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STATEMENT ON THE REMUNERATION POLICY OF THE EXECUTIVE BOARD OF DIRECTORS OF
EDP – ENERGIAS DE PORTUGAL, S.A. TO BE PRESENTED AT THE GENERAL SHAREHOLDERS'
MEETING ON APRIL 24th, 2019

Pursuant to article 2, No. 1 of the Law 28/2009, 19th June and article 27, No. 2 of EDP - Energias de Portugal, S.A. (EDP or Company) Bylaws, the Remuneration Committee (REMC) of the General and Supervisory Board (GSB) of EDP submits to approval of the shareholders the following statement on the remuneration policy of members of the Executive Board of Directors (EBD) of EDP:

1. On the General Shareholders' Meeting of EDP held in April 5th, 2018, it was, under the legal terms, presented and approved the remuneration policy for the members of the EBD of EDP, for the 2018-2020 term.
2. Based on the past experience and the work carried out during 2018, the REMC of the GSB has decided to propose to this Shareholders' Meeting the maintenance of the remuneration policy for the members of the EBD, with the inclusion of a new indicator "EBITDA (annual growth rate) vs peers" and the establishment of a minimum and maximum thresholds for each indicator separately, as it is considered more appropriate for the evaluation of the annual management performance in the current context. In summary, and if this amendment is approved, the remuneration policy for EDP's EBD Members for 2019-2020, - without prejudice to any adjustments to be made next year, in accordance with the legislation in force - will be based on the following principles and rules:
 - 2.1. Annual fixed remuneration of the EBD Chairman in the amount of € 800.000.
 - 2.2. Annual fixed remuneration of the EBD member responsible for financial matters (CFO) and the Chief Executive Officer (CEO) of EDP Renováveis Group (EDPR) in the individual amount of €560.000.
 - 2.3. Annual fixed remuneration of the remaining EBD Members in the amount of €480.000 each.



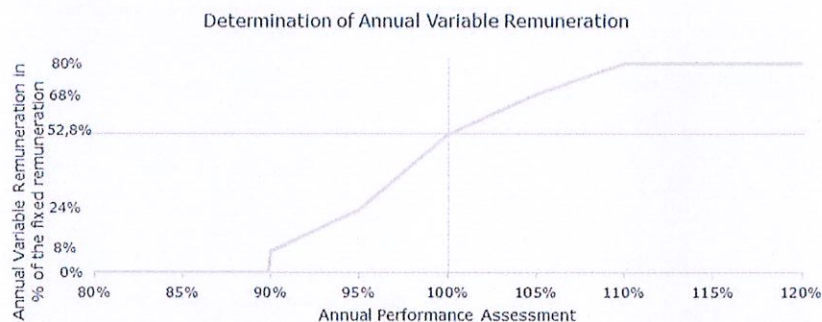
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- 2.4. Retirement Saving Plans (RSP) assigned to Directors during their term of office, amounting in net terms to 10% of their fixed annual remuneration. The terms of these standard RSP are those set by the applicable Law in force regarding these financial products.
- 2.5. Remuneration structure in which the variable component may double the fixed component, and in which the multiannual variable component, which reflects the assessment for the entire term of office, will have a weighting of 60%, which compares with 40% of the weight assigned to the annual variable component.
- 2.6. Minimum and maximum thresholds defined for the attribution of the variable remuneration and the highest value it may assume on the following conditions:
 - a. For the annual variable component (limited to 80% of the fixed remuneration) according to the following parameters, linearly calculated:
 - If the performance reaches less than 90% of the defined objectives, there will be no annual variable remuneration attribution;
 - If the performance achieved is between 90% and 95% of the defined objectives, it is due an amount within the range of 8% and 24% of the fixed remuneration of each EBD member;
 - If the performance achieved is between 95% and 100% of the defined objectives, it is due an amount within the range of 24% and 52.8% of the fixed remuneration of each EBD member;
 - If the performance achieved is between 100% and 105% of the defined objectives, it is due an amount within the range of 52.8% and 68% of the fixed remuneration of each EBD member;
 - If the performance achieved is between 105% and 110% of the defined objectives, it is due an amount within the range of 68% and 80% of the fixed remuneration of each EBD member;
 - If the performance achieved meets more than 110% of the defined objectives, it is due an amount equal to 80% of the fixed remuneration of each EBD member.



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Graphically:

