

Charter of the External Stakeholders and Regulation Committee of the Board of Directors Tennessee Valley Authority

I. Purpose

The External Stakeholders and Regulation Committee (“Committee”) is a standing committee of the Board of Directors (“Board”) and is charged with assisting the Board in fulfilling its responsibilities under the Tennessee Valley Authority Act (“TVA Act”). The Committee has been created by the Board pursuant to Section 2(g)(1)(J) of the TVA Act. Provisions of the TVA Act that provide the Committee guidance pertaining to its areas of responsibility are listed in Section VI below.

Specifically, the Committee shall advise the Board with respect to policies, strategies, and oversight in the following areas:

- a. External relations, including the Tennessee Valley Authority’s (“TVA”) work with local power companies, directly-served customers, and TVA stakeholders;
- b. Environmental stewardship and policy, including stewardship of lands, recreation and natural resource management, reservoir management, and acquisition and disposal of land assets under TVA’s control;
- c. Demonstration of good corporate citizenship;
- d. Distributor regulatory policy and oversight; and
- e. TVA’s statutory mission of supporting economic development in TVA’s service territory.

Senior management has primary responsibility for each of the items identified above. The Board oversees senior management in its performance of this responsibility and adopts policies and strategies with regard to the items identified above.

II. Authority and Resources

In accordance with guidelines and cost parameters established by the Board, the Committee may engage outside advisors to assist it in the conduct of its responsibilities, and TVA shall bear the expense of such advisors.

Nothing contained in this charter is intended to expand the applicable standards of liability under statutory or regulatory requirements for the Board or its directors. Members of the Committee are entitled to rely on the expertise, knowledge, and judgment of TVA management and employees and outside advisors.

III. Membership

The members of the Committee shall be appointed by the Chair of the Board with the approval of the Board in accordance with the *Bylaws of the Tennessee Valley Authority*. The Chair of the Committee shall be appointed by the Chair of the Board and shall serve a term that runs concurrently with the term of the appointing Chair of the Board. If the Chair of the Committee is absent, that position’s role shall be filled by another member of the Committee selected by the Committee’s membership in attendance.

The Committee shall be composed of not more than four directors of TVA. No member of the Committee shall receive compensation from TVA, other than as specified by the TVA Act and any other benefits

statutorily related to service as members of the Board or service as a Chair of a standing committee of the Board.

IV. Meeting Requirements

The Committee shall meet at least four times per year and may meet more frequently. Any such meeting may be held in-person, virtually, or by any other means that allows members of the Committee to communicate simultaneously. The Committee shall meet in executive session at least once annually without management present. An executive session may be held during one of the four required Committee meetings. Officers and other management officials of TVA may attend meetings of the Committee upon invitation. A quorum of the Committee is defined as a majority of its members.

The Committee Chair will approve the agenda, with input from senior management and other directors on the Committee and the Board as appropriate.

The Committee shall maintain minutes of its meetings and records related to those meetings. The Corporate Secretary shall appoint a Secretary of the Committee. The minutes of the Committee meetings shall accurately reflect the actions taken by the Committee, including all recommendations made by the Committee to the Board, and shall be distributed to all Committee members and to the Chair of the Board. Copies shall be distributed to the Chief Executive Officer and to TVA's external auditor, unless the Committee specifies otherwise.

V. Responsibilities of the Committee

In addition to the responsibilities identified below, the Committee will undertake such other duties as the Board delegates to it, and will report periodically to the Board regarding the Committee's activities, examinations and recommendations.

A. Stakeholders and External Relations

1. Review and provide advice on TVA's relationships with stakeholders, local power companies, and direct-served customers including significant strategic discussions, partnerships, and joint projects;
2. Review and provide advice on TVA's communications strategies to be used with the general public, stakeholders, local-power companies, and directly-served customers;
3. Review and monitor the performance of TVA's legislative/governmental activities generally and review and recommend TVA policy positions on key legislative issues;
4. Review and monitor TVA's engagement with advisory committees established in accordance with the provisions of the Federal Advisory Committee Act and review advice provided by the committees; and
5. Review and provide advice on TVA's activities related to emerging social issues; and
6. Review and monitor the performance of TVA's policies, standards, actions, and communications in the area of good corporate citizenship;

B. Environmental Stewardship and Policy

1. Review and recommend strategies regarding TVA's environmental policy;
2. Review and monitor applicable environmental laws and policies;
3. Review and recommend strategies relating to stewardship of land and natural resources under TVA's control, reservoir operations, and the environmental profile of TVA activities;
4. Review and monitor the performance of TVA's land stewardship, recreation and natural resource management activities, reservoir management, and the acquisition and disposal of property under TVA's control; and

5. Review and monitor the performance of TVA's legislative and governmental activities respecting environmental and resource stewardship matters.

C. Distributor Regulatory Policy and Oversight

1. Review and monitor TVA's regulatory policies and performance with regard to distributor resale rates, financial health, and compliance, as provided for by TVA's wholesale power contracts and rules and regulations authorized by Section 10 of the TVA Act and employed by the Board to carry out the various purposes of the TVA Act;
2. Review changes or modifications to the rates and charges of the Schedules of Rates and Charges to TVA's wholesale power contracts related to resale rates (except those that also involve wholesale rates) and make recommendations to the Board, as appropriate; and
3. Review the contractual terms and conditions under which TVA sells power at wholesale to distributors of TVA's power and at retail to directly-served customers and recommend material changes to the Board for approval.

D. Economic Development

1. Support TVA's mission of encouraging economic and industrial development in the TVA service territory;
2. Review, monitor, and make recommendations to management and the Board on policies and strategies related to the development and execution of TVA's economic development activities; and
3. Review and monitor performance of TVA's economic development programs and initiatives.

E. Other

1. Make such recommendations to the Board on matters within the scope of the Committee's responsibilities, as considered necessary or appropriate; and
2. Conduct annually a self-assessment of the Committee with the goal of continuing improvement.

VI. Responsibilities Related to the TVA Act

The Committee is charged with the responsibility of assisting the Board in fulfilling its responsibilities under the TVA Act, including primary responsibility regarding the following provisions of the TVA Act:

- a. Section 2(g)(1)(A) (broad goals, objectives, and policies);
- b. Section 2(g)(1)(B) (long-range plans to guide TVA in achieving the goals, objectives, and policies of TVA and assistance to the Chief Executive Officer to achieve those goals, objectives, and policies);
- c. Section 2(g)(1)(C) (ensure that Board-approved goals, objectives, and policies are achieved);
- d. Sections 4(h), (i), (j) and (k) (acquiring and disposing of property);
- e. Section 10 (promoting wider and better use of electricity; power contract terms and conditions; resale rates; rules and regulations);
- f. Section 15d(h) (advancement of the physical, social and economic development of TVA's service territory);
- g. Section 22 (aiding in the proper use, conservation, and development of the natural resources of the Tennessee Valley); and
- h. Section 26a (overseeing the unified development and regulation of the Tennessee River system).

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