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EDP RENOVÁVEIS, S.A.

**REPORT REGARDING THE PROPOSAL FOR THE UPDATE OF THE
REMUNERATION POLICY 2023-2025
OF THE BOARD OF DIRECTORS
OF EDP RENOVÁVEIS, S.A.**

**ISSUED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE
AT ITS MEETING HELD ON 21 FEBRUARY 2024**

1. PURPOSE OF THIS REPORT

The Appointments and Remuneration Committee (hereinafter, the "**Committee**") of EDP Renováveis, S.A. (hereinafter, "**EDPR**" or the "**Company**", indistinctly) issues this report in relation to the proposed update of the Remuneration Policy of the Board of Directors of EDPR corresponding to the period 2023-2025 (hereinafter, the "**Remuneration Policy**"), which was approved by the Ordinary General Shareholders' Meeting held on 31 March 2022 and amended on 4 April 2023 in compliance with the provisions of Article 529 novodecies.1 of *Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital* (hereinafter, the "**Spanish Companies Act**").

2. RATIONALE OF THE AMENDMENT PROPOSAL

On the occasion of this meeting, this Committee has issued a proposal and report in which it refers to, among other items, to the resignations submitted by Mrs. Vera de Morais Pinto Pereira Carneiro and Mrs. Ana Paula Garrido de Pina Marques, both as a result of the expiration of their term of office have expressed their will, for professional reasons, not to be proposed for re-election in their positions for a period of three (3) years. Pursuant to the above-mentioned report, Mrs. Vera de Morais Pinto Pereira Carneiro and Mrs. Ana Paula Garrido de Pina Marques will submit their respective resignations soon, with effects from the date of the upcoming General Shareholders' Meeting.

Likewise, said proposal and report refers to the amendment of the composition of the Board of Directors by means of a reduction of the number of Directors, as a consequence of the resignations submitted by the two aforementioned Nominee Directors as well as the one submitted by Mr. Acácio Liberado Mota Piloto, as Independent Director. In this regard, said amendments will unavoidably entail an increase in the workload for the Non-Executive Directors, who hold positions as Chairman of the Board of Directors and Chairmen of its delegated committees, performing a leading role as ultimately responsible for the effective functioning of these bodies; as well as members of the Board of Directors and each of its delegated committees.

Pursuant to the aforementioned, and taking into account the fact that the remuneration of the Non-Executive Directors has not been increased in the past three (3) years and considering the foreseeable increase in their workload as a consequence of the proposal for the reduction of the number of Directors, given the degree of involvement and dedication that it will demand from the Non-Executive Directors, this Committee has resolved to propose the increase of their remuneration in accordance with the following scheme:

- Increase the remuneration of the Chairman of the Board of Directors up to €265,000.

- Increase the remuneration of the members of the Board of Directors up to €75,000.
- Increase the remuneration of the Chairman of the Audit, Control and Related Parties Committee up to €65,000.
- Increase the remuneration of the members of the Audit, Control and Related Parties Committee up to €30,000.
- Increase the remuneration of the Chairman of the Appointments and Remuneration Committee up to €25,000.
- Increase the remuneration of the members of the Appointments and Remuneration Committee up to €20,000.
- Increase the remuneration of the Chairman of the Environment, Social and Corporate Governance Committee up to €25,000.
- Increase the remuneration of the members of the Environment, Social and Corporate Governance Committee up to €20,000.

Which represents in total, in absolute figures, an increase of about 15% of the total remuneration received by the Non-Executive Directors for all the aforementioned items, and likewise does not increase the total cost of the Board of Directors.

By virtue of the foregoing, it has been deemed appropriate to update the text of the Remuneration Policy, (i) removing the references to Non-Executive Nominee Directors and their remuneration, given that the resignations of Mrs. Vera de Moraes Pinto Pereira Carneiro and Mrs. Ana Paula Garrido de Pina Marques will take effect as from the date of the upcoming General Shareholders' Meeting, therefore, as of the same date, there will be no Director holding the category of Nominee Director; and (ii) adjusting its content to the amounts proposed for the increase of the remuneration of the Chairman of the Board of Directors and the Chairmen of its delegated committees, as well as the members of the Board of Directors and of its delegated committees in accordance with the above.

