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## **ANNUAL GENERAL SHAREHOLDERS' MEETING**

**EDP, S.A.**

16<sup>th</sup> April 2026

### **PROPOSAL OF ITEM 7 OF THE AGENDA**

#### **Amendment to the Remuneration Policy applicable to the Executive Board of Directors**

For the purposes and within the scope of Article 26-B(1) of the Portuguese Securities Code (*Código dos Valores Mobiliários*), as well as Section 7 of the Remuneration Policy applicable to the Executive Board of Directors ("EBD") currently in force, the Remuneration Committee of the General and Supervisory Board ("**CVEN**") of EDP, S.A. ("**EDP**") is responsible for monitoring EDP's situation in matters relevant to the determination of the variable remuneration of the members of the EBD and, where appropriate, submitting to the General Shareholders' Meeting proposals to amend the remuneration policy applicable to the members of the EBD.

In the exercise of these duties, at a meeting held on 19 March 2026, CVEN unanimously approved a proposal to amend the Remuneration Policy currently in force, with a view to adjusting the methodology for determining the variable components of the remuneration of the members of the EBD, and resolved to submit such proposal to the General Shareholders' Meeting of EDP to be held on 16 April 2026.

#### **Grounds for Proposal**

CVEN continuously monitors the implementation of the Remuneration Policy, ensuring its adequacy and periodically promoting its review, in particular in the period preceding the appointment of new corporate bodies. In the context of its regular activities, CVEN requested, in 2025, a benchmarking study of remuneration policies from Sodali & Co.. The outcome of this exercise indicates that the overall minimum threshold of 85% set out in the Remuneration Policy, as a condition for the award of both annual and long-term variable remuneration, is not a common market practice.

In this respect, the Remuneration Policy currently in force requires, on the one hand, that the level of performance of a given quantitative objective be equal to or greater than 85% for that objective to be considered in the calculation of overall performance. Additionally, it conditions the award of any variable remuneration (whether annual or multi-year) on the achievement of an overall minimum performance threshold of 85%.

The demanding nature of the current Remuneration Policy is further reinforced by the inclusion of the Total Shareholder Return ("**TSR**") indicator in the determination of annual variable remuneration, thereby introducing into short-term remuneration a metric that is highly sensitive to market volatility and external factors beyond management's direct influence.

Additionally, recent market developments have illustrated the potential impact that external factors may have on TSR performance outcomes. In this context, the TSR performance of companies comprising to the *EURO STOXX Utilities* index ("**SX6E**") during the 2024–2025 revealed a greater dispersion in the returns of its constituents, reflecting significantly different market dynamics between companies with greater exposure to renewable energy and those with higher exposure to regulated networks.



Such dispersion is, in part, explained by the increased uncertainty regarding public policies in the North American market for the renewable energy sector, which has had a significant impact on the relative performance of companies exposed to this market segment.

Specifically, in EDP's case, the 2024 financial year was characterised by overall positive operational performance, with the majority of key performance indicators achieved above previously defined targets. Nevertheless, CVEN also notes that shareholder return, based on the Total Shareholder Return, underperformed the benchmark index for the utilities sector, largely due to external and exogenous factors, as the above-mentioned dispersion.

The use of the TSR indicator in the calculation of annual variable remuneration of the EBD members had a disproportionate influence on the overall outcome of the performance indicators relating to the 2024 financial year, producing disproportionate effects in the determination of annual variable remuneration.

Furthermore, following the determination of the 2025 financial results, CVEN concludes that the evolution of this indicator made the minimum global threshold for the long-term remuneration significantly more difficult to achieve. This circumstance results in that component variable remuneration losing its effectiveness as an incentive for EDP's management team, insofar as it imposes excessively demanding performance levels for the remaining term of the current mandate.

The disproportionate impact of this indicator on the variable component of remuneration is further reinforced by the circumstantial nature of these factors, given that the observed dispersion has decreased in the current year, also as a result of greater regulatory clarity in the North American market.

Considering the above, CVEN considers that it should address the reduced effectiveness of the performance assessment mechanism provided for in the Remuneration Policy.

Based on the benchmark, and in furtherance of the guiding principles of the current Remuneration Policy, CVEN considers adequate and sufficient to adjust the minimum threshold for consideration of the indicator shareholder returns, from the current 85% to 50%.

The adjustment that CVEN intends to submit to the General Shareholders' Meeting does not alter the performance metrics nor the pay-for-performance philosophy underlying the Remuneration Policy. Rather, it is limited to recalibrating the minimum performance threshold applicable to the TSR indicator, thereby aligning the performance metrics of the members of the EBD with shareholders' interests and promoting sound and robust risk management.

Considering the impact of the above-mentioned factors in the period 2024-2026, the current CAE term of office, CVEN considers that these terms should apply to the calculation of all variable components of CAE's remuneration for the current term of office.

Through this measure, CVEN seeks to ensure appropriate alignment between the interests of the Executive Board of Directors and those of the shareholders, while maintaining pay-for-performance as a cornerstone principle of the Remuneration Policy and, simultaneously, promoting the retention and motivation of the members of EDP's governing bodies.

Pursuant to Article 26-B of the Portuguese Securities Code and Section 7 of the Remuneration Policy, CVEN hereby proposes to the General Shareholders' Meeting:

To determine that the minimum performance threshold to be taken into account for the purposes of determining the variable remuneration set out in the last paragraph of Sections 2.2.2 and Sections 2.2.3 in respect of the annual and multi-year component, respectively, shall be amended so that the minimum threshold to be considered is set at 50%, only with respect to the indicator shareholder return, with the referred paragraphs being amended as follows:

*“The performance level of a given quantitative objective shall be equal to or higher than 85% for that objective to be considered in the calculation of total performance, with the exception of the shareholder return indicator, for which the minimum performance level shall be set at 50%, and all quantitative objectives shall have a maximum limit of 120%.”*



Miguel Pereira Leite

Chair of CVEN



Fernando Masaveu Herrero

Member of CVEN



Gonçalo Moura Martins

Member of CVEN



Sandra Santos

Member of CVEN



Zhi Shao

Member of CVEN