

General Meeting of Shareholders – Electricidade de Portugal, S.A.
22nd of May 2003

PROPOSAL CONCERNING ITEM 7 OF THE AGENDA

In view of the opportunity and convenience to introduce a few adjustments to some provisions of the By-laws,

It is hereby proposed a decision-making

1. To alter articles 8 and 9, § 2, item b-) of the By-laws which, accordingly, will have the following wording:

“Article 8

1. The company’s governing bodies are:
 - a-) the General Meeting;
 - b-) the board of directors
 - c-) the supervisory board or sole supervisor.
2. The company has also a Superior Council, an Auditing Committee and an Environment Board.

Article 9

1.
2.
 - b-) to elect the general meeting committee, the directors, the members of the supervisory board or the sole supervisor and the members of the Superior Council and of the Environment Board......

2. To add to chapter III of the by-laws one section III-A and one section III-B with the new articles 22A, 22B and 2C having the following wording:

“Section III-A
Superior Council

Article 22A

1. The Superior Council is composed of a minimum number of 5 members .
2. The members of the Superior Council shall be shareholders elected by the General Meeting for periods of four years and eligible for re-election for one or more times. The Superior Council itself, on proposal of the Chairman of the Board of Directors,

may also co-opt new members in case any vacancy occurs or in result of a deliberation to extend its own composition, the co-optation having to be ratified at the subsequent General Meeting of Shareholders.

3. The Superior Council shall have a Chairman with casting vote and one or more Vice-Chairmen elected by the General Meeting who will replace the Chairman by electing order.
4. The Superior Council shall meet ordinarily once every three months and extraordinarily whenever so convened by its chairman, on his own initiative or at the request of the Chairman of the Board of Directors or of a number of its members corresponding to at least a fifth part of the total.

Article 22B

1. The Superior Council is responsible for:
 - a) appointing the members of the Auditing Committee, on proposal of its Chairman;
 - b) expressing its view on the matters specified in number 2 below and on any other matter submitted by the Chairman of the Board of Directors.
2. It is mandatory that the Board of Directors submits to the Superior Council for appreciation any proposal in respect of:
 - a) general management policy;
 - b) operating plan and budgets and annual investment plans;
 - c) co-optation of directors;
 - d) request to convene a general meeting and proposals or reports to submit to this general meeting;
 - e) annual report of management and accounting;
 - f) important extensions or reductions of the company's activity and capital modifications in the corporate organisation;
 - g) change of the company's registered head-office;
 - h) share capital increases;
 - i) projects of scission, merger and transformation of the company.
3. The chairman of the board of directors shall provide the Council with quarterly information on the improvement of the company's business.

Section III-B Auditing Committee Article 22C

1. The Auditing Committee is presided by the Chairman of the Superior Council and includes also two members with adequate expertise appointed by the Superior Council.
2. The member of the board of directors directly responsible for the financing area of the company shall attend the meeting of the Auditing Committee without voting right.

3. The Auditing Committee shall meet ordinarily once every three months and in extraordinary session whenever so convened by its chairman, at the request of any of its members or of the board of directors and the supervisory body.
4. Without prejudice to the duties performed by the supervisory body, the Auditing Committee is responsible for:
 - a) following the activity of external auditors and issuing opinion on the respective appointment, exoneration and relationship with the company;
 - b) evaluating and following internal procedures concerning the acknowledgement and treatment of complaints and doubts related with accounting including those raised by collaborators;
 - c) proposing to the Board of Directors the adoption of measures or amendments deemed convenient, including the contracting of the necessary means for independent advice, if required;
 - d) approving the respective regulation.”

Lisbon, April 16, 2003

The proposing shareholders

Banco Comercial Português, S.A.
(Illegible)

BRISA Participações, S.A.
(Illegible)