

28 JANUARY 2025

**Agenda and Explanatory Notes of the Annual General Meeting**

of

**Pepco Group N.V.**

on

**12 March 2025 at 1 p.m. (CET)**

Agenda and Explanatory Notes of the Annual General Meeting (the **AGM**) of Pepco Group N.V. (the **Company**) which will be held at 1 p.m. CET on 12 March 2025.

This document provides you with a description of the agenda items to be considered during the AGM. It is indicated on the agenda when an item is for your voting at the AGM. We encourage you to read this information carefully and hope that you will agree with the recommendation of the board of the Company (the **Board**) to vote in favour of the proposals.

All information regarding the AGM can be found at [www.pepcogroup.eu](http://www.pepcogroup.eu).

**Agenda**

1. Opening
2. Annual Report and Annual Financial Statements 2024
  - a. Report of the Board for the financial year 2024
  - b. Advisory vote on the Remuneration Report for the financial year 2024 (**advisory voting item**)
  - c. Adoption of the Annual Financial Statements for the financial year 2024 (**voting item**)
  - d. Explanation of the dividend policy
  - e. Dividend proposal (**voting item**)
3. Discharge of the members of the Board
  - a. Discharge of the executive members of the Board in respect of the performance of their duties during the financial year 2024 (**voting item**)
  - b. Discharge of the non-executive members of the Board in respect of the performance of their duties during the financial year 2024 (**voting item**)
4. Governance
  - a. Compliance with the updated Dutch Corporate Governance Code
  - b. Partial amendment of the Company's articles of association (**voting item**)
5. Authorisations of the Board
  - a. Authorisation of the Board to have the Company acquire up to 10% of the ordinary shares in its own capital (**voting item**)
  - b. Authorisation of the Board to issue (rights to subscribe for) up to 10% of the ordinary shares in the Company's capital and to restrict or exclude related pre-emptive rights (**voting item**)
6. Cancellation of ordinary shares (**voting item**)

7. Amendment of the Company's Directors' Remuneration Policy (**voting item**)
8. Approval of the Company's Non-Executive Equity Plan (**voting item**)
9. Appointment of EY Accountants B.V. as the Company's external auditor for the financial year 2025 (**voting item**)
10. Any other business
11. Closing of the meeting

## **Explanatory Notes to the Agenda**

### ***Item 2 Annual Report and Annual Financial Statements 2024***

#### **Item 2a: Report of the Board for the financial year 2024**

A presentation is given to the AGM on the performance of the Company in the financial year 2024.

#### **Item 2b: Advisory vote on the remuneration report for the financial year 2024 (advisory voting item)**

The remuneration report of the Company for the financial year 2024 which ended on 30 September 2024, is presented to the AGM for an advisory vote. The remuneration report can be found on pages 76 through 83 of the annual report for the financial year 2024 and reports on the implementation and execution of the remuneration policy for the Board for the financial year 2024.

#### **Item 2c: Adoption of the annual financial statements for the financial year 2024 (voting item)**

It is proposed to adopt the Company's financial statements for the financial year 2024. The financial statements can be found on pages 88 through 139 of the annual report.

#### **Item 2d: Explanation of the dividend policy**

The Company's dividend policy on additions to reserves and dividend is explained to the AGM.

In 2024, the Company announced an updated dividend policy, which is explained on page 17 of the Company's annual report over the financial year 2024.

#### **Item 2e: Dividend proposal (voting item)**

In line with the Company's dividend policy, and subject to approval by the General Meeting of the Company's Annual financial statements for financial year 2024, the Board proposes a dividend of 6.2 Euro cents per share from the profits over financial year 2024.

The part of the Group's profits over financial year 2024 that will not be distributed, will be added to the relevant reserves of the Group (in accordance with the Company's articles of association and Dutch law).

If the above dividend proposal is adopted, the shares will be traded ex-dividend as of 18 March 2025. The record date will be 19 March 2025. The dividend will be payable as of 9 April 2025.

The Company is in principle required to withhold Dutch dividend withholding tax (**DWT**) on distributions made to its shareholders. However, as the Company is a tax resident of the UK, including for the purpose of the UK – Netherlands Tax Treaty, the Netherlands is not allowed to impose DWT on distributions made by the Company, except to the extent such distributions are made to Dutch resident shareholders or non-Dutch resident shareholders with a Dutch permanent establishment to which the shares in the Company are attributable (**Dutch Tax Residents**).

The Company reserves the right to withhold DWT from distributions made to Dutch Tax Residents. DWT that cannot be withheld from distributions made to Dutch Tax Residents because the Company is unable to determine whether a shareholder is a Dutch Tax Resident due to restrictions on identifying individual holders of less than 0.5% of the Company's issued shares or is otherwise not withheld, will be for the account of the Company.

We strongly recommend that shareholders consult with their legal, tax, and financial advisers on this matter.

### ***Item 3 Discharge of the members of the Board***

#### **Item 3a: Discharge of the executive members of the Board in respect of the performance of their duties during the financial year 2024 (voting item)**

It is proposed to release the current and former executive members of the Board from liability in relation to the performance of their duties during the financial year 2024 to the extent that such exercise is apparent from the financial statements for the financial year 2024 or other public disclosures prior to the adoption of the financial statements for the financial year 2024.

#### **Item 3b: Discharge the non-executive members of the Board in respect of the performance of their duties during the financial year 2024 (voting item)**

It is proposed to release the current and former non-executive members of the Board from liability in relation to the performance of their duties during the financial year 2024 to the extent that such exercise is apparent from the financial statements for the financial year 2024 or other public disclosures prior to the adoption of the financial statements for the financial year 2024.

### ***Item 4 Governance***

#### **Item 4a. Compliance with the updated Dutch Corporate Governance Code**

On 20 December 2022, an updated version of the Dutch Corporate Governance Code (the **Dutch Code**) was published. This updated Dutch Code first applied to the Company in its financial year 2024. The Corporate Governance Code Monitoring Committee, responsible for the updated Dutch Code, has recommended that companies submit to their general meeting, as a separate agenda item, the chapter in the report of the management board broadly outlining the corporate governance structure and compliance with the Dutch Code.

The Company's corporate governance structure is explained in our annual report for the financial year 2024 (pages 60 through 87). As part of this section, deviations from the Dutch Code are explained on pages 84 and 85 of the annual report for the financial year 2024.

As announced in the Company's press release of 28 January 2025, effective as of the end of the AGM a number of governance changes will be implemented, including changes in the composition of the Board, an amendment of the existing relationship agreement between the Company and IBEX Topco B.V., as well as (in each case if approved at the AGM) the matters addressed under items 4b, 7, and 8 of this agenda.

Certain of these changes are expected to affect how the Company will comply with the Dutch Code in financial year 2025. As per statutory requirements, the Company will detail deviations from the Dutch Code in its annual report over the financial year 2025.

#### **Item 4b. Partial amendment of the Company's articles of association**

The Board proposes to partially amend the Company's articles of association in accordance with the draft deed of amendment that has been made available for inspection on the Company's website.

The following changes are proposed:

- Allowing newly issued shares to be paid up from distributable reserves.
- Updating our statutory indemnification clause for members of the Board.
- Several clerical changes (in the non-official English translation only).

A triptych of the current articles of association and a more detailed explanation on the proposed changes to the articles of association can be found on [www.pepcogroup.eu](http://www.pepcogroup.eu).

The proposed resolution to amend the Company's articles of association also includes the authorisation of each member of the board of the Company as well as each lawyer and paralegal practicing with De Brauw Blackstone Westbroek N.V. to execute the notarial deed of amendment of the Company's articles of association.

**Item 5a. Authorisation of the Board to have the Company acquire up to 10% of the ordinary shares in its own capital (voting item)**

It is proposed to, with effect of the date of the AGM, authorise the Board for a term of 18 months, to resolve on the acquisition by the Company of its own fully paid-up shares, up to a maximum of 10% of the issued share capital on the date of the AGM, either through purchase on a stock exchange or otherwise.

The minimum price which the Company may pay for each share to be acquired will be the nominal value of such share. The maximum price, excluding expenses, which the Company may pay for each share to be acquired, will be an amount equal to 110% of the market price of the ordinary shares.

The market price is defined as the higher of (i) the price of the ordinary shares on the Warsaw Stock Exchange at the time of repurchase and (ii) the closing price of the ordinary shares on the Warsaw Stock Exchange on the trading day prior to the date of acquisition.

In case of a self-tender offer or an accelerated repurchase program, the Board may decide that the market price is defined as the arithmetic average of the daily VWAP (volume-weighted average price) of the ordinary shares on the Warsaw Stock Exchange over a period of at least one trading day.

Any determination of any foreign exchange rate, where applicable, will be based on the information as provided by a source as selected by the Board.

If adopted, the proposed authorisation will replace the authorisation granted to the Board on 15 March 2024.

**Item 5b: Authorisation of the Board to issue (rights to subscribe for) up to 10% of the ordinary shares in the Company's capital and to restrict or exclude related pre-emptive rights (voting item)**

It is proposed to, with effect of the date of the AGM, designate the Board as the competent body (i) to issue ordinary shares, or to grant rights to subscribe for ordinary shares, and (ii) to restrict or exclude pre-emptive rights in relation to such issue of ordinary shares, or such grant of rights to subscribe for ordinary shares, in each case for a maximum of 10% of the issued share capital on the date of the AGM and for a term of 18 months. This designation will allow the Board to be flexible and react quickly, if and when deemed appropriate, to circumstances that require the issuance of ordinary shares, without prior approval from the Company's general meeting. The designation can be used for any and all purposes, subject to statutory limitations.

If adopted, the proposed authorisation will replace the general authorisation granted to the Board on 15 March 2024. However, this authorisation will not replace the authorisation granted to the Board to issue ordinary shares at any time during a period of 5 years from 26 May 2021 to enable the Company to comply with its obligations to the participants in the VCP and EAP (each as defined in the Company's prospectus dated 5 May 2021).

**Item 6: Cancellation of ordinary shares (voting item)**

In order to enable the Board to implement a cancellation of ordinary shares in the share capital of the Company as may be held by the Company from time to time, it is proposed that the general meeting resolves, in the manner further set out in this proposal, to cancel ordinary shares in the share capital of the Company as these may be held by the Company from time to time.

The number of ordinary shares that will be cancelled will be determined by the Board. The cancellation may be implemented by the Board in one or more tranches.

This resolution will lapse 18 months after the date of the AGM.

#### **Item 7: Amendment of the Remuneration Policy (voting item)**

Following a recommendation of the remuneration committee of the Board, the non-executive members of the Board have decided to propose to amend selected items of the existing remuneration policy for the members of the Board (the **Remuneration Policy**) in accordance with article 14, paragraph 9, of the Company's articles of association.

The existing Remuneration Policy was last amended on 6 June 2024. The amendments to the Remuneration Policy have been proposed to further promote the long-term success of the Company and in order to align the Remuneration Policy with the Company's strategy.

The amendment proposes a number of changes to the Remuneration Policy, including to:

- provide a right for Non-Executive Directors to participate in the Pepco Group N.V. Non-Executive Equity plan; and
- amend Pepco Group N.V. Share Matching Plan.

The Board's rationale for the changes is to ensure the Company's Directors' Remuneration Policy allows the Company to attract and retain the best global talent.

A copy of the Company's Directors' Remuneration Policy that reflects all of the proposed amendments can be found at [www.pepcogroup.eu](http://www.pepcogroup.eu).

#### **Item 8: Approval of the Company's Non-Executive Equity Plan (voting item)**

This voting item seeks approval from the general meeting to implement the Pepco Group N.V. Non-Executive Equity plan (the **Plan**) for the Company's Non-Executive Directors who are not directly nominated by the Company's majority shareholder).

Under the Plan, it is intended that the Non-Executive Directors (excluding those directly appointed by the Company's majority shareholder), will be granted awards over shares in the capital of the Company which will vest subject to continued service. The first awards will be granted in 2025 shortly following shareholder approval at the 2025 AGM. The Plan will terminate on the tenth anniversary of its adoption.

The Board will determine whether an award will take the form of:

- nil or nominal cost options;
- a conditional award (also known as RSUs);
- forfeitable shares; or
- a phantom award,

or any combination of the above. A Non-Executive Director does not need to pay for the grant of an award.

Unless the Board decides otherwise, an award will normally vest as to one third of the Shares under the award on each of the first, second and third annual general meetings of the Company following the date of grant. There are no performance conditions applicable to awards granted under the Plan. Vested options may be exercised until the tenth anniversary of the date of grant, unless where they are forfeited earlier in accordance with the terms of the Plan. Awards may be granted on terms that require the Non-Executive Director to retain their vested Shares for a period following vesting (after any sales to satisfy any tax liability arising in connection with the award).

The Board may determine the value of an award to be granted to a particular Non-Executive Director provided that the aggregate market value for awards under the Plan to an individual Non-Executive Directors do not exceed €1 million or, if lower, any limit in the Company's prevailing directors' remuneration policy.

A copy of the Company's Non-Executive Equity Plan as proposed for approval can be found at [www.pepcogroup.eu](http://www.pepcogroup.eu).

**Item 9: Appointment of EY Accountants B.V. as the Company's external auditor for the financial year 2025 (voting item)**

It is proposed to appoint EY Accountants B.V. as the Company's external auditor for the financial year 2025.

This proposal follows a thorough process overseen by the audit committee of the Board. At the start of the tender process, the Company defined a number of selection criteria, including but not limited to:

- team experience and personal credentials;
- audit approach;
- audit organisation;
- approach to quality assurance including technical capability;
- financial proposal: transparent fee proposal with clarity on efficiency and value for money; and
- geographic presence and wider context on organisation.

The Audit Committee considered the 'big four' audit firms and Forvis Mazars (the Company's current external auditor) to participate in the selection process. EY Accountants B.V. and Forvis Mazars accepted the invitation to participate in the tender.

The tender process included a meeting with members of the Audit Committee, and an opportunity to meet the Management Board, selected senior management and group support functions, which provided the opportunity to all parties involved in the tender process to evaluate who the next auditor should be. These impressions, together with a comparison of the written tender offers and presentations, led to a decision of the Board to propose and recommend the appointment of EY Accountants B.V. as the Company's external auditor for the financial year 2025. The Board's proposal to appoint EY Accountants B.V. follows the recommendation by the audit committee of the Board.