Likewise, it is also intended to include the possibility that, upon proposal from the ARC, the Board of Directors may resolve that the two executive directors receive directly from EDPR all or part of the remuneration that EDP is currently receiving as management fee, being reduced by the relevant amount, and without this entailing in any case the modification of the amounts provided in this Remuneration Policy for such executive functions.

Finally, while maintaining the aggregate weighting of the qualitative and quantitative criteria used to determine the annual and multi-annual variable remuneration of the Executive Directors, 90% and 10%, respectively, it is proposed to adjust the Remuneration Policy to reflect the weighting of certain key performance indicators that

make up the quantitative criteria so that the aggregate amount of all weightings represents 90% in total instead of the 80%, as it was the case until now. For these purposes, it is hereby noted that the weighting shown below is the weighting that has been applied during the financial year 2023 and will be applied during the term of this Remuneration Policy:

- Key performance indicators and their weighting regarding the annual variable remuneration:
 - Quantitative: 90%
 - Growth: earnings per share recurring (25%).
 - Shareholder remuneration – TSR vs Eurostoxx utilities S&P Clean Energy (25%).
 - Balance sheet solidity- FFO/Net Debt (10%).
 - Operational efficiency – Adjusted Core OPEX/MW (10%).
 - ESG (20%): Dow Jones Sustainability Index performance (10%), Total Frequency rate (5%) Climate Survey results (5%).
 - Qualitative: 10%
 - Implementation of the BP in the year (2.5%).
 - Team management (2.5%).
 - Team work (2.5%).
 - Stakeholder Management (2.5%).
- Key performance indicators and their weighting regarding the multiannual variable remuneration:
 - Quantitative: 90%
 - Growth: earnings per share cumulative recurring (25%).
 - Shareholder remuneration – TSR vs Eurostoxx utilities S&P Clean Energy (40%).
 - ESG (25%): Total renewables MWs build-out (20%), Bloomberg GEI (5%).
 - Qualitative: 10%
 - Strategy and Execution (2.5%).

- Employee development (2.5%).
- Team work and new forms of working (2.5%).
- Stakeholder Management (2.5%).

Consequently, the Committee considers necessary to propose to the Ordinary General Shareholders' Meeting to be held, foreseeably, on 4 April 2024, at first call, or on 15 April 2024, at second call (hereinafter, the "**General Shareholders' Meeting 2024**"), the amendment of section 2 of the Remuneration Policy (Structure and applicable components).

Once approved by the General Shareholders' Meeting 2024, the proposed amendments to the Remuneration Policy will be applicable as from the date of its approval.

The Directors' remuneration scheme originally provided in the Remuneration Policy remains unchanged.

As from the approval, if applicable, of this proposal by the General Shareholders' Meeting 2024, the Remuneration Policy shall be rewritten in the consolidated text attached hereto as **Schedule I**. For information purposes, a comparison between the current text and the proposed update of the Remuneration Policy is also attached as **Schedule II**, including the proposed updates consisting of the amendment of paragraph 2 of the Remuneration Policy (Structure and applicable components).

3. APPOINTMENTS AND REMUNERATION COMMITTEE'S OPINION

As a result of the foregoing, the Appointments and Remuneration Committee unanimously resolves to report favourably to the Board of Directors of the Company to submit to the upcoming General Shareholders' Meeting 2024 the proposal to update the Remuneration Policy in the terms set out in **Schedule I** attached to this report, so that it will be applicable to the Company from [the date of its approval by the General Shareholders' Meeting 2024] until the end of its term in 2025.

Madrid, 21 February 2024

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SCHEDULE I

CONSOLIDATED TEXT OF THE REMUNERATION POLICY 2023-2025 OF THE BOARD OF DIRECTORS OF EDP RENOVÁVEIS, S.A. INCLUDING THE PROPOSED UPDATES



SCHEDULE II

**COMPARISON BETWEEN THE CURRENT TEXT AND THE UPDATE PROPOSAL
FOR THE REMUNERATION POLICY 2023-2025
OF THE BOARD OF DIRECTORS OF EDP RENOVÁVEIS, S.A.**