

**STATEMENT OF THE REMUNERATION COMMITTEE OF
EDP-ENERGIAS DE PORTUGAL, S.A.
ON THE CORPORATE BODIES' REMUNERATION POLICY**

1. Pursuant to article 11, number 2, paragraph d), of EDP – Energias de Portugal, S.A.'s By-Laws, the General Shareholders' Meeting is responsible for the appointment of a Remuneration Committee with the obligation to determine the remuneration of the members of the corporate bodies, except for the remuneration of the directors (Executive Board of Directors), which, pursuant to article 27 of the referred By-Laws, shall be determined by a Committee appointed by the General and Supervisory Board (GSB).
2. The By-Laws of EDP – Energias de Portugal, S.A. provide, in article 8, number 1 that the Company's Corporate Bodies are:
 - a) The General Shareholders' Meeting (GSM)
 - b) The General and Supervisory Board (GSB)
 - c) The Executive Board of Directors (EBD)
 - d) The Statutory Auditor

on the other hand, the By-Laws also provide for the existence of other Corporate Bodies, with statutory dignity:

- e) The Environment and Sustainability Board (ESB)
- f) The Remuneration Committee, elected by the General Shareholders' Meeting and, within the GSB, a Committee for the Monitoring of Financial Matters which according to the By-Laws, also assumes the designation of Audit Committee.
- g) The Board of the GSM.

These are the corporate bodies of EDP-Energias de Portugal, S.A.

3. The Remuneration Committee, elected by the General Shareholders' Meeting, is therefore, responsible for the determination of the remuneration of the members of the following corporate bodies: Board of the General Shareholders' Meeting; Chairman and members of the GSB; Statutory Auditor and Environment and Sustainability Board. The Committee for the Monitoring of Financial Matters or Audit Committee shall be dealt with together with the other Committees of the GSB.
4. The current Committee elected by the General Shareholders' Meeting held on April 2009 and which term of office ends now, has the following composition:
 - José Manuel Galvão Teles, Chairman
 - José Castel-Branco, Member
 - Carlos Veiga Anjos, Member
5. In compliance with the powers which were conferred to it, the Remuneration Committee has determined the remunerations of the members of the corporate bodies of EDP, for the term of office 2009 -2010 (except for the EBD), although with the express reservation that the Committee would comply with its duty to follow, every year, the activity of the respective corporate bodies.

On the GSM, held on the 16th of April, 2010, the shareholders decided to reject the Statement that was submitted.

The Remuneration Committee did not receive, during the meeting of the GSM, nor in any other moment, the slightest criticism or the slightest remark regarding the remuneration policy that the shareholders believe should be carried on by EDP, save for, evidently, in what concerns the State position, which for different occasions publicly expressed, aims for applying in EDP similar measures of constraint as those defined for the public corporate sector.

However the shareholders present on the referred GSM did not approve the adoption of any other Statement on the remuneration policy.

Therefore, the Committee did not amend its ruling general principles, reinforced in the meantime by the intention of contention announced by the main shareholder, the State, maintaining valid and in full force the remunerations determined by it for the entire term of office.

6. The Statement presented by the Remuneration Committee on the GSM of 2011, in compliance with the provisions of the referred Law 28/2009, was approved by the vast majority of the shareholders that were present, reinforcing therefore the position undertaken during its term of office.

It is precisely what the Committee is to do again before this General Shareholders' Meeting, aiming, once more, to meet the will of the shareholders (for which it strongly looked for, during its term of office) and leaving for support of later resolutions of its new members an important contribution and a facilitating element of its action, that shall respect the new corporate composition of the company.

7. Thus, one shall comply with the provisions of the respective Item of the Agenda of the Annual General Shareholders' Meeting, to take place on the 17th of April.

Given the above, the Remuneration Committee, elected by the General Shareholders Meeting hereby submits to the appraisal of the shareholders, pursuant to number 1 of article 2 of Law 28/2009, of 19th of June, the remuneration policy of the members of the corporate bodies of EDP – Energias de Portugal, SA., to which its competence respects.

PROPOSAL FOR THE REMUNERATION POLICY OF THE CORPORATE BODIES

In pursuit of its term of office which is now ending, this Committee has guided its resolutions on remuneration policy matter, namely in relation to the members of the General and Supervisory Board, by the following guiding principles:

- (i) Definition of a simple policy, clear, transparent, and in line with EDP's culture, in order that the remuneration practice shall be based on uniform, consistent, fair and balanced criteria.
- (ii) Assessment and incentive of a criterion actuation where the merit shall be compensated accordingly, to assure homogeneity levels compatible with the cohesion of the GSB, taking into account the economic and financial situation of the company and of the country.
- (iii) Comparability of remunerations of the different members of the corporate bodies with major stock market capitalization companies and congenerous, namely Iberian.
- (iv) The most recent recommendations from the European Union and the CMVM.
- (v) Moderation on the remuneration adequate to the serious economic crisis and the current financial constrains, with the objective to comply with the demands of a greater social justice in the general framework of the country, as well as within the various remuneration regimes of the company.

The Remuneration Policy of EDP's corporate bodies shall, in sum, be simple, transparent, moderate, adapted to the conditions of the work performed and the company's economical situation, but also, competitive and fair, in order to assure the purpose of value creation for the shareholders and other stakeholders.

Based on these criteria, the Committee defined that:

(i) The remuneration of the GSB members, including its chairman, shall be set at amounts lower to those assigned to the members of the EBD, without granting any variable remuneration component or any other remuneration complement, including the Retirement Savings Plan.

(ii) Considering the difficulties that the country is experiencing as a consequence of the general economic, financial and social crisis in the world, one shall proceed with remuneration adjustments towards contention, although, in any case, the merits of the performance of the members of each body shall always be considered, in order not to compromise the cohesion, stability, and the development of the company.

(iii) The progressive increase of work and responsibility of the members of the Audit Committee shall be considered, assuring a differentiation regarding the remaining members of the GSB.

(iv) It is also important to distinguish the performance of other specific functions within GSB, namely of coordination, conferred to the chairman and vice-chairman, or of specific nature, already existent or to be created in the future.

The present circumstances, in which the companies with national relevance develop their activity, deserve, from our point of view, a particular care in the development of the value chain which, beyond the economical aspects, reveals its social sustainability image, whereby we request the best reception from this General Shareholders Meeting, to the proposal that we now submit.

Lisbon, March 8th, 2012

The Remuneration Committee