

## SCHEDULE

### **EDP – ENERGIAS DE PORTUGAL, S.A. GENERAL SHAREHOLDERS' MEETING**

#### **RESOLUTION PROPOSAL**

**Whereas:**

- a) Portuguese State, within the scope of the Memorandum of Economic and Financial Policies, attached to the Letter of Intent signed on the 17<sup>th</sup> May 2011 by the Portuguese State and addressed to International Monetary Fund and of the Memorandum of Understanding on Specific Economic Policy Conditionality, attached to the Letter of Intent signed on the 13<sup>th</sup> May 2011 by the Portuguese State and addressed to Eurogroup, ECOFIN, European Commission and to European Central Bank, assumed several commitments regarding special rights hold at EDP – Energias de Portugal, S.A.;
- b) In view of the progress of the understanding of european institutions related to the rights hold by State Members at companies subject to re-privatization, it became necessary to promote the modification of EDP' By-Laws, in order to eliminate State special rights, applying to all company shareholders the same rules;
- c) Without prejudice of the referred on the previous paragraph, it is also proposed to adjust the limit of the cast vote, passing from a percentage of 5% of the total votes corresponding to the total share capital to 20%, which implies an alteration on number 3 of article 14 of EDP' By-Laws;
- d) Additionally, Decree-Law number 49/2010, dated 19<sup>th</sup> May, transposes to the internal juridical order Directive number 2007/36/CE, from the European Parliament and the Council, dated 11<sup>th</sup> July, related to the exercise of certain shareholders rights of listed companies, introducing a set of significant modifications with the purpose, among others, of eliminating obstacles to the total exercise of voting rights by the shareholders of listed companies;
- e) The referred legal alteration aimed the harmonization and deepening of the rules on previous information to the general shareholders' meeting, the vote by power-of-attorney and the participation at general shareholders' meetings through electronic means, introducing the rule of registration date as a way to ascertain securities ownership, in order to allow a cross-border and wider exercise of vote;
- f) In the same way, Law number 28/2009, dated 19th June, establishes the obligation of remuneration committees of listed companies to submit annually a statement on the remuneration policy of the members of the respective management and auditing bodies;

- g) In this way, it is necessary to introduce several amendments in order to allow the clarifying and the adjustments of certain By-Laws' dispositions to the current rules applicable to listed companies.

**It is proposed to the Shareholders to approve the following resolutions:**

- 1. Modify article 4 of EDP' By-Laws, through alteration of number 4, as follows:**

**«Article 4**

1. (...).
2. (...).
3. (...).
4. Category B shares are those for re-privatization, subject to limitation in relation to their ownership, which shall only be held by Portuguese State or by public entities.
5. (...).»

- 2. Modify article 14 of EDP' By-Laws, through alteration of current numbers 3, 4, 6, 10 and 11 and the addition of new numbers 11 and 12, with the consequent renumbering of previous numbers 11 (modified in accordance to this proposal), 12 and 13 which became, respectively, new numbers 13, 14 and 15, as follows:**

**«Article 14**

1. (...).
2. (...).
3. Votes from one single shareholder shall not be cast, as on its own account or on behalf of another shareholder, that exceeds 20% of the votes corresponding to the total share capital.
4. For the purpose of this Article, shall be treated as cast by the same shareholder the voting rights, whenever so considered under the terms of Article 20, paragraph 1 of the Securities Code, or any provision that modifies or replaces it, that are chargeable to them.
5. (...).
6. Shareholders may exercise their voting right by correspondence in relation to each item of the agenda, by letter, being required, in case the shareholder is a single person, an identical signature to the one on the identity card and accompanied of a readable copy of it, and in case the shareholder is a corporate body, the signature of their representative shall be recognized in that quality, noting that in any case the referred letter shall be addressed to the Chairman of the General Shareholders' Meeting and sent by registered mail with

acknowledgement of receipt to the registered office of the company, in at least three days in advance of the date of the meeting, unless a longer period is set in the notice to convene meeting.

