



Policy Title: Contract Signature Authority & Procurement Requirements

Policy Section: Legal & Contract Management (LEG)

Policy Number: TECO-LEG-POL-02-7

Policy Adopted by: TECO Energy, Inc., and all direct and indirect subsidiaries

Effective Date: 11/01/22

Supersedes: TECO-LEG-POL-02-6 (4/1/22), TECO-LEG-POL-02-5 (1/1/20), 2.14 (06/08/18) (10/05/17) (10/01/17) (07/01/16)

1. Policy

a. Signature Authority

This policy sets forth the rules and requirements that must be met to make an agreement on behalf of TECO Energy or one of its subsidiaries, including special requirements that must be met for certain transactions and capital projects. Additionally, this policy sets forth the required uses of the Procurement Department in the purchase of goods and services.

Reference to “Company” and “Company Board” refers to an individual company [e.g., Tampa Electric Company, New Mexico Gas Company (NMGC), TECO Energy, etc.].

It is the policy of TECO Energy that all agreements made on behalf of TECO Energy or one of its subsidiaries be executed by individuals who have authority to enter into the agreement. TECO Energy and its subsidiaries do not recognize agreements as binding unless they are signed by an individual(s) with corporate authority.

Additionally, it is the policy of TECO Energy that purchases of ordinary goods and services be managed through a centralized Procurement Department in accordance with sound business practices to achieve the best value for the business unit while adhering to the highest standards of ethics and integrity.

i. What is an “agreement?”

For purposes of this policy, “agreement” means any agreement, contract, deed, license, application or other arrangement that commits (or waives the rights of) TECO Energy or one of

its subsidiaries. By way of example, "agreement" includes but is not limited to such instruments as a purchase order issued to a vendor for the purchase of goods, an agreement for consulting services, a confidentiality or non-disclosure agreement, a letter agreement, a commodity trading agreement, a "letter of intent," a developer agreement, a joint venture or partnership agreement, a corporate guaranty, a permit application, a tax return, a lease or acquisition of real property, a settlement agreement, and a release.

Any amendment, renewal or extension of an existing agreement shall be treated as a separate agreement for purposes of this policy. Likewise, any purchase order issued pursuant to a master agreement shall be treated as a separate agreement for purposes of this policy. However, any work order (also known as individualized task authorization) issued pursuant to a master agreement shall not be considered an agreement and the authority to approve a work order shall be governed by *TECO-LEG-POL-02 Agreement Approval and Signature Authority*, Disbursements and master agreement procedures maintained by the Procurement Department.

ii. Signatures Required

Except for the agreements specifically described in this section 1.a.ii., **all agreements must be signed by two officers of the contracting Company** (however officers may delegate signature authority under section 1.a.iii.4.)

1. Agreements for the purchase of goods or services in excess of \$50,000 (other than purchase orders) must be signed by **two** authorized persons, one of which may be an authorized Procurement Department signature and one of which must be an officer of the contracting Company (unless an officer has properly delegated authority under section 1.a.iii.4. below). Agreements for the purchase of goods or services not exceeding \$50,000 only require the signature of one authorized person.
2. Recordable real estate agreements, licenses, permit applications, tax returns, tariffed agreements, settlements of legal disputes for under \$100,000 and legal engagements only require the signature of one authorized person.
3. Purchase orders only require the signature of one authorized person. Amendments or change orders that do not increase the total expenditures or risk profile under the contract only require the signature of one authorized person.
4. Fuels agreements made by gas traders and power traders authorized under the Energy Risk Management Policy only require the signature of one authorized person. Other agreements made under the Energy Risk Management Policy require the signature of two authorized persons.
5. Non-disclosure agreements and network access agreements (both in forms approved by the Legal Department) that are part of contract negotiation or RFP process being conducted by Procurement only require the signature of one authorized person.
6. Regulatory settlement agreements which will be filed with a regulatory agency require only the signature of the Company President (unless the President has properly delegated authority

under Section 1.a.iii.4. below).

7. Agreements in which (a) the Company is the seller of services valued at under \$25,000.00 and (b) are designated (in a written document signed by the Company President addressed to the legal department) only require the signature of one authorized person.

Agreements should include the signature of the Officer or his/her delegate (under section 1.a.iii.4. below) with responsibility for the subject matter that the agreement involves.

iii. Authorized Persons

1. Officers

- a. Except as otherwise limited by this Policy and by Company bylaws or a Company Board resolution, Officers are authorized signatories for agreements.
- b. An officer may not sign for a Company for which he/she is not an officer.

2. Procurement Department employees

- a. Tampa Electric Company Procurement Department employees are authorized to sign procurement agreements, purchase orders and amendments to procurement agreements on behalf of TECO Energy and any of its subsidiaries, provided the dollar value of the purchase is within the approval authority assigned to that employee in SAP (such authority level to be reviewed annually by the President of Tampa Electric Company in consultation with other Company Presidents). Additionally, provided the above conditions are met, NMGC procurement department employees are authorized to sign procurement agreements, purchase orders and amendments to procurement agreements for NMGC.
- b. The director of the Tampa Electric Company's Procurement Department is authorized to sign procurement agreements (including amendments thereto), non-disclosure agreements and network access agreements (the latter two both in forms approved by the Legal Department) that are part of a procurement contract negotiation or a RFP process.

3. Fuels Employee

- a. Employees specified in the Energy Risk Management Policy are authorized to sign agreements covered by the policy up to the appropriate tenor and notional amount of obligation incurred under the agreement as set forth in the policy for that employee.

4. Delegations

- a. An officer may delegate his or her signature authority to a person that directly or indirectly reports to the officer. An officer cannot delegate greater authority than the officer has in the first place.

- b. To be effective, delegations must be in writing or electronic mail, substantially in the form attached as Exhibit A, and delivered to the designated legal assistant in the Legal Services department. A delegate is not permitted to further delegate the authority granted to him or her. Any officer who chooses to delegate his or her authority maintains responsibility for any actions undertaken by his or her delegate. Delegations shall be reviewed annually by the Legal Services department.

If an agreement obligates a Company to make a disbursement of any kind, then the authorized signatory (or his or her delegate) should not execute the agreement unless at least one of the signatories has the authority (i) to make the disbursement as provided in TECO-CRR-POL-10 Disbursements, or (ii) pursuant (a) to a specific Company Board resolution or (b) a Company Board-approved policy (such as the Energy Risk Management Policy).

Individuals who enter into agreements without authority may be personally liable for such agreements, whether the agreement is oral or written. Employees who enter into unauthorized agreements may also be subject to disciplinary action, up to and including termination.

iv. Required Signatures for Certain Agreements

1. Corporate guaranties require the signature of the CEO, CFO, or President.
2. Debt financing documentation requires the signature of the President, CFO, Vice President of Finance or Treasurer.
3. Legal engagements require the signature of the General Counsel.
4. Purchases of goods or services contracted through the Tampa Electric Company Procurement Department require the signature of an authorized Tampa Electric Company Procurement Department employee.
5. Regulatory settlement agreements which will be filed with a regulatory agency require the signature of the President.

v. Prerequisites to Signature

Prior to signature, any individual who executes an agreement is responsible for assuring:

1. that any required consultations have occurred (see section 1.a.vi. below);
2. that the agreement does not violate the Emera Code of Conduct or any Company policy;
3. that the agreement complies with all applicable laws and regulations; and
4. that the agreement has received and conforms to the terms and conditions of any required approvals, such as Company Board or Emera approval (see section iii. below).

vi. Required Consultations

Persons executing agreements shall be responsible for obtaining appropriate consultations from other company departments such as Legal Services, Procurement, Corporate Tax, Risk Management or Accounting.

b. Required Approvals and Review

i. Company Board Approvals

Certain transactions, as described below, require approval by the Company Board in addition to the other approvals required in this section, specifically:

1. Asset sales over \$100,000 (FMV or BV). Individual/bulk asset sales for excess, obsolete or salvage materials and equipment can be made under sale agreements or contracts that have been preapproved by the Company Board.
2. All land sales, except dedications to public entities in connection with a permit condition that have a fair market value of less than \$100,000.
3. Real Property leases (either as lessor or lessee) with a transaction size of over \$500,000. The transaction size for acquisitions of property under operating or capital leases shall be based on the undiscounted sum of lease payments over the lease term, including any purchase options.
4. Grants of easements or other land rights (other than a grant of fee ownership) when the grant would make the property unusable for the purpose for the which the property was held or when the fair market value of the granted easement or other land right exceeds \$100,000.

ii. Capital Leadership Team and Company Senior Management

Certain transactions/projects, as described below, require additional review by the Company's Capital Leadership Team (CLT) and approvals by Company Senior Management. Company Senior Management for Florida Companies shall mean the TECO Energy CEO and CFO and the Company President. For NMGC, Company Senior Management shall mean the NMGC Executive Team.

iii. CLT Review of Projects

For Florida Companies, projects requiring approval by Company Senior Management will be reviewed by a CLT appointed by the Emera CFO. The CLT will work with the project team to ensure that the financial analysis and risk assessment used in the evaluation of the project is accurate and complete and will ultimately make recommendations to Company Senior Management.

iv. Transactions Requiring CLT Review (not applicable to NMGC) and Company Senior Management

Approval

1. Transactions and capital projects above \$5 million require review by the CLT and approval by Company Senior Management. Transactions and capital projects above \$10 million (or \$20 million in the case of Tampa Electric) require additional approval by the Company Board.
2. Leased property – The transaction size for acquisitions of property under operating or capital leases shall be based on the undiscounted sum of lease payments over the lease term, including any purchase options.
3. Asset purchases and dispositions - The transaction size for purchase of assets shall be based on the purchase price and for dispositions of assets shall be based on the greater of fair market value and book value of the applicable asset.
4. Business acquisitions, dispositions, partnerships, and joint ventures require review by the CLT, the approval of Company Senior Management and the Company Board, regardless of the size of the proposed investment.

v. Emera-Level Approval

Certain transactions and capital projects require Emera-level approval as detailed in the “Emera Limits of Authority - Capital Spending” attached as Exhibit B. All capital transactions except those specifically identified within an approved annual budget, which are in direct support of existing operations, and reasonably considered to be in the ordinary course of business, require Emera-level approval. Any capital transaction that requires Emera-level approval must receive Company Board approval before seeking Emera-level approval. Transactions and capital projects exceeding the limits of the Emera Corporate Council require Emera Board approval.

c. Procurement

Except as provided in this section c., the Procurement Department shall be responsible for the purchasing of all ordinary goods and services, in order to ensure and maintain an unbiased, consistent and objective procurement process. Employees should involve the Procurement Department as soon as possible when initiating discussions with a potential supplier or other third-party specific to the business need. All purchase requests must be submitted to the Procurement Department which will manage the following activities:

- i. Initiate and manage competitive bidding process;
- ii. Lead and facilitate negotiation of pricing and other commercial terms;
- iii. Contractor/Supplier qualification and selection;
- iv. Recommending and coordinating inventory levels; and

v. Compliance with applicable diversity and similar company goals, policies, and requirements.

In managing these activities, the Procurement Department will be the primary agent authorized to discuss such matters with potential suppliers and other third parties but will act at the direction of the business unit for which the purchase is requested. The business unit will serve as the subject matter expert and work in conjunction with the Procurement Department to achieve the best overall business decision.

The Procurement Department will use company-approved forms of contracts and purchase orders and will consult with the Legal Department when exceptions are taken. The appropriateness and negotiation of legal terms will be determined by the Legal Department, which will advise the business unit.

Only employees specifically authorized in accordance with section 1.a. may sign contracts or purchase orders on behalf of the appropriate company. A contract or purchase order signed by unauthorized personnel, as well as any oral commitment, compromises the company's ability to control the procurement process and exposes the company to unnecessary risks.

The non-recurring procurement of non-stock goods and off-site services valued at less than \$3,000 will not require a purchase order or the involvement of the Procurement Department. Purchase orders are not required for registrations, sponsorships, donations, utilities, freight, or payment of claims or for items described in section c.vii. below.

The Procurement Department will administer the policy outlined in this section and maintain procedures and practices to further its objectives and to monitor compliance with it.

vi. Requisition and Approval

An employee making a request for the purchase of goods or services must submit a requisition to the Procurement Department. The requisition approval may only be made by an employee who has the authority (or who has been delegated the authority) set forth in the approval table in *TECO-CRR-POL-10 Disbursements*.

The employee making the request as well all employees approving the request are responsible for reviewing and understanding everything on the completed purchase requisition.

vii. Documentation Requirements

1. Preferred Source: A purchase is considered a Preferred Source if the total cost is greater than \$50,000 and no bids were obtained. A memo of justification recommending the preferred source must be included with the purchase requisition. Preferred Source memos shall reference the dollar value of the engagement, be signed by the requester and approved by the level above the applicable authority level set forth in *TECO-CRR-POL-10 Disbursements*. In addition, the Tampa Electric Company Director of Procurement (in the case of NMGC, the NMGC Manager with responsibility for procurement) or the Company President shall approve all Preferred Source memos over \$200,000.

2. **Specific Source:** A purchase is considered a Specific Source if the purchase was bid, but the best evaluated bid was not selected. A memo of justification recommending the specific source must be included with the purchase requisition. Specific Source memos shall be sign by the requester and approved by the standard authority level set forth in *TECO-CRR-POL-10 Disbursements*.

viii. Exceptions

This section shall not apply to certain transactions that are within the purview of the following functions:

1. Treasury
2. Tax
3. Risk Management
4. Legal/Claims
5. Human Resource Services and Benefits
6. Payroll
7. Fuels and Power Purchases
8. Government Affairs Activities
9. Business Strategy

This exception to the purchase requisition and procurement requirements of this policy is limited to the types of transactions that are unique to the function of the above-named departments. For example, this provision shall not apply to the purchase of insurance by Risk Management or the engagement of outside counsel by the Legal Department; however, this policy shall apply to purchases for ordinary goods and services by these departments.

This exception also applies to transactions with counterparties appointed by the Company Board. For example, the procurement and purchase requisitioning requirements of this policy do not apply to transactions with the Company Board-appointed independent auditor.

2. Additional Information

Questions, concerns or inquiries related to this policy should be directed to Tampa Electric's Procurement Department.

Exhibit A

TO: Designated Legal Assistant in Legal Department
FROM: [Officer (Name, Title & Name of Applicable TECO Legal Entity)]
RE: DELEGATION OF AUTHORITY

In keeping with the need to conduct normal business in an expeditious manner, the following delegation of authority is provided:

1. In accordance with *TECO-LEG-POL-02 Agreement Approval and Signature Authority*, I hereby delegate my authority to execute and deliver [specify type/names of agreements, contracts, deeds, license or permit applications,] and other similar documents in the name of [specify legal entity] [with a value of up to \$___and a duration of up to _____]

or [[Name and title] is hereby delegated the same authority that I have with respect to [describe nature of agreements to be entered]].

3. Delegate acknowledges he/she has reviewed and understands *TECO-LEG-POL-02 Agreement Approval and Signature Authority*, including the prerequisites to signature.

Date: _____
Name _____
Title:
Legal Entity:

Date: _____ Acknowledged and Agreed (by delegate):
Name: _____
Title:
Legal Entity:

Exhibit B

THRESHOLDS FOR APPROVAL

The Emera Board of Directors **must** be consulted on any decision of a subsidiary, and its approval sought where applicable, if:

- (a) It is a strategic decision for Emera, such as engaging in M&A activity or entering a new business line;
- (b) It is a change to a previous decision of the Emera Board;
- (c) **Emera Equity Investment Threshold** - The subsidiary requires equity capital as a component of any capital investment (regardless whether it is received as an actual injection of equity capital by Emera, or is equity determined on the basis of being implied, effective or notional equity), where the value of the investment, multiplied by the subsidiary's equity thickness for regulatory purposes in the case of a regulated business (or 100% of the amount for a non-regulated business) exceeds \$25 million (CAD) (or other such amount as approved for the authority of the Emera CEO within written delegation of authority limits) **and (except where (d) below applies) where the investment was not included within the subsidiary's approved annual budget, then Emera Board approval of such investment is required;**
- (d) **Capital Project Threshold** - Any capital project is a regulated rate base investment, without any undue or unusual qualitative risks, in an amount greater than \$500 million (CAD), and, if it is an unregulated investment, in an amount greater than a \$50 million (CAD), **notwithstanding the inclusion of such project within the approved annual budget, and Emera Board approval of any equity capital to be invested is required** (again, regardless whether the equity capital is received as an actual injection of equity capital by Emera, or is equity determined on the basis of being implied, effective or notional equity).

Subsidiary Board Approval

For greater certainty, the requirement for Emera Board review or approval does not in any way affect the subsidiary's requirement, if applicable, for subsidiary board approval of any such decision.

- as approved Feb/18

LIMITS OF AUTHORITY		
<p>Emera’s CEO or Emera’s Corporate Leadership Team (CLT) are authorized to approve discretionary capital investments within the approval limits set out below. Such limits are to be calculated on a per transaction/investment basis, and are to be calculated cumulatively for a series of related transactions/investments. For clarity, an excess capital expenditure relative to an approved budgeted amount - on a per transaction/investment basis - requires approval by Emera’s CEO or CLT if they exceed the limits specified below. This is the case even if, with such capital expenditure, the subsidiary is at or below its overall approved annual capital budget. On a quarterly basis, management shall provide a report to the Emera Board outlining all expenditures that are in excess of the greater of (a) \$5 million and (b) 2% of the subsidiaries’ annual capital budget (referred to herein as the “Reporting Threshold”), and made pursuant to this authority. This authorization extends to:</p> <ol style="list-style-type: none"> 1. Emera and all of its wholly owned subsidiaries, and 2. Emera’s controlled but not wholly owned subsidiaries, subject to the additional approval requirements of each entity’s own Board of Directors. <p>For further clarity, capital transactions in excess of the limits of authority delegated to the CEO and CLT require separate and specific discussion and approval from Emera’s Board of Directors, unless specific and detailed analysis is provided as part of the subsidiary’s Capital Budget and is approved on such basis.</p>		
	Emera CEO	Emera CLT
<p>1) Capital Transactions specifically identified within approved annual budget:</p> <ol style="list-style-type: none"> a) That are in direct support of existing operations, and reasonably considered to be in the ordinary course of business b) That are not in direct support of existing operations, such as <ol style="list-style-type: none"> a. Capital equipment assets in new operations or new geographies b. Real Estate (land and buildings) c. Shares or operating assets of new businesses 	<p>\$500mm limit for regulated and \$50mm if unregulated</p> <p>Up to the Reporting Threshold</p>	<p>\$500mm limit for regulated and \$50mm if unregulated</p> <p>The greater of \$25mm and the Thresholds for Approval limits</p>
<p>2) Capital Transactions other than those specifically identified within approved annual budget:</p> <ol style="list-style-type: none"> a) Capital equipment assets in direct support of existing operations (ordinary course of business) b) Capital equipment assets not directly in support of existing operations 	<p>In all cases up to the Reporting Threshold</p>	<p>The greater of \$25mm and the Thresholds for Approval limits, except 2(e), where</p>

<ul style="list-style-type: none"> c) Real Estate (land and buildings) d) Shares or operating assets of new businesses that are clearly aligned and in support of approved strategy e) Shares or operating assets of new businesses that are not clearly aligned and in support of approved strategy f) Miscellaneous assets (including IT hardware and software, office equipment and furniture, leasehold improvements, etc) g) Other 		the limit is up to \$5mm
3) Disposition of shares, or bulk sale of assets	Nil	Nil
4) Additional investment (by way of equity or loan or similar) by Emera or its wholly owned affiliates, in or to non-wholly owned affiliates	Up to the Reporting Threshold	The greater of \$25mm and the Thresholds for Approval limits