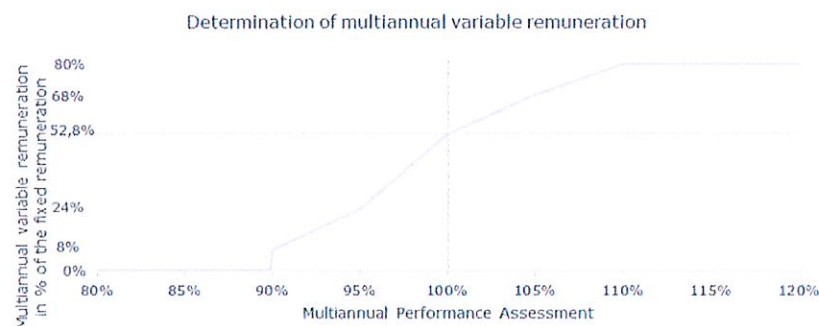


- b. For the multiannual variable component (limited to 120% of the fixed remuneration) according to the following parameters, linearly calculated:
- If the performance achieved is less than 90% of the defined objectives, there will be no multiannual variable remuneration attribution;
 - If the performance achieved is between 90% and 95% of the defined objectives, it is due an amount within the range of 12% and 36% of the fixed remuneration of each EBD member;
 - If the performance achieved is between 95% and 100% of the defined objectives, it is due an amount within the range of 36% and 79.2% of the fixed remuneration of each EBD member;
 - If the performance achieved is between 100% and 105% of the defined objectives, it is due an amount within the range of 79.2% and 102% of the fixed remuneration of each EBD member;
 - If the performance achieved is between 105% and 110% of the defined objectives, it is due an amount within the range of 102% and 120% of the fixed remuneration of each EBD member;
 - If the performance achieved meets the defined objectives in more than 110%, it is due an amount equal to 120% of the fixed remuneration of each EBD member.



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Graphically:



- 2.7. Existence of a criteria that determines the attribution of the multiannual variable remuneration to the performance over the entire term of office: although it is calculated annually, it will only become effective if, at the end of the term, on average, at least 90% of the fixed goals have been achieved, assessed according to the performance of the Company, its comparison with the strategic benchmarks of reference and the individual contribution of each EBD member for that purpose.
- 2.8. Weighting of 20% to be attributed to individual qualitative performance regarding the annual objectives and 35% for multiannual targets.
- 2.9. Payment of the multiannual bonus deferred over time for a period of not less than three years, being the aforesaid payment conditional on the non-performance of intentional unlawful acts, known after the completion of the evaluation and that jeopardize the sustainability of the company's performance, and being made after its clearance and approval by the REMC.
- 2.10. The indicators used to evaluate the performance of the EBD, will be as follows:
- a. **Annual performance indicators with relation to the 2019 annual budget, which have received a prior favourable opinion from the GSB on 13th December 2018 and was approved by EBD on the same date**
 - a.1. Quantitative component and its respective weight:



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Total shareholder return vs Eurostoxx utilities and PSI20 ¹	(25%)
Earnings per Share	(20%)
Net debt to EBITDA	(15%)
Operating cash flow excluding regulatory receivables	(13%)
Residual Income	(3.5%)
EBITDA (annual growth rate) vs peers	(3.5%)

The 80% resulting from the weighted sum of these indicators reflect a performance which is common to all EBD members.

The performance level of a given quantitative objective should be greater than or equal to 80% for the same objective to be considered in the calculation of total performance and each quantitative objective shall have a maximum performance limit of 120%.

a.2. Qualitative component

The remaining 20% result from an individualized qualitative evaluation carried out by the REMC, based on the individual performance of each EBD member and after consulting the EBD Chairman.

a.3. The amount resulting from the quantitative and qualitative component, as previously mentioned, applies to 80% of the annual fixed remuneration.

b. Multiannual performance indicators with relation to the business plan 2019-2022, which received a prior favourable opinion from the General and Supervisory Board, on the 11th March 2019 and was approved by the EBD on the same date (targets disclosed on the 12th March 2019 in London).

b.1. Quantitative component and its weight

Total shareholder return vs Eurostoxx utilities and PSI20 ²	(18.5%)
Earnings per Share	(18.5%)
Net debt to EBITDA	(15%)
Sustainability Performance Indicator	(8%)
Operating cash flow excluding of regulatory receivables	(5%)

¹ Source: Bloomberg

² Source Bloomberg



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The 65% resulting from the weighted sum of these indicators reflect a performance, which is common to all EBD members.

The performance level of a given quantitative objective should be greater than or equal to 80% for the same objective to be considered in the calculation of total performance and each quantitative objective shall have a maximum performance limit of 120%.

b.2. Qualitative component

The remaining 35% result from an individualized qualitative assessment made by the REMC, based on the individual performance of each EBD member and after consulting the EBD Chairman.

b.3. The amount resulting from the quantitative and qualitative component, as mentioned above, applies to 120% of the annual fixed remuneration.

- 2.11. In accordance with the criteria set out above, in annual terms, the maximum potential amount, to be assigned to the EBD members, in case the set goals are completely achieved, which implies the payment of the maximum values set for the annual and multi-annual variable remuneration, as described above, is as follows:
- a. EBD Chairman: € 2,570,213
 - b. CFO of EDP and CEO of EDP Renováveis Group: € 3,598,298
 - c. Remaining EBD members: € 9,252,766
 - d. Total: € 15,421,277
- 2.12. It should be noted that EDP's Directors do not enter into any contracts with the Company or with third parties, which have the effect of mitigating of the inherent risk to the variability of the remuneration set by the company.
- 2.13. It should also be noted that there are no contracts in force in EDP, which provide for payments in the event of dismissal or termination by agreement of the directors' functions, nor were any payments made in this context during the 2018 financial year.
- 2.14. The evolution of EDP's activity has increasingly added an international dimension, which may entail consequences at remuneration and compensations level. In addition to the remuneration regime related to the work performed abroad, committed to the purview



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of the EBD, the REMC, within the framework of its statutory competences, proposes that fixed and variable remuneration, regardless of the geography where EBD members operate, should be treated, for internal purposes, under the existing tax regime in Portugal, so as to prevent unjustified discrepancies in net remunerations between the EBD members.

Lisbon, 11th of March 2019

Wu Shengliang

Chairman of the Remuneration Committee of the General and Supervisory Board