7. (...).
8. (...).
9. (...).
10. Shareholders may only attend, discuss and vote at the general shareholders' meetings, in person or through a representative, if, in the registration date, corresponding to 0 hours (GMT) of the fifth day of negotiation prior to the date of the general shareholders meeting they own at least one share.
11. Shareholders that intend to participate or be represented at the shareholders meeting shall declare it in writing to the Chairman of the General Shareholders Meeting and to the financial intermediary to which the book-entry registry of the shares has been entrusted, until the end of the sixth day of negotiation before the date of the meeting, and may use the email for that purpose.
12. Shareholders that have declared their intention to participate in the shareholders meeting, according to the previous number, and that have transferred the ownership of the shares between the fifth day of negotiation prior to the date of the meeting and the final of the same, shall communicate it immediately to the Chairman of the General Shareholders' Meeting and to the Portuguese Securities Market Commission.
13. The proof of the ownership of the shares shall be made through the delivery to the Chairman of the General Shareholder' Meeting, by financial intermediary to which the book-entry registry of the shares has been entrusted,, until the end of the fifth day of negotiation prior to the date of the meeting, of a statement enclosing information about the number of shares registered and the date of the respective registry, and the email may be used for that purpose.
14. [*Correspondent to the previous number 12*].
15. [*Correspondent to the previous number 13*].»

**3. Modify article 20 of EDP' By-Laws, through addition of new numbers 6 and 7, as follows:**

**«Article 20**

1. (...).
2. (...).
3. (...).

4. (...).
5. (...).
6. Absences, continuous or interpolated, of any director to more than half of ordinary executive board of directors meetings held during one civil year, without any justification accepted by this corporate body, will determinate a definitive absence by the referred director.
7. A definitive absence, as established on previous number, shall be declared by the executive board of directors, which shall afterwards proceed with the replacement of that director according to the law and to these by-laws.»

**4. Modify article 27 of EDP' BY-Laws, through alteration of number 2 as follows:**

**«Article 27**

1. (...).
2. The remuneration committee shall submit to the annual general shareholders' meeting a statement on the remuneration policy of the members of the executive board of directors approved by the referred Commission.»

Herewith attached is the consolidated and renumbered version of EDP' By-Laws that include all alterations and additions referred to in this proposal.

Parública – Participações Públicas (SGPS), S.A.

Capitalpor – Participações Portuguesas, S.A.

## ARTICLES OF ASSOCIATION

### Chapter I

#### Name, duration, registered office and purpose

##### Article 1

1. The company is incorporated as a limited liability company (sociedade anónima) and adopts the name EDP – Energias de Portugal, S.A. (hereinafter referred to as “EDP”).
2. The company shall exist for an indefinite period of time.

##### Article 2

1. The registered office is located in Lisbon, at Praça Marquês de Pombal, 12 and may be moved within the same municipality or to an adjacent municipality by resolution of the executive board of directors.
2. The executive board of directors may establish and close agencies, delegations or any other forms of representation, both in the national territory and abroad.

##### Article 3

1. The corporate purpose of EDP is the direct or indirect promotion, development and management of undertakings and activities in the energy sector, both at the national and international levels, with the goal of growing and improving the performance of its group’s companies.
2. Within the development of its corporate purpose, EDP shall, in relation to its group’s companies:
  - a) formulate the common global strategy for those companies;
  - b) coordinate their activities, in such a manner as to ensure the attainment of the objectives entrusted to them at any given moment;
  - c) guarantee the joint representation of the interests that are common to those companies;
  - d) undertake, in global terms, the functions that are common to those companies, namely, in the financial area, with the aim of obtaining group synergies.
3. The company may also acquire participating interests as a limited liability member in companies having corporate missions that differ from its own, even if such companies are regulated by special laws, or participate in complementary company groupings, European economic interest groupings, consortia or in any other types of association, temporary or permanent.
4. The company may provide services and grant shareholder loans and other forms of loan to companies in which it has holdings, in accordance with the law.

