

PROPOSED BOARD RESOLUTION
(Long-Term Incentive Plan Measures and Goals)

WHEREAS in a memorandum dated January 22, 2026, a copy of which is filed with the records of the Board as Exhibit 02/11/26C (Memorandum), the Chief Executive Officer (CEO) recommended approval to (1) replace the Long-Term Incentive Plan (LTIP) Carbon-Free Performance Indicator measure and related goals with a new Project Milestones measure and related goals for the FY 2024 – FY 2026, FY 2025 – FY 2027, and FY 2026 – FY 2028 performance cycles and (2) delegate authority to the Chair of the People and Governance Committee to amend the approved milestones list as set forth in Attachment A to the Memorandum, which is confidential, upon the recommendation of the CEO; and

WHEREAS the People and Governance Committee has reviewed the proposal to replace the Carbon-Free Performance Indicator measure and related goals with the Project Milestones measure and related goals and to delegate authority to amend the approved milestones list, as described above, and recommends approval;

BE IT RESOLVED, That, with regard to LTIP Performance Measures and Goals for the FY 2024 – FY 2026, FY 2025 – FY 2027, and FY 2026 – FY 2028 performance cycles, the Board approves eliminating the Carbon-Free Performance Indicator measure and related goals and replacing them with the new Project Milestones measure and related goals (including replacing the definition sheet) as set forth in the Memorandum and its Attachment A, which is confidential; and

RESOLVED further, That the Board delegates authority to the Chair of the People and Governance Committee to amend the approved milestones list as set forth in Attachment A to the Memorandum, which is confidential, upon the recommendation of the CEO.

**Approved by TVA Board of
Directors**

February 11, 2026

**JEN
Assistant Secretary**

January 22, 2026
CEO Organization

Board of Directors

SUBJECT

Approval of the replacement of the Carbon-Free Performance Indicator measure and related goals under the Long-Term Incentive Plan (LTIP) with a new Project Milestones measure and related goals, along with the definition sheets associated with such measure and goals (see Attachment A, which is confidential), which will apply for the three-year performance cycles ending on September 30, 2026, 2027, and 2028, and delegation of authority to amend the approved milestones list.

BACKGROUND

For the FY 2024 – FY 2026, FY 2025 – FY 2027, and FY 2026 – FY 2028 LTIP performance cycles, the Board approved the use of the following performance measures: Total Spend, Powerful Partnerships Survey, and Carbon-Free Performance Indicator, weighted at 60 percent, 20 percent, and 20 percent, respectively.

The Board is requested to approve the use of a replacement measure for the Carbon-Free Performance Indicator applicable to the performance cycles ending on September 30, 2026, 2027, and 2028. Otherwise, no other changes are being requested. The replacement measure will monitor performance in project execution critical to achieving TVA's mission.

For the FY 2024 - FY 2026 LTIP performance cycle, the calculation of the Project Milestones measure will not consider FY 2024 or FY 2025 results; rather, the Project Milestones measure and related goals will be calculated using results for FY 2026. For the FY 2025 – FY 2027 LTIP performance cycle, the calculation of the Project Milestones measure will not consider FY 2025 results; rather, the Project Milestones measure and related goals will be calculated using results for FY 2026 and FY 2027. For the FY 2026 – FY 2028 performance cycle, the calculation of the Project Milestones measure and related goals will be calculated using results for FY 2026, FY 2027, and FY 2028. The Project Milestones measure and related goals referenced in this paragraph will be calculated, as appropriate, based on the calculations and goals as set forth in Attachment A, which is confidential.

RATIONALE FOR PROGRAM DESIGN

Certain executives in critical positions who make decisions that significantly influence the development and execution of TVA's long-term strategic objectives participate in the LTIP. The LTIP performance measures and goals are designed to align with TVA's mission, measure performance achieved for three-year performance cycles, and properly and competitively reward executives for helping improve TVA's long-term success based on these measures and goals.

TVA management reviewed the design of the LTIP and decided that the proposed Project Milestones performance measure and related goals, as set forth in this memorandum, reflect a better indicator of TVA's performance in meeting long-term strategies and objectives than the current Carbon-Free Performance Indicator measure and related goals.

