PROPOSED BOARD RESOLUTION

(Winning Performance Team Incentive Plan and Executive Annual Incentive Plan Corporate Performance Measures and Goals for Fiscal Year 2027)

WHEREAS in a memorandum dated July 22, 2026, a copy of which is filed with the records of the Board as Exhibit 08/20/2026A (Memorandum), the Interim Chief Executive Officer (CEO) recommended approval of corporate performance measures and goals to assess performance under the Winning Performance Team Incentive Plan (WPTIP) and Executive Annual Incentive Plan (EAIP) for FY 2027; and

WHEREAS the People and Governance Committee has reviewed the corporate performance measures and goals for FY 2027, as described above, and recommends their approval;

BE IT RESOLVED, That the Board approves the WPTIP and EAIP corporate performance measures and goals for FY 2027 (including accompanying definition sheets) as set out in the Memorandum and its Attachment A, which is confidential.

Approved by TVA Board of Directors

August 20, 2026

JEN
Assistant Secretary

Exhibit 08/20/2026A

July 22, 2026
CEO Organization

Board of Directors

SUBJECT

Approval of the corporate performance measures under the Winning Performance Team Incentive Plan (WPTIP) and Executive Annual Incentive Plan (EAIP), along with the performance goals and definition sheets associated with such measures, for FY 2027 (see Attachment A, which is confidential).

BACKGROUND

For FY 2027, the WPTIP and EAIP are expected to operate as follows:

- The Board establishes a single scorecard for corporate performance measures and goals for FY 2027 that applies to all employees who are eligible to participate in either the WPTIP or the EAIP. Use of a single scorecard reflects the collaborative efforts among business units to achieve TVA's strategic priorities and business goals. The performance results under the scorecard determine the incentive award payouts for participants under the WPTIP and EAIP.

- Managers may adjust WPTIP/EAIP payouts for their direct reports through the application of an individual performance multiplier.

- The Board has discretionary authority to review the results of performance measures and goals and to approve any adjustments to payouts in appropriate circumstances in accordance with the terms of the plans.

In accordance with the plan design, we are recommending approval of the following corporate performance measures for FY 2027: Personal Safety, Nuclear Reliability, Transmission Reliability, Generation Reliability, and Cost Performance, along with their accompanying target goals and definition sheets, as found in Attachment A, which is confidential. The target corporate performance goals for each measure are established to align to TVA's annual business plan, and the Board and CEO will consider all relevant factors with respect to each measure, including performance relative to the target goal, in determining the final award payout.

RATIONALE FOR PROGRAM DESIGN

TVA's WPTIP/EAIP is a pay-for-performance program similar in structure and incentives to performance-based profit-sharing programs used by private companies. The program is justified based on the principle that operational and process improvements and reduced costs can be obtained by applying appropriate management focus and offering appropriate monetary incentives. The program is used to identify, communicate, and deliver performance incentives to the workforce. The proposed WPTIP/EAIP corporate performance measures and goals are based on the business plan for the fiscal year. TVA management reviewed the design of the WPTIP and EAIP and the proposed corporate performance measures and goals, with direction from TVA staff and the People and Governance Committee, and it was decided that the design and performance measures and goals described in this memorandum best fit TVA's compensation philosophy and compensation plan goals.

RECOMMENDED ACTION

Based on the importance of aligning organizational performance to the Board's strategic objectives, the Board is requested to approve the FY 2027 WPTIP/EAIP corporate performance measures (Personal Safety, Nuclear Reliability, Transmission Reliability, Generation Reliability, and Cost Performance) and goals, including the accompanying definition sheets, which are included in the confidential Attachment A.

SPECIAL CONSIDERATIONS

The FY 2027 WPTIP/EAIP corporate performance measures and goals are attached for approval. Any changes to these measures and goals during the fiscal year will require further Board approval.

Mike Skaggs

Michael D. Skaggs
Interim President and Chief Executive Officer

Attachment
Cc: Mary Margaret Painter

Edward C. Meade ______________ August 3, 2026
Edward C. Meade Date
Executive Vice President and
General Counsel (Interim)