### Chapter II

#### Share capital, shares and bonds

#### **Article 4**

1. The share capital amounts to 3,656,537,715 (three thousand six hundred and fifty six million, five hundred and thirty seven thousand, seven hundred and fifteen) euro and is fully paid up.
2. The capital is divided into 3 656 537 715 shares, 2 936 222 980 of which are of category A and are ordinary shares and 720 314 735 of which are of category B and each share has a nominal value of 1 euro.
3. Without prejudice to applicable legal provisions concerning re-privatizations, the executive board of directors is authorized to increase the share capital, one or more times, in an amount corresponding to a maximum of 10% of the current share capital, through the issuance of category A shares to be subscribed by new contributions in cash, in accordance with the terms and conditions of the issuance defined by the executive board of directors, being the proposed resolution subject to prior approval by the general and supervisory board with a majority of two thirds.
4. Category B shares are those for re-privatization, subject to limitation in relation to their ownership, which shall only be held by Portuguese State or by public entities.
5. Shares in re-privatization phase are category B shares while they are held by public entities, being the respective conversion in category A shares determined by their transmission to non-public entities without the need of approval by the respective holders or of a resolution of any corporate body of the company.

#### **Article 5**

1. The shares are nominative and assume exclusively the dematerialized (book-entry) form.
2. The company may issue non-voting preference shares, redeemable or not in accordance with the law.
3. The company may acquire, hold and sell its own shares, as provided by law and up to the limits set forth in the law.

#### **Article 6**

1. The company may issue bonds or other securities in accordance with the law and, moreover, carry out any such operations involving its own bonds or other securities as permitted by law.
2. The executive board of directors can resolve to issue bonds or other securities, and shall establish the amount thereof and all the other conditions of issue.

#### **Article 7**

Shareholders' agreements relating to the company must, within the thirty days following execution, be fully communicated to the executive board of directors and to the general and supervisory board by the subscribing shareholders.

## Chapter III

### Corporate bodies and organs

#### Section I General provisions

##### Article 8

1. The corporate bodies of the company are:
  - a) the general shareholders meeting;
  - b) the executive board of directors;
  - c) the general and supervisory board;
  - d) the statutory auditor.
2. The company shall also have an environment and sustainability board, a remuneration committee and a financial affairs monitoring committee, which shall also be designated as the audit committee.
3. The company shall also appoint a company secretary.
4. Any reference made in these articles of association to corporate bodies shall be deemed to include the general shareholders' meeting board, the executive board of directors, the general and supervisory board, the statutory auditor, the environment and sustainability board, the remuneration committee and the financial affairs monitoring committee.
5. Whenever the law or these articles of association do not establish a given number of members of a corporate body, such a number shall be deemed to be established, in each case, by the election resolution and shall correspond to the number of members actually elected.
6. The provision of the foregoing paragraph shall not prejudice the possibility of changing, during the term of office, the number of members of a corporate body, up to the respective limit provided for in law or in these articles of association, in which case the provisions in the final part of the preceding paragraph shall apply, with the necessary adaptations; in the event of a supplementary designation, the end of the term of office of the members so elected shall coincide with the end of the term of office of the remaining members of the relevant corporate body.
7. The elections of the members of each corporate body are conducted on the basis of lists, and the vote shall be restricted exclusively to such lists.

##### Article 9

1. Whenever a reference to independent members of a corporate body is made in these articles of association, independence shall be understood as the absence of direct or indirect relations with the company or its management board and the absence of circumstances that may affect the relevant members' impartial analysis or decision, notably the ownership by the relevant members of a qualified stake equal to or higher than 2% of the company's capital, or their re-election for more than two consecutive or interpolated terms of office.
2. The relevant corporate body shall evaluate, at each relevant moment, the independence of its members for compliance with the legal or regulatory rules then in force. In addition to such compliance, such evaluation shall be duly justified whenever company practice deviates from the criteria provided for in recommendations the company should take into account but that are not binding upon it.

##### Article 10

1. Without prejudice to the mandatory provