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EDP – ENERGIAS DE PORTUGAL, S.A.

ANNUAL GENERAL SHAREHOLDERS' MEETING

19th April 2016

PROPOSAL OF ITEM 3 OF THE AGENDA

Opinion of the General and Supervisory Board on the vote of confidence to the Executive Board of Directors regarding 2015 exercise

As per established on paragraph h) of no. 1 of Article 22 of EDP's By-Laws, the General and Supervisory Board must "issue, at its own initiative or when requested by the chairman of the executive board of directors, its opinion about the annual vote of confidence in directors referred to in Article 455 of the Companies Code".

As so, within the scope of the exercise of its competences and without prejudice of the institutional cooperation principle that guides the relationship with the Executive Board of Directors in the intransigent pursuing of EDP's interests, the General and Supervisory Board believes and has put in practice a principle of maximum demand and responsibility, which has a special meaning regarding the assessment of the activity and performance of the Executive Board of Directors.

EDP is still one of the few national and international listed companies that has voluntarily established a formal and impartial process to assess the work of the Executive Board of Directors. This distinctive practice adopted by the General and Supervisory Board directly



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contributes to the Dow Jones Sustainability Index evaluation, and it acknowledges the continued effort of excellence in corporate governance practices that the General and Supervisory Board has sought to develop.

At the beginning of 2016, the Members of the General and Supervisory Board were invited to complete a questionnaire to assess the work of the Executive Board of Directors, which was divided into two major areas:

- Assessment of the adequacy of aspects of a formal and organizational nature.
- Material assessment of the work of the Executive Board of Directors.

The purpose of the questionnaire was to be an impartial support document for the reflection of the General and Supervisory Board, for the purpose of the opinion this body must issue and submit to EDP's shareholders for voting regarding the assessment of the Executive Board of Directors.

Based on the answers to the questionnaires, the General and Supervisory Board jointly analyzed these data at the meeting of 3 March 2016, and drew its conclusions. Hence, pursuant to its rules, which were approved in line with best corporate governance practices,



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the General and Supervisory Board wishes to record the following conclusions on the process of assessing the work and performance of the Executive Board of Directors in 2015:

The General and Supervisory Board assessed all the aspects under evaluation as adequate regarding:

- Organization and powers of the Executive Board of Directors.
- Compliance with the provisions defined by the General and Supervisory Board on:
 - The issue and waiving of prior opinions.
 - Handling conflicts of interest.

The General and Supervisory Board considered the overall performance of the Executive Board of Directors in 2015 to be excellent, with particular emphasis on the following areas of activity:

- Information and control management
- Preparation of financial and accounting information
- Relationship with Shareholders and investors

Regardless of the assessment made, the work of the Executive Board of Directors is underpinned by the continual improvement of its performance, both in terms of the



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performance of its duties and the relationship with the other corporate bodies of EDP, and also in the best interests of the shareholders.

Proposal

Considering the above referred, the General and Supervisory Board has resolved to qualify the global activity of the Executive Board of Directors during 2015 exercise as excellent.

As so, the General and Supervisory has resolved unanimously to issue this opinion on the assessment of the activity and performance of the Executive Board of Directors during 2015 exercise and to transmit to the Shareholders its favourable position to a vote of confidence and praise in the EBD, its Chairman, Mr. António Mexia, and each one of its Members.

Lisbon, 3rd March 2016

Eduardo de Almeida Catroga
Chairman of the General and Supervisory Board