior Debt Securities covered by the Guarantee Agreement to receive payment under the Guarantee Agreement on the due date of the Senior Debt Securities held by that registered owner, or to institute suit for the enforcement of that payment on or after that due date, may not be impaired or affected without the consent of that registered owner. (Guarantee Agreement, Section 6.01).

**Termination of the Guarantee Agreement.** The Guarantee Agreement will terminate and be of no further force and effect upon full payment of all Senior Debt Securities covered by the Guarantee Agreement. (Guarantee Agreement, Section 5.05).

**Governing Law.** The Guarantee Agreement is governed by and will be construed in accordance with the laws of the State of New York, without regard to conflict of laws principles thereunder, except to the extent that the law of any other jurisdiction is mandatorily applicable. (Guarantee Agreement, Section 5.07).

### UNITED STATES FEDERAL INCOME TAX DISCUSSION

Unless otherwise stated, this discussion deals only with Equity Units, applicable ownership interests in NEE Capital debentures (or the Treasury portfolio, or Treasury securities) and NEE common stock held as capital assets (generally, assets held for investment) by holders that are U.S. persons (as defined below) that purchased Equity Units upon original issuance at their “issue price,” which equals the first price to the public at which a substantial amount of the Equity Units were sold for money (not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The tax treatment of a holder may vary depending on the holder’s particular situation. This discussion does not address all of the tax consequences that may be relevant to holders that may be subject to special tax treatment such as, for example, banks, insurance companies, broker dealers, tax exempt organizations, foreign taxpayers, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, persons subject to special tax accounting rules as a result of their use of applicable financial statements, persons holding Equity Units, applicable ownership interests in NEE Capital debentures (or the Treasury portfolio, or Treasury securities), or shares of NEE common stock as part of a straddle, hedge, conversion transaction or other integrated investment and persons whose functional currency is not the U.S. dollar. This discussion does not address any aspects of state, local, or foreign tax laws. In addition, this discussion does not address all of the U.S. federal income tax considerations that may be relevant to holders, such as the Medicare contribution tax or U.S. federal tax laws other than those pertaining to income tax (such as the estate or gift tax), and the effect of those taxes on the ownership and disposition of the Equity Units, applicable ownership interests in NEE Capital debentures (or the Treasury portfolio, or Treasury securities) or NEE common stock acquired under a purchase contract. This discussion is based on the U.S. federal income tax laws, regulations, rulings and decisions in effect as of the date hereof, which are subject to change or differing interpretations, possibly on a retroactive basis. **Holders should consult their own tax advisors as to the particular tax consequences to them of purchasing, owning, and disposing of the Equity Units, applicable ownership interests in NEE Capital debentures (or the Treasury portfolio, or Treasury securities) or NEE common stock acquired under a purchase contract, including the application and effect of U.S. federal, state, local and foreign tax laws.**

For purposes of this discussion, the term “U.S. person” means:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia;

- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) the trust has in effect a valid election to be treated as a domestic trust for U.S. federal income tax purposes.

A “non-U.S. holder” is a holder that is an individual, corporation, estate or trust that is not a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Equity Units, any component thereof including applicable ownership interests in NEE Capital debentures (or the Treasury portfolio, or Treasury securities), or any NEE common stock acquired under a purchase contract, the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding any of the above instruments should consult their tax advisors.

The IRS has issued a ruling, Rev. Rul. 2003-97, 2003-2 C.B. 380, addressing certain aspects of instruments substantially similar to the Equity Units. In the ruling, the IRS concluded that the notes issued as part of a unit with a purchase contract were debt for U.S. federal income tax purposes. Pursuant to this ruling, NEE Capital reports the NEE Capital debentures issued as part of an Equity Unit with a purchase contract as indebtedness for U.S. federal income tax purposes. The remainder of this discussion assumes that the NEE Capital debentures will be respected as indebtedness for U.S. federal income tax purposes.

Holders should consult their own tax advisors with respect to the tax consequences to them of purchasing, owning and disposing of the Equity Units, or any component thereof including applicable ownership interests in NEE Capital debentures (or the Treasury portfolio, or Treasury securities), and any NEE common stock acquired under a purchase contract, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in the U.S. federal or other tax laws.

## **U.S. Holders**

### **Allocation of Original Purchase Price**

Each Equity Unit is treated as an investment unit consisting of two components, an applicable ownership interest in a NEE Capital debenture (or the Treasury portfolio, or Treasury securities) and a related purchase contract. For purpose of the original issue discount rules and initial tax basis calculations, the allocation of original issue purchase price between these components is determined based on the respective fair market values of these components at the time the Equity Units are originally issued for federal income tax purposes. NEE Capital reports the Equity Unit original issue date fair market value of the applicable ownership interest in the NEE Capital debenture as the NEE Capital Debenture Fair Market Value and Equity Unit original issue date fair market value of each purchase contract as \$0. This position is binding upon holders (but not on the IRS) unless holders explicitly disclose a contrary position on a statement attached to their timely filed U.S. federal income tax returns for the taxable year in which an Equity Unit is first issued. Thus, absent such disclosure, holders should allocate the original issue purchase price for an Equity Unit for purposes of the original issue discount rules and initial tax basis calculations in accordance with the foregoing. The remainder of this discussion assumes that this allocation will be respected for U.S. federal income tax purposes.

### **Ownership of Applicable Interests in the NEE Capital Debentures or Treasury Securities**

Holders are treated as owning the applicable interests in NEE Capital debentures or Treasury securities constituting a part of the Corporate Units or Treasury Units, respectively, for U.S. federal income tax purposes. NEE, NEE Capital and, by virtue of their acquisition of Equity Units, holders agree to treat the applicable interests in the NEE Capital debentures or Treasury securities constituting a part of the Equity Units as owned by holders for U.S. federal income tax purposes, and the remainder of this discussion assumes such treatment. The U.S. federal income tax consequences of owning the applicable interests in the NEE Capital debentures or Treasury securities are

discussed below (see “— NEE Capital Debentures,” “— Treasury Securities” and “— Remarketing, Special Event Redemption and Mandatory Redemption of NEE Capital Debentures”).

