

TECO ENERGY, INC.

Governance and Nominating Committee Charter

Purpose

The principal purpose of the Governance and Nominating Committee is to assist the Board of Directors with respect to corporate governance matters by, among other things, developing and recommending appropriate governance guidelines for the Company, assessing Board membership needs and recommending qualified director nominees for the next annual meeting of shareholders, recommending director nominees for each committee of the Board, and leading the annual review of the Board's performance. The Committee shall have such authority as may be delegated by the Board from time to time under this charter or by separate action. The Committee shall regularly report to the Board.

In discharging its responsibilities, the Committee may request that any director, officer or employee of the Company attend any meeting of the Committee to provide such pertinent information as the Committee may request. The Committee shall also have authority to retain such independent advisors as it deems necessary and appropriate.

This charter shall be reviewed for adequacy on an annual basis by the Committee, and any proposed changes shall be recommended to the Board.

Membership

The Committee shall be comprised of not less than three members of the Board, each of whom shall meet the independence and other requirements of the New York Stock Exchange listing standards, as well as the requirements of the Company's Corporate Governance Guidelines. Accordingly, each of the members shall have no relationship with the Company that would impair their independent judgment.

The members of the Committee, including its chairman, shall be appointed and may be removed by the Board. The Committee chairman shall preside at each meeting and, in consultation with the other members of the Committee, shall set the timing of meetings and the agenda of items to be addressed. A majority of the members shall constitute a quorum, and a majority may appoint a chairman pro tempore to serve in the absence of the chairman.

Key Responsibilities

In carrying out its purpose, the Committee shall perform the following functions, which are set forth as a guide and may be varied from time to time as appropriate under the circumstances or as requested by the Board.

- The Committee shall have the responsibility to identify individuals qualified to become members of the Board of Directors, to review any nominations that may be received, and to recommend to the Board nominees to be presented for shareholder approval at the annual meeting. Each nominee should have the qualifications set out in the Corporate Governance Guidelines. Generally, candidates are selected for their character and professional ethics, judgment, business and financial experience, expertise and acumen, and familiarity with national and international issues affecting business, considering the diversity, age, skills, and experience of the Board as a whole, and their ability to make the commitment necessary to further the success of the Company. The Committee shall also consider a director's past attendance and participation in Board and committee meetings before recommending to the Board his or her nomination for an additional term as director.
- The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and to approve the search firm's fees and other retention terms.
- The Committee shall review the Board's committee structure and shall recommend annually directors to serve as members and chairs of the committees.
- The Committee shall annually review and reassess the adequacy of the Company's Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.
- The Committee shall oversee the self-evaluation process of the Board and the standing committees and collect comments from all directors and report annually to the Board with an assessment of the Board's overall performance and effectiveness.
- The Committee shall consider issues involving possible conflicts of interest of directors and executive officers and annually review all business, familial, and charitable relationships of directors to evaluate each director's independence, based on the standards set forth in the Company's Corporate Governance Guidelines. The Committee shall report its finding with respect to each director to the Board.
- The Committee shall review periodically director compensation and benefits and recommend to the Board an overall compensation policy that fairly compensates directors for the work required of the Board, considering the size of the Company and the scope of their responsibilities, and aligns directors' interests with the long-term interests of shareholders.
- When any director offers his or her resignation in the event of a significant change in personal circumstances, including retirement or a change in principal job responsibilities, the Committee shall review the circumstances and make a recommendation to the Board as to whether or not the resignation should be accepted.

- The Committee shall assist the Board in planning for succession to the position of Chief Executive Officer, as well as other senior management positions. To assist the Board, the Committee shall receive from the Chief Executive Officer an assessment of senior managers and of their potential to succeed him or her and information on persons considered potential successors to senior management positions. After reviewing the assessments and related information, the Committee shall make recommendations to the Board with respect to the Company's succession plan.
- In situations where a director already serves on the maximum number of public company boards set forth in the Corporate Governance Guidelines and the Committee receives a notification from a director who wishes to serve on the board of directors or audit committee of another public company, the Committee shall review the circumstances and make a recommendation to the Board as to whether the director's ability to serve on the Company's Board or Audit Committee would be impaired by these additional responsibilities.
- The Committee shall generally advise the Board on governance matters and practices, and shall make recommendations on the structure and conduct of Board meetings and matters for consideration by the Board, including Board and committee meeting schedules and timing and agenda of executive sessions of the non-management directors.
- The Committee shall annually review its own performance.
- The Committee may form and delegate authority to subcommittees when appropriate.