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**REPORT BY THE APPOINTMENTS, REMUNERATIONS AND
CORPORATE GOVERNANCE COMMITTEE
BOARD OF DIRECTORS' REMUNERATION POLICY FOR 2023-2025**

9 February 2022

1. INTRODUCTION

This report is prepared by the Appointments, Remuneration and Corporate Governance Committee of EDP RENOVÁVEIS, S.A. ("EDPR" or the "Company") in accordance with the provisions of Article 529 *novodecies* of the Spanish Companies Act in relation to the proposal for approval of the Board of Directors' Remuneration Policy to be submitted to the Annual General Meeting of March 31st, 2022.

2. BACKGROUND AND PURPOSE

Law 5/2021, of April 12th, which amends the revised text of the Spanish Companies Act, amends Articles 529 *sexdecies* to 529 *novodecies* of the Spanish Companies Act concerning the remuneration of directors of listed companies and the transitional rules of this law provide that the amendments to said Article 529 *novodecies*, which regulates, inter alia, the requirements to be met by the remuneration policy for directors, shall enter into force on October 14th 2021. Companies must submit the policy for approval per these changes at the first General Shareholders' Meeting held after that date.

The new Board of Directors' Remuneration Policy for 2023-2025 is aligned with the current requirements of the new Article 529 *novodecies* of the Companies Act following its amendment by Law 5/2021.

In compliance with the above regulations, the purpose of this report is to explain the criteria on which the Appointments, Remuneration and Corporate Governance Committee bases its proposal to the Board of Directors for the EDPR Directors' Remuneration Policy for the 2023-2025 period, which will be submitted, as a separate item on the agenda, for the approval of the Ordinary General Shareholders' Meeting to be held on March 31st 2021.

This report is prepared by EDPR's Appointments, Remuneration and Corporate Governance Committee, with the internal support of the heads of the Human Resources and General Secretary areas, and with the help of independent consultants, to ensure that it is aligned with the Company's situation and strategy and with market conditions, and also to assess whether it contributes to long-term value creation and adequate risk control and management. This policy will be submitted for approval by the General Shareholders' Meeting for a maximum period of three financial years and will come into force in 2023.

The proposed policy is based on the principles of balance, relation to their effective dedication and alignment with the strategies, interests and long-term sustainability of EDPR and its shareholders, taking into consideration the responsibilities assumed by the members of the Board of Directors and its delegated committees, the best practices in remuneration matters, the conclusions of comparative analyses carried out by specialised external consultants and the results obtained by the Company.

3. APPOINTMENTS, REMUNERATIONS AND CORPORATE GOVERNANCE COMMITTEE: COMPOSITION AND FUNCTIONS IN RELATION TO THE REMUNERATION OF THE COMPANY'S DIRECTORS.

i. Composition

EDPR's Appointments, Remunerations and Corporate Governance Committee is entirely composed of non-executive and independent members, which ensures its autonomy and freedom of judgement in discharging its functions of proposing and reporting on critical decisions within the scope of its competencies. All its members have experience and expertise commensurate with the tasks assigned to it.

At the date of issue of this report, EDPR's Appointments, Remunerations and Corporate Governance Committee is composed of three members:

| POSITION: | MEMBER | DATE OF FIRST APPOINTMENT | NATURE |
|-----------|--------------------|---------------------------|-------------|
| Chairman | Antonio Gomes Mota | 12.04.2021 | Independent |
| Member | Rosa García García | 12.04.2021 | Independent |
| Member | José Félix Morgado | 12.04.2021 | Independent |

In addition, the Secretary of this Committee is María González Rodríguez.

ii. Functions in relation to Directors' remuneration

EDPR's Appointments, Remunerations and Corporate Governance Committee, in accordance with the Articles of Association, the regulations of the Company's Board of Directors and its own Regulations, is entrusted with the following functions, among others:

- Defining the principles and criteria for the composition of the Board of Directors and the selection and appointment of its members.
- Proposing appointments and re-elections of Directors, when these are to be made by co-option, or in any case for submission to the General Meeting by the Board.
- Proposing to the Board of Directors the members of the various Committees.
- Proposing to the Board, as per the provisions of the Articles of Association, the system, distribution and amount of Directors' remuneration. The terms and conditions of contracts with Directors shall also be proposed to the Board, where appropriate.
- Reviewing and reporting on incentive schemes, pension supplements and remuneration programmes.
- Overseeing and assessing the suitability of the corporate governance model adopted by the Company and its compliance with internationally accepted governance models, submitting the relevant recommendations in this area.

- Overseeing compliance with and the correct application of the corporate governance principles and standards in force, promoting and requesting the exchange of information necessary for this purpose.

iii. Description and justification of the Directors' Remuneration Policy for 2023-2025 that the Appointments, Remunerations and Corporate Governance Committee reports for its submission to the General Shareholders' Meeting.

The approval of the Remuneration Policy for 2023-2025 is submitted for approval by the General Shareholders' Meeting before the end of the period of validity of the Remuneration Policy for 2020-2022 that is currently in force, per the new wording of Article 529r of the Capital Companies Act, which lays down that proposals for new remuneration policies for directors must be submitted to the General Shareholders' Meeting before the end of the last financial year of application of the previous Shareholders' Meeting.

It is hereby stated that the Remuneration Policy for 2023-2025, which is submitted to the consideration of the Board of Directors for submission to the General Shareholders' Meeting, is consistent with the previous Directors' Remuneration Policies, since, in general, it does not envisage any modification of the remuneration conditions of the executive Directors, nor of the rest of the Directors in their capacity as such.

The changes incorporated into the Remuneration Policy for 2023-2025 arise mainly as a result of the new composition of the Board and the delegated Committees agreed by the General Meeting and the Company's Board of Directors in April 2021, based on which, and after the corresponding market study on the remuneration in the market for discharging certain functions in these bodies, the following adjustments to EDPR's Remuneration Policy have been considered:

- Based on the specific analysis carried out by the Appointments, Remunerations and Corporate Governance Committee, a new remuneration has been determined for the Independent Chairman of the Board, a position hitherto held by a Dominical Director;
- With the exception of the Chairman of the Board of Directors, the Directors who are members of the Delegated Committees shall receive a supplement to their remuneration as members of the Board, for their status as member or Chairman of these Committees. It should be noted in this respect that the Committees hold a large number of meetings per year, with a high level of attendance and commitment on the part of their members, and it has therefore been considered appropriate to assign remuneration proportional to their greater dedication and responsibility;
- The amounts EDPR pays EDP for management services have been adjusted, more in line with the benchmark;
- The KPIs for both annual and multi-year variable remuneration for Executive Directors have been adjusted to align more closely with the business plan;

- In compliance with the best practices of Good Governance, and in particular, with regard to recommendation V.2.3 of the Code of Good Governance of the Portuguese Institute of Corporate Governance, it is specifically determined that the policy does not consider any payment of compensation to directors for the termination of their duties.

Finally, it is noted that if the Directors' Remuneration Policy for 2023-2025 is approved by the Company's General Shareholders' Meeting, it will enter into force on 1 January 2023 and will remain in force for a maximum period of three financial years.

Any modification or replacement of the policy during this period shall require the prior approval of the General Shareholders' Meeting in accordance with the provisions of prevailing legislation.

4. OPINION OF THE APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

The Committee considers that the proposed Remuneration Policy complies with the provisions of Article 217.4 of the Capital Companies Act as the proposed remuneration system is reasonably proportionate to EDPR's importance in the market, its current economic situation and the market standards of comparable companies. Furthermore, the proposed Remuneration Policy aims, among other objectives, to promote EDPR's long-term profitability and sustainability and incorporates the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavourable results.

As a consequence of the above, EDPR's Appointments, Remuneration and Corporate Governance Committee proposes to the Board of Directors to submit the approval of the Remuneration Policy, attached as a Single Annex to this report, to the Company's next General Shareholders' Meeting after the Board of Directors has approved it. Such approval shall be applicable during the three financial years following the one in which the General Shareholders' Meeting has approved it, notwithstanding the possibility of its renewal upon its expiry or its prior modification if circumstances so recommend.

Madrid, 9 February 2022,

António Sarmiento Gomes Mota

Rosa García García

Jose Félix Morgado