### **Sales, Exchanges or Other Taxable Dispositions of Equity Units**

If holders sell, exchange or otherwise dispose of an Equity Unit in a taxable disposition (a “disposition”), they will be treated as having sold, exchanged or disposed of each of the purchase contract and the applicable ownership interest in the NEE Capital debenture, or the applicable ownership interest in the Treasury portfolio or the Treasury securities, as the case may be, that constitute such Equity Unit, and the proceeds realized on such disposition will be allocated among the components of the Equity Unit in proportion to the respective fair market values of the components. As a result, a holder generally will recognize gain or loss equal to the difference between the portion of the proceeds received that is allocable to the component and the holder’s adjusted tax basis in the applicable component, except to the extent the holder is treated as receiving an amount with respect to accrued interest, accrued contract adjustment payments or deferred contract adjustment payments on the purchase contract, which amount may be treated as ordinary income to the extent not previously included in income. In the case of the purchase contract, or the applicable ownership interest in the Treasury portfolio and Treasury securities, such gain or loss will generally be capital gain or loss, and such gain or loss generally will be long-term capital gain or loss if holders held the particular component for more than one year immediately prior to such disposition. Under U.S. federal income tax law, certain non-corporate holders, including individuals, are eligible for preferential tax rates with respect to long-term capital gains. The deductibility of capital losses is subject to certain limitations. The rules governing the determination of the character of gain or loss on the disposition of applicable ownership interests in NEE Capital debentures are summarized under “—NEE Capital Debentures—Sales, Exchanges or Other Taxable Dispositions of Applicable Ownership Interests in NEE Capital Debentures.”

If the disposition of an Equity Unit occurs when the purchase contract has a negative value, holders are considered to have received additional consideration for the applicable ownership interest in the NEE Capital debenture, or the applicable ownership interest in the Treasury portfolio or Treasury securities, as the case may be, in an amount equal to such negative value and to have paid such amount to be released from their obligation under the purchase contract. Because, as discussed below, any gain on the disposition of applicable ownership interests in NEE Capital debentures prior to the earlier of the reset effective date and the Purchase Contract Settlement Date (the “Reset Date”) generally will be treated as ordinary interest income for U.S. federal income tax purposes, the ability to offset such interest income with a loss on the purchase contract may be limited. Holders should consult their tax advisors regarding a disposition of an Equity Unit at a time when the purchase contract has a negative value.

In determining gain or loss, contract adjustment payments or deferred contract adjustment payments that have been received by holders, but have not previously been included in their income, should either reduce their adjusted tax basis in the purchase contract or result in an increase in the amount realized on the disposition of the purchase contract. Any contract adjustment payments or deferred contract adjustment payments previously included in holders’ income but not received by the holders should increase their adjusted tax basis in the purchase contract (see “—Purchase Contracts—Contract Adjustment Payments and Deferred Contract Adjustment Payments” below).

### **NEE Capital Debentures**

The discussion in this section will apply to holders if they hold applicable ownership interests in NEE Capital debentures or Corporate Units that include applicable ownership interests in NEE Capital debentures.

*Original Issue Discount.* Because of the manner in which the interest rate on the NEE Capital debentures is to be reset, the NEE Capital debentures are classified as contingent payment debt instruments subject to the “noncontingent bond method” for accruing OID, as set forth in the applicable Treasury Regulations. NEE Capital intends to treat the NEE Capital debentures in that manner, and the remainder of this discussion assumes that the NEE Capital debentures will be so treated for U.S. federal income tax purposes. As discussed more fully below, the effects of applying such method will be:

- to require holders, regardless of their usual method of tax accounting, to use an accrual method with respect to the interest income on their applicable ownership interests in NEE Capital debentures;



- for all accrual periods until the Reset Date, and possibly for accrual periods thereafter with respect to applicable ownership interests in NEE Capital debentures, to require holders to accrue interest income in excess of interest payments actually received; and
- generally to result in ordinary, rather than capital, treatment of any gain or loss on the sale, exchange or other disposition of applicable ownership interests in NEE Capital debentures.

See “—Sales, Exchanges or Other Taxable Dispositions of Applicable Ownership Interests in NEE Capital Debentures.”

Holders are required to accrue OID on a constant yield to maturity basis based on the “comparable yield” of the NEE Capital debentures. The comparable yield of the NEE Capital debentures is generally the rate at which NEE Capital would issue a fixed rate debt instrument with terms and conditions similar to the NEE Capital debentures (which rate will exceed the current interest payments on the NEE Capital debentures). NEE Capital has determined that, for the NEE Capital debentures,

- (with respect to the 5.279% Corporate Units) the comparable yield is 2.00% and the projected payments, per \$50 applicable ownership interest of NEE Capital debentures, are \$0.2556 on the Initial Payment Date, \$0.23 for each subsequent quarter ending on or prior to the Purchase Contract Settlement Date and \$0.2143 for each semi-annual period ending after the Purchase Contract Settlement Date. NEE Capital has also determined (with respect to the 5.279% Corporate Units) that the projected payment for the NEE Capital debentures, per \$50 applicable ownership interest of NEE Capital debentures, at the maturity date is \$50.2143 (which includes the stated principal amount of the NEE Capital debentures as well as the final projected interest payment);
- (with respect to the 6.219% Corporate Units) the comparable yield is 0.89% and the projected payments, per \$50 applicable ownership interest of NEE Capital debentures, are \$0.0516 on the Initial Payment Date, \$0.0636 for each subsequent quarter ending on or prior to the Purchase Contract Settlement Date and \$0.00 for each semi-annual period ending after the Purchase Contract Settlement Date. NEE Capital has also determined (with respect to the 6.219% Corporate Units) that the projected payment for the NEE Capital debentures, per \$50 applicable ownership interest of NEE Capital debentures, at the maturity date is \$50.00 (which includes the stated principal amount of the NEE Capital debentures as well as the final projected interest payment); and
- (with respect to the 6.926% Corporate Units) the comparable yield is 4.60% and the projected payments, per \$50 applicable ownership interest of NEE Capital debentures, are \$0.46 on the Initial Payment Date, \$0.58 for each subsequent quarter ending on or prior to the Purchase Contract Settlement Date and \$0.76 for each semi-annual period ending after the Purchase Contract Settlement Date. NEE Capital has also determined (with respect to the 6.926% Corporate Units) that the projected payment for the NEE Capital debentures, per \$50 applicable ownership interest of NEE Capital debentures, at the maturity date is \$50.76 (which includes the stated principal amount of the NEE Capital debentures as well as the final projected interest payment)

The amount of OID on a NEE Capital debenture for each accrual period is determined by multiplying the comparable yield of the NEE Capital debenture (adjusted for the length of the accrual period) by the NEE Capital debenture’s adjusted issue price at the beginning of the accrual period. Based on the allocation of the purchase price of each Corporate Unit described above, the adjusted issue price of each applicable ownership interest in a NEE Capital debenture, per \$50 applicable ownership interest of NEE Capital debentures, at the beginning of the first accrual period will be the NEE Capital Debenture Fair Market Value, and the adjusted issue price of each applicable ownership interest in a NEE Capital debenture at the beginning of each subsequent accrual period will be equal to the NEE Capital Debenture Fair Market Value, increased by any OID previously accrued by holders on such applicable ownership interest in the NEE Capital debenture and decreased by the amount of projected payments on such applicable ownership interest in the NEE Capital debenture through such date. The amount of OID so determined will then be allocated on a ratable basis to each day in the accrual period that holders hold such applicable ownership interest in the NEE Capital debenture.

If, after the Reset Date, the remaining amounts of principal and interest payable on an applicable ownership interest in NEE Capital debentures differ from the payments set forth on the applicable projected payment schedule, negative or positive adjustments reflecting such difference are generally taken into account by holders as adjustments to interest income in a reasonable manner over the period to which they relate.

A holder is generally bound by the comparable yield and projected payment schedules for applicable ownership interests in NEE Capital debentures provided by NEE Capital unless either is unreasonable. If a holder decides to use its own comparable yield and projected payment schedules, the holder must explicitly disclose this fact and the reason for using different comparable yield and projected payment schedules. In general, this disclosure must be made on a statement attached to the holder's timely filed U.S. federal income tax return for the taxable year that includes the date of the holder's acquisition of the applicable ownership interests in NEE Capital debentures.

**The foregoing comparable yield and projected payment schedules are supplied by NEE Capital solely for computing income under the noncontingent bond method for U.S. federal income tax purposes and do not constitute projections or representations as to the amounts that holders will actually receive as a result of owning applicable ownership interests in NEE Capital debentures or Corporate Units.**

*Adjustment to Tax Basis in Applicable Ownership Interests in NEE Capital Debentures.* A holder's tax basis in an applicable ownership interest in NEE Capital debentures will be increased by the amount of OID included in income with respect to such applicable ownership interest in NEE Capital debentures and decreased by the amount of projected payments with respect to such applicable ownership interest in NEE Capital debentures through the computation date.

*Sales, Exchanges or Other Taxable Dispositions of Applicable Ownership Interests in NEE Capital Debentures.* Holders will recognize gain or loss on a disposition of an applicable ownership interest in NEE Capital debentures (including a redemption for cash or the remarketing thereof) in an amount equal to the difference between the amount realized by holders on the disposition of the applicable ownership interest in NEE Capital debentures and their adjusted tax basis in the applicable ownership interest in NEE Capital debentures. Selling expenses incurred by holders, including the remarketing fee, will reduce the amount of gain or increase the amount of loss recognized by holders upon a disposition of applicable ownership interests in NEE Capital debentures. Gain recognized on the disposition of applicable ownership interests in NEE Capital debentures prior to the Reset Date will be treated as ordinary interest income. Loss recognized on the disposition of applicable ownership interests in NEE Capital debentures prior to the Reset Date will be treated as ordinary loss to the extent of the holders' prior inclusions of OID on the applicable ownership interests in NEE Capital debentures. Any loss in excess of such amount will be treated as a capital loss. In general, gain recognized on the disposition of applicable ownership interests in NEE Capital debentures on or after the Reset Date will be ordinary interest income to the extent attributable to the remaining positive adjustments, if any, not already taken into account as positive adjustments to interest income under a reasonable manner as described above under "—Original Issue Discount." Any gain recognized in excess of such amount and any loss recognized on such a disposition will generally be treated as a capital gain or loss. Under U.S. federal income tax law, certain non-corporate holders, including individuals, are eligible for preferential tax rates in respect of long-term capital gains. The deductibility of capital losses is subject to certain limitations.

## **Treasury Securities**

The discussion in this section will apply to holders that hold Treasury Units or Treasury securities.

*Original Issue Discount.* If holders hold Treasury Units, they will be required to treat their ownership interest in the Treasury securities included in a Treasury Unit as an interest in a bond that was originally issued on the date they acquired the Treasury securities. Any such Treasury securities that are owned or treated as owned by holders will have OID equal to the excess of the amount payable at maturity of such Treasury securities over the purchase price thereof. Holders are required to include such OID in income on a constant yield to maturity basis over the period between the purchase date of the Treasury securities and the maturity date of the Treasury securities, regardless of their regular method of tax accounting and in advance of the receipt of cash attributable to such OID. A holder's adjusted tax basis in the Treasury securities will be increased by the amounts of such OID included in such holder's gross income.

*Sales, Exchanges or Other Taxable Dispositions of Treasury Securities.* As discussed below, in the event that holders obtain the release of Treasury securities by delivering applicable ownership interests in NEE Capital debentures to the collateral agent, holders generally will not recognize gain or loss upon such substitution. Holders will recognize gain or loss on a subsequent disposition of the Treasury securities in an amount equal to the difference between the amount realized by holders on such disposition and their adjusted tax basis in the Treasury securities. Such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if holders held such Treasury securities for more than one year immediately prior to such disposition. Under U.S. federal income tax law, certain non-corporate holders, including individuals, are eligible for preferential tax rates in respect of long-term capital gains. The deductibility of capital losses is subject to certain limitations.

## **Purchase Contracts**

*Contract Adjustment Payments and Deferred Contract Adjustment Payments.* There is no direct authority addressing the treatment, under current law, of the contract adjustment payments or deferred contract adjustment payments, and such treatment is, therefore, unclear. Contract adjustment payments and deferred contract adjustment payments may constitute taxable ordinary income to holders when received or accrued, in accordance with their regular method of tax accounting. To the extent NEE is required to file information returns with respect to contract adjustment payments or deferred contract adjustment payments, it intends to report such payments as taxable ordinary income to holders. Holders should consult their tax advisors concerning the treatment of contract adjustment payments and deferred contract adjustment payments.

The treatment of contract adjustment payments and deferred contract adjustment payments could affect a holder's adjusted tax basis in a purchase contract or NEE common stock received under a purchase contract or the amount realized by a holder upon the sale or disposition of an Equity Unit or the termination of a purchase contract. In particular, any contract adjustment payments or deferred contract adjustment payments that have been:

- included in holders' income, but not paid to them, should increase their adjusted tax basis in the purchase contract; and
- paid to holders, but not included in their income, should either reduce their adjusted tax basis in the purchase contract or result in an increase in the amount realized on the disposition of the purchase contract.

See “— Acquisition of NEE Common Stock Under a Purchase Contract,” “— Sales, Exchanges or Other Taxable Dispositions of Equity Units” and “— Termination of Purchase Contract.”

*Acquisition of NEE Common Stock Under a Purchase Contract.* Holders generally will not recognize gain or loss on the purchase of NEE common stock under a purchase contract, including upon early settlement upon a fundamental change or any other early settlement, except with respect to any cash paid in lieu of a fractional share of NEE common stock. Holders' aggregate initial tax basis in NEE common stock received under a purchase contract will generally equal the purchase price paid for such common stock, plus the properly allocable portion of their adjusted tax basis (if any) in the purchase contract, less the portion of such purchase price and adjusted tax basis allocable to the fractional share. The holding period for NEE common stock received under a purchase contract will commence on the day following the acquisition of such common stock.

*Ownership of NEE Common Stock Acquired Under the Purchase Contract.* Any distribution on NEE common stock paid by NEE out of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will constitute a dividend and will be includible in income by holders when received. Any such dividend will be eligible for the dividends received deduction if the holder is an otherwise qualifying corporate holder that meets the holding period and other requirements for the dividends received deduction. Under U.S. federal income tax law, individuals who receive dividends are eligible for a reduced rate of taxation if certain holding period and other requirements are satisfied.

Upon a disposition of NEE common stock, holders generally will recognize capital gain or loss equal to the difference between the amount realized and their adjusted tax basis in NEE common stock. Such capital gain or loss

generally will be long-term capital gain or loss if they held such common stock for more than one year immediately prior to such disposition. Under U.S. federal income tax law, certain non-corporate holders, including individuals, are eligible for preferential tax rates in respect of long-term capital gains. The deductibility of capital losses is subject to certain limitations.

*Early Settlement of Purchase Contract.* Holders will not recognize gain or loss on the receipt of their proportionate share of applicable interests in NEE Capital debentures or Treasury securities or the applicable ownership interest in a Treasury portfolio upon early settlement of a purchase contract, and holders will have the same adjusted tax basis in such applicable interests in NEE Capital debentures, Treasury securities or the applicable ownership interest in a Treasury portfolio as before such early settlement.

*Termination of Purchase Contract.* If a purchase contract terminates, holders will recognize gain or loss equal to the difference between the amount realized (if any) upon such termination and their adjusted tax basis (if any) in the purchase contract at the time of such termination. Such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if holders held such purchase contract for more than one year immediately prior to such termination. Under U.S. federal income tax law, certain non-corporate holders, including individuals, are eligible for preferential tax rates in respect of long-term capital gains. The deductibility of capital losses is subject to certain limitations. A holder will not recognize gain or loss on the receipt of the holder's proportionate share of applicable ownership interests in NEE Capital debentures or Treasury securities or the applicable ownership interest in a Treasury portfolio upon termination of the purchase contract and will have the same adjusted tax basis in the applicable ownership interests in NEE Capital debentures, Treasury securities or the applicable ownership interest in a Treasury portfolio as before such distribution.

*Adjustment to Settlement Rate.* A holder might be treated as receiving a constructive distribution from NEE if (1) the settlement rate is adjusted (or fails to be adjusted) and as a result of that adjustment (or failure to adjust) such holder's proportionate interest in NEE's assets or earnings and profits is increased and (2) the adjustment (or failure to adjust) is not made pursuant to a bona fide, reasonable anti-dilution formula. An adjustment in the settlement rate would not be considered made pursuant to such a formula if the adjustment were made to compensate a holder for certain taxable distributions with respect to NEE common stock. Thus, under certain circumstances, an adjustment to (or a failure to adjust) the settlement rate might give rise to a taxable dividend to a holder even though such holder would not receive any distribution related thereto.

#### **Substitution of Treasury Securities to Create or Recreate Treasury Units**

Holders of Corporate Units that deliver Treasury securities to the collateral agent in substitution for applicable ownership interests in the NEE Capital debentures or the applicable ownership interest in a Treasury portfolio will not recognize gain or loss upon their delivery of such Treasury securities or their receipt of the applicable ownership interest in NEE Capital debentures or the applicable ownership interest in a Treasury portfolio. Holders will continue to take into account items of income or deduction otherwise includible or deductible, respectively, by holders with respect to such Treasury securities and such applicable ownership interests in NEE Capital debentures or the applicable ownership interest in a Treasury portfolio, and their adjusted tax bases in the Treasury securities, the applicable ownership interests in NEE Capital debentures or the applicable ownership interest in a Treasury portfolio and the purchase contract will not be affected by such delivery and release.

#### **Substitution of Applicable Ownership Interests in NEE Capital Debentures or the Applicable Ownership Interest in a Treasury Portfolio to Recreate Corporate Units**

Holders of Treasury Units that deliver applicable ownership interests in NEE Capital debentures or the applicable ownership interest in a Treasury portfolio to the collateral agent in substitution for Treasury securities to recreate Corporate Units will not recognize gain or loss upon their delivery of such applicable ownership interests in NEE Capital debentures or the applicable ownership interest in a Treasury portfolio or their receipt of the Treasury securities. Holders will continue to take into account items of income or deduction otherwise includible or deductible, respectively, by holders with respect to such Treasury securities and applicable ownership interests in NEE Capital debentures or the applicable ownership interest in a Treasury portfolio, and their adjusted tax bases in the Treasury securities, applicable ownership interests in the NEE Capital debentures or the applicable ownership interest in a Treasury portfolio and the purchase contract will not be affected by such delivery and release.

## **Remarketing, Special Event Redemption and Mandatory Redemption of NEE Capital Debentures**

A remarketing, a special event redemption or a mandatory redemption will be a taxable event for holders of applicable ownership interests in NEE Capital debentures, which will be subject to tax in the manner described above under “— NEE Capital Debentures — Sales, Exchanges or Other Taxable Dispositions of Applicable Ownership Interests in NEE Capital Debentures.”

*Ownership of Treasury Portfolio.* In the event of a successful remarketing of the NEE Capital debentures, a special event redemption prior to the Purchase Contract Settlement Date or a mandatory redemption prior to the Purchase Contract Settlement Date (if the purchase contracts have not been so previously or concurrently terminated), NEE Capital and, by virtue of their acquisition of Corporate Units, holders agree to treat the applicable ownership interest in the Treasury portfolio constituting a part of their Corporate Units as owned by holders for U.S. federal income tax purposes. In such a case, holders will be required to include in income any amount earned on such pro rata portion of the Treasury portfolio for U.S. federal income tax purposes. The remainder of this discussion assumes that holders of Corporate Units will be treated as the owners of the applicable ownership interest in the Treasury portfolio constituting a part of such Corporate Units for U.S. federal income tax purposes.

*Interest Income and Original Issue Discount.* The Treasury portfolio will consist of U.S. Treasury securities (or principal or interest strips thereof). Following a successful remarketing of the NEE Capital debentures, a special event redemption prior to the Purchase Contract Settlement Date or a mandatory redemption prior to the Purchase Contract Settlement Date, holders will be required to treat their pro rata portion of each U.S. Treasury security in the Treasury portfolio as a bond that was originally issued on the date the collateral agent acquired the relevant U.S. Treasury securities and that has OID equal to their pro rata portion of the excess of the amounts payable on such U.S. Treasury securities over the value of the U.S. Treasury securities at the time the collateral agent acquires them on behalf of holders of Corporate Units. Holders will be required to include such OID (other than OID on short-term U.S. Treasury securities (as defined below)) in income for U.S. federal income tax purposes as it accrues on a constant yield to maturity basis, regardless of their regular method of tax accounting. To the extent that a payment from the Treasury portfolio made in respect of a scheduled interest payment on remarketed or redeemed applicable ownership interests in NEE Capital debentures exceeds the amount of such OID, such payment will be treated as a return of a holder's investment in the Treasury portfolio and will not be considered current income for U.S. federal income tax purposes.

In the case of any U.S. Treasury security with a maturity of one year or less from the date of its issue (a “short-term U.S. Treasury Security”), holders will generally be required to include OID in income as it accrues only if they are accrual basis taxpayers. If holders are accrual basis taxpayers, they will generally accrue such OID on a straight line basis, unless they make an election to accrue such OID on a constant yield to maturity basis.

*Tax Basis of the Applicable Ownership Interest in a Treasury Portfolio.* The initial tax basis of holders in their applicable ownership interest in a Treasury portfolio will equal their pro rata portion of the amount paid by the collateral agent for the Treasury portfolio. A holder's adjusted tax basis in the applicable ownership interest in the Treasury portfolio will be increased by the amount of OID included in income with respect thereto and decreased by the amount of cash received in respect of the Treasury portfolio.

*Sales, Exchanges or Other Dispositions of the Applicable Ownership Interest in a Treasury Portfolio.* Holders that obtain the release of their applicable ownership interest in a Treasury portfolio and subsequently dispose of such interest will recognize gain or loss on such disposition in an amount equal to the difference between the amount realized upon such disposition and such holders' adjusted tax basis in the applicable ownership interest in that Treasury portfolio. Such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if holders held such applicable interest in the Treasury portfolio for more than one year immediately prior to such disposition. Under U.S. federal income tax law, certain non-corporate holders, including individuals, are eligible for preferential tax rates in respect of long-term capital gains. The deductibility of capital losses is subject to certain limitations.

## **Backup Withholding Tax and Information Reporting**

Unless holders are exempt recipients, such as corporations, interest, OID, contract adjustment payments or deferred contract adjustment payments, and dividends received on, and proceeds received from the sale of, Equity Units, applicable ownership interests in NEE Capital debentures, purchase contracts, Treasury securities, the applicable ownership interest in a Treasury portfolio, or NEE common stock acquired under a purchase contract, as the case may be, may be subject to information reporting and may also be subject to U.S. federal backup withholding tax if holders fail to supply accurate taxpayer identification numbers or otherwise fail to comply with applicable U.S. information reporting or certification requirements.

The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely and properly furnished to the IRS.

## **Additional Disclosure Requirements**

If a holder sells Equity Units, applicable ownership interests in the NEE Capital debentures, the applicable ownership interest in the Treasury portfolio, Treasury securities, or NEE common stock at a loss that meets certain thresholds, the holder (and/or the partners or shareholders of the holder, if the holder is a partnership or an S corporation for U.S. federal income tax purposes) may be required to file a disclosure statement with the IRS. Holders and their partners or shareholders should consult their own tax advisors with respect to any disclosure requirements that may apply to them in their own particular circumstances.

## **Non-U.S. Holders**

The following discussion applies to “non-U.S. holders” as defined above. This discussion does not address all aspects of U.S. federal income tax law that may be relevant to non-U.S. holders in light of their particular circumstances, such as non-U.S. holders that are subject to special tax treatment (for example, persons engaged in a trade or business in the United States, controlled foreign corporations, or passive foreign investment companies), nor does it address alternative minimum taxes, estate taxes or state, local, or foreign taxes. In addition, this discussion does not address the U.S. tax consequences to any non-U.S. holder that owns 10% or more of the Equity Units or that owns or is deemed to own, for purposes of Section 871(h) of the Code, 10% or more of the total combined voting power of all classes of NEE's stock entitled to vote. Prospective investors that are subject to special tax treatment, and investors that own 10% or more of the Equity Units, or own or are deemed to own, for purposes of Section 871(h)(3) of the Code, 10% or more of the total combined voting power of all classes of NEE's stock entitled to vote, are urged to consult their own tax advisors with respect to the U.S. federal income tax consequences to them of an investment in the Equity Units, in light of their own particular circumstances.

## **Payments of Principal and Interest on Applicable Ownership Interests in NEE Capital Debentures, Treasury Securities, and the Applicable Ownership Interest in the Treasury Portfolio**

Except as provided below under “— Backup Withholding and Information Reporting” and “— Additional Withholding Requirements,” no U.S. withholding tax will be imposed on any payment of interest (including any OID) on applicable ownership interests in NEE Capital debentures, Treasury securities or the applicable ownership interest in the Treasury portfolio, under the “portfolio interest rule” provided that (1) interest paid is not effectively connected with the non-U.S. holder's conduct of a trade or business in the U.S., (2) the non-U.S. holder is not a controlled foreign corporation related to NEE through stock ownership, (3) the non-U.S. holder is not a bank whose receipt of interest is described in Section 881(c)(3)(A) of the Code, (4) in the case of applicable ownership interests in NEE Capital debentures, the non-U.S. holder does not own, either directly or through the application of certain constructive ownership rules, 10% or more of the total combined voting power of all classes of NEE's voting stock for U.S. federal income tax purposes, and (5) (a) the non-U.S. holder provides a properly executed IRS Form W-8BEN or W-8BEN-E (or suitable substitute form) and the payor does not have actual knowledge or reason to know that the non-U.S. holder is a U.S. person, or (b) if the non-U.S. holder is a foreign partnership or holds the Equity Units, applicable ownership interests in NEE Capital debentures, Treasury securities, or the applicable ownership in a Treasury portfolio through certain foreign intermediaries, certain alternative certification requirements are satisfied.



If a non-U.S. holder cannot satisfy the requirements described above for the “portfolio interest rule”, payments of interest (including OID) made to such non-U.S. holder will be subject to a 30% U.S. federal withholding tax, unless the non-U.S. holder provides the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or suitable substitute form) claiming an exemption from, or reduction in the rate of, withholding under the benefit of an applicable tax treaty; or IRS Form W-8ECI (or suitable substitute form) stating that interest paid on applicable ownership interests in NEE Capital debentures, Treasury securities or the applicable ownership interest in the Treasury portfolio is not subject to withholding tax because it is effectively connected with the non-U.S. holder’s conduct of a trade or business in the U.S.

The 30% U.S. federal withholding tax generally will not apply to any payment of principal on applicable ownership interests in NEE Capital debentures, Treasury securities or the applicable ownership interest in the Treasury portfolio.

#### **Dividends**

Dividends received by a non-U.S. holder on NEE common stock generally will be subject to U.S. withholding tax at a 30% rate. In certain circumstances, a non-U.S. holder may be entitled to a reduced rate of withholding pursuant to an applicable income tax treaty. In order to claim the benefits of an applicable income tax treaty, a non-U.S. holder will be required to provide a properly executed IRS Form W-8BEN or W-8BEN-E (or suitable substitute form).

As discussed above, an adjustment to the settlement rate may result in a constructive distribution that is treated as a taxable constructive dividend to the holder of Equity Units. See “U.S. Holders — Purchase Contracts — Adjustment to Settlement Rate.” If NEE determines that any such adjustment results in a constructive dividend to a non-U.S. holder of Equity Units, NEE may withhold on interest (or some other amount) paid to a non-U.S. holder in order to pay the proper U.S. withholding tax on such constructive dividend.

#### **Contract Adjustment Payments**

NEE intends to treat any contract adjustment payments paid to a non-U.S. holder as amounts generally subject to U.S. withholding tax at a 30% rate. In certain circumstances, a non-U.S. holder may be entitled to a reduced rate of withholding (or a complete exemption from withholding) pursuant to an applicable income tax treaty. In order to claim any benefits of an applicable income tax treaty that may be available, a non-U.S. holder will be required to provide a properly executed IRS Form W-8BEN or W-8BEN-E (or suitable substitute form). Prospective investors should consult their own tax advisors concerning the U.S. tax treatment of contract adjustment payments.

#### **Sale, Exchange, or Other Disposition of Equity Units, Applicable Ownership Interests in NEE Capital Debentures, Purchase Contracts, Treasury Securities, the Applicable Ownership Interest in the Treasury Portfolio or NEE Common Stock**

Except as provided below under “—Backup Withholding and Information Reporting,” any gain recognized by a non-U.S. holder upon the sale, exchange, or other disposition of Equity Units, applicable ownership interests in NEE Capital Debentures, purchase contracts, Treasury securities, the applicable ownership interest in the Treasury portfolio, or NEE common stock generally will not be subject to U.S. federal income tax, unless (1) the non-U.S. holder is an individual who is present in the United States for 183 days or more during the taxable year in which the disposition takes place and certain other conditions are met or (2) in the case of purchase contracts or shares of NEE’s common stock, such purchase contracts or shares of NEE’s common stock are considered “United States real property interests” for U.S. federal income tax purposes. Purchase contracts or NEE common stock generally will be treated as United States real property interests if NEE is (or, during a specified period, has been) a “United States real property holding corporation” for U.S. federal income tax purposes. NEE believes that it has not been and currently is not a United States real property holding corporation, and NEE does not expect to become one in the future based on anticipated business operations.

## **Backup Withholding and Information Reporting**

In general, no information reporting or backup withholding will be required with respect to payments made by NEE on the Equity Units or applicable ownership interests in the NEE Capital debentures if the non-U.S. holder has provided NEE with a properly executed IRS Form W-8BEN or W-8BEN-E (or suitable substitute form) and NEE does not have actual knowledge or reason to know that the non-U.S. holder is a U.S. person. In addition, no information reporting or backup withholding will be required with respect to proceeds from a disposition of Equity Units, applicable ownership interests in NEE Capital debentures, Treasury securities, the applicable ownership interest in the Treasury portfolio, or NEE common stock (even if the disposition is considered to be effected within the United States or through a U.S. financial intermediary) if the payor receives a properly executed IRS Form W-8BEN or W-8BEN-E (or suitable substitute form) and does not have actual knowledge or reason to know that the non-U.S. holder is a U.S. person, or an exemption is otherwise established. Any amounts withheld under the backup withholding tax rules will be creditable against the non-U.S. holder's U.S. federal income tax liability, or allowed as a refund, provided that the required information is timely and properly provided to the IRS.

## **Additional Withholding Requirements**

Pursuant to the Foreign Account Tax Compliance Act, or "FATCA," and the Treasury Regulations promulgated thereunder, the relevant withholding agent may be required to withhold 30% of any "withholdable payments," which would include any interest (including OID), dividends and contract adjustment payments to (1) a foreign financial institution unless such foreign financial institution agrees to verify, report and disclose its holders of U.S. accounts and meets certain other specified requirements or (2) a non-financial foreign entity that is the beneficial owner of the payment unless such entity certifies that it does not have any substantial U.S. owners or provides the name, address and taxpayer identification number of each substantial U.S. owner and such entity meets certain other specified requirements. Under certain circumstances, a non-U.S. holder may be eligible for refunds or credits of the tax. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Prospective non-U.S. holders should consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Equity Units.

**Annex A**

	<b><u>5.279% Corporate Units</u></b>	<b><u>6.219% Corporate Units</u></b>	<b><u>6.926% Corporate Units</u></b>
Closing Date	February 21, 2020	September 18, 2020	September 19, 2022
Contract Adjustment Annualized Amount	\$1.7195	\$2.855	\$1.163
Contract Adjustment Rate	3.439%	5.710%	2.326%
Corporate Unit Aggregate Rate	5.279%	6.219%	6.926%
Day Before the Three Month Date	November 30, 2022	May 31, 2023	May 31, 2025
Fundamental Change Early Settlement Table High Price (1)	\$500	\$600	\$400
Fundamental Change Early Settlement Table Low Price (1)	\$25	\$25	\$10
Initial Interest Annualized Amount	\$0.92	\$0.2545	\$2.30
Initial Interest Rate	1.84%	0.509%	4.60%
Initial Payment Date	June 1, 2020	December 1, 2020	December 1, 2022
Maximum Settlement Rate (2)	0.7132	0.6802	0.5626
Minimum Number	100,000	400,000	4,000
Minimum Settlement Rate (2)	0.5703	0.5442	0.4500

NEE Capital Debenture Fair Market Value	\$48.75	\$48.60	\$48.75
NEE Capital Debenture Maturity Date	March 1, 2025	September 1, 2025	September 1, 2027
NEE Capital Related Debenture	NEE Capital Series K Debenture due March 1, 2025	NEE Capital Series L Debenture due September 1, 2025	NEE Capital Series M Debenture due September 1, 2027
Purchase Contract Settlement Date	March 1, 2023	September 1, 2023	September 1, 2025
Reference Dividend (2)	\$0.35	\$0.35	\$0.425
Reference Price (2)	\$70.11	\$73.51	\$88.88
Six Month Date	September 1, 2022	March 1, 2023	March 1, 2025
Tax Event Measurement Date	February 19, 2020	September 16, 2020	September 14, 2022
Three Month Date	December 1, 2022	June 1, 2023	June 1, 2025
Threshold Appreciation Price (2)	\$87.64	\$91.89	\$111.10
Treasury Portfolio Maturity Deadline	February 28, 2023	August 31, 2023	August 31, 2025
Zero-Coupon CUSIP	CUSIP No. 9128284A5	CUSIP No. 9128284X5	CUSIP No. 912821AL9

Notes to Table:

(1) See Note (a) to the Fundamental Change Early Settlement Tables below.

(2) As a result of the four-for-one stock split of NEE's common stock effective in October 2020 ("2020 stock split") and other adjustments related to the dividend rate, the fixed settlement rates and the reference dividends with respect to the 5.279% Corporate Units and the 6.219% Corporate Units set forth in the preceding table have been adjusted. In addition, the applicable market value for the 5.279% Corporate Units and the 6.219% Corporate Units will also be adjusted (when determined) to give effect to the 2020 stock split and certain other anti-dilution adjustments to determine the applicable settlement rate. However, for purposes of the presentation above, corresponding adjustments were instead made to the reference prices and the threshold appreciation prices for the

5.279% Corporate Units and the 6.219% Corporate Units to present the practical effect of the anti-dilution adjustments as of the Description Date.

**Fundamental Change Early Settlement Table for 5.279% Equity Units (a)**

Stock Price	Effective Date			
	February 21, 2020	March 1, 2021	March 1, 2022	March 1, 2023
\$25.00	0.1829	0.1540	0.0907	0.0000
\$50.00	0.0901	0.0761	0.0449	0.0000
\$100.00	0.0437	0.0372	0.0220	0.0000
\$150.00	0.0281	0.0242	0.0144	0.0000
\$200.00	0.0186	0.0166	0.0104	0.0000
\$250.00	0.0083	0.0075	0.0046	0.0000
\$282.04	0.0000	0.0000	0.0000	0.0000
\$300.00	0.0078	0.0064	0.0028	0.0000
\$325.00	0.0156	0.0136	0.0088	0.0000
\$352.55	0.0228	0.0203	0.0145	0.0000
\$400.00	0.0165	0.0138	0.0081	0.0000
\$450.00	0.0123	0.0099	0.0054	0.0000
\$500.00	0.0097	0.0078	0.0044	0.0000

**Fundamental Change Early Settlement Table for 6.219% Equity Units (a)**

Stock Price	Effective Date			
	September 18, 2020	September 1, 2021	September 1, 2022	September 1, 2023
\$25.00	0.2832	0.1839	0.0890	0.0000
\$50.00	0.1336	0.0877	0.0431	0.0000
\$100.00	0.0633	0.0420	0.0209	0.0000
\$150.00	0.0389	0.0263	0.0135	0.0000
\$250.00	0.0110	0.0052	0.0010	0.0000
\$295.70	0.0000	0.0000	0.0000	0.0000
\$325.00	0.0124	0.0072	0.0024	0.0000
\$369.63	0.0251	0.0199	0.0142	0.0000
\$400.00	0.0219	0.0168	0.0109	0.0000
\$450.00	0.0178	0.0129	0.0072	0.0000
\$500.00	0.0148	0.0103	0.0052	0.0000
\$550.00	0.0125	0.0085	0.0041	0.0000
\$600.00	0.0108	0.0072	0.0034	0.0000

**Fundamental Change Early Settlement Table for 6.926% Equity Units**

**Effective Date**

<b>Stock Price</b>	<b>September 19, 2022</b>	<b>September 1, 2023</b>	<b>September 1, 2024</b>	<b>September 1, 2025</b>
\$10.00	0.9203	0.6378	0.3262	0.0000
\$20.00	0.4445	0.3084	0.1578	0.0000
\$30.00	0.2838	0.1981	0.1016	0.0000
\$45.00	0.1658	0.1190	0.0635	0.0000
\$60.00	0.0914	0.0652	0.0378	0.0000
\$88.88	0.0000	0.0000	0.0000	0.0000
\$100.00	0.0406	0.0249	0.0095	0.0000
\$111.10	0.0738	0.0587	0.0414	0.0000
\$125.00	0.0584	0.0444	0.0271	0.0000
\$150.00	0.0407	0.0294	0.0155	0.0000
\$175.00	0.0299	0.0212	0.0109	0.0000
\$200.00	0.0227	0.0161	0.0083	0.0000
\$225.00	0.0174	0.0124	0.0065	0.0000
\$250.00	0.0132	0.0094	0.0050	0.0000
\$300.00	0.0070	0.0051	0.0027	0.0000
\$350.00	0.0025	0.0020	0.0011	0.0000
\$400.00	0.0000	0.0000	0.0000	0.0000

Note to Fundamental Change Early Settlement Tables:

(a) Although the Corporate Units provide that the stock prices and make-whole amounts in the tables will be adjusted upon the occurrence of certain events requiring adjustment to each fixed settlement rate, for purposes of the presentation above the stock prices and make-whole amounts have not been adjusted.

### III. JUNIOR SUBORDINATED DEBENTURES

#### DESCRIPTION OF THE NEE CAPITAL JUNIOR SUBORDINATED DEBENTURES AND NEE JUNIOR SUBORDINATED GUARANTEE

This section briefly summarizes some of the terms of the Junior Subordinated Debentures, NEE's junior subordinated guarantee of the Junior Subordinated Debentures (the "Junior Subordinated Guarantee"), and some of the provisions of the Junior Subordinated Indenture (as defined below). This summary does not contain a complete description of the Junior Subordinated Debentures, the Junior Subordinated Guarantee or the Junior Subordinated Indenture. You should read this summary together with the Junior Subordinated Indenture and the officer's certificates creating the Junior Subordinated Debentures and the Junior Subordinated Guarantee for a complete understanding of all the provisions and for the definitions of some terms used in this summary. The Junior Subordinated Indenture which includes the Junior Subordinated Guarantee and the officer's certificates creating the specific terms of the Junior Subordinated Debentures have previously been filed with the SEC, and are exhibits to the Form 10-K. In addition, the Subordinated Indenture is qualified under the Trust Indenture Act of 1939 and therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

**General.** NEE Capital has issued \$687,500,000 aggregate principal amount of its Series N Junior Subordinated Debentures due March 1, 2079 (the "Junior Subordinated Debentures"). The Junior Subordinated Debentures were issued under an indenture, dated as of September 1, 2006, as amended, referred to as the "Junior Subordinated Indenture," among NEE Capital, NEE, as guarantor, and The Bank of New York Mellon, as



subordinated indenture trustee, referred to as “Subordinated Indenture Trustee.” An officer’s certificate supplemented the Junior Subordinated Indenture and created the specific terms of the Junior Subordinated Debentures. Under the Junior Subordinated Indenture, NEE Capital may issue an unlimited amount of additional unsecured subordinated debt securities. The Junior Subordinated Debentures and all other unsecured subordinated debentures, or other debt of NEE Capital issued previously or hereinafter under the Junior Subordinated Indenture are collectively referred to as “Junior Subordinated Indenture Securities.” The Subordinated Indenture does not limit the aggregate amount of indebtedness that NEE Capital, NEE or their respective subsidiaries may issue, guarantee or otherwise incur.

The Junior Subordinated Debentures were issued in minimum denominations of \$25 and integral multiples thereof. NEE Capital’s corporate parent, NEE, unconditionally and irrevocably guarantees the payment of principal, interest and premium, if any, on the Junior Subordinated Debentures. See “—Junior Subordinated Guarantee of Junior Subordinated Debentures.” All Junior Subordinated Debentures of one series need not be issued at the same time, and a series may be re-opened for issuances of additional NEE Capital Subordinated Debentures. This means that NEE Capital may from time to time, without notice to, or the consent of any existing holders of the previously-issued Junior Subordinated Debentures of a particular series, create and issue additional Junior Subordinated Debentures. Such additional Junior Subordinated Debentures will have the same terms as the previously-issued Junior Subordinated Debentures in all respects except for the issue date and, if applicable, the initial interest payment date. The additional Junior Subordinated Debentures will be consolidated and form a single series with the previously-issued Junior Subordinated Debentures.

The Subordinated Indenture Trustee is initially the security registrar and the paying agent for the Junior Subordinated Debentures. All transactions with respect to the Junior Subordinated Debentures, including registration, transfer and exchange of the Junior Subordinated Debentures, will be handled by the security registrar at an office in New York City designated by NEE Capital. NEE Capital has initially designated the corporate trust office of the Subordinated Indenture Trustee as that office. In addition, holders of the Junior Subordinated Debentures should address any notices to NEE Capital regarding the Junior Subordinated Debentures to that office. NEE Capital will notify holders of the Junior Subordinated Debentures of any change in the location of that office.

**Interest and Payment.** NEE Capital will pay interest quarterly on the Junior Subordinated Debentures at the rate of 5.65% per year. The Junior Subordinated Debentures will mature on March 1, 2079. NEE Capital will pay interest on the Junior Subordinated Debentures on March 1, June 1, September 1 and December 1 of each year, each such date referred to as an “interest payment date,” until maturity or earlier redemption. The first interest payment date on the Subordinated Debentures was June 1, 2019. The record date for interest payable on any interest payment date for the Junior Subordinated Debentures is the close of business on (1) the business day immediately preceding such interest payment date so long as all of the Junior Subordinated Debentures remain in book-entry only form, or (2) the 15th calendar day immediately preceding such interest payment date if any of the Junior Subordinated Debentures do not remain in book-entry only form. See “— Book-Entry Only Issuance.” Interest on the Junior Subordinated Debentures accrued from and including the date of original issuance to but excluding the first interest payment date. Starting on the first interest payment date, interest on each Junior Subordinated Debenture will accrue from and including the last interest payment date to which NEE Capital has paid, or duly provided for the payment of, interest on that Junior Subordinated Debenture to but excluding the next succeeding interest payment date. No interest will accrue on a Junior Subordinated Debenture for the day that the Junior Subordinated Debenture matures. The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months. If any date on which interest, principal or premium, if any, is payable on the Junior Subordinated Debentures falls on a day that is not a business day, then payment of the interest, principal or premium payable on that date will be made on the next succeeding day which is a business day, and no interest will be paid or other payment made in respect of such delay. A “business day” is any day that is not a Saturday, a Sunday, or a day on which banking institutions or trust companies in New York City are generally authorized or required by law or executive order to remain closed.

In this “Description of the NEE Capital Junior Subordinated Debentures and NEE Junior Subordinated Guarantee” the term “interest” includes quarterly interest payments and applicable interest on interest payments accrued but not paid on the applicable interest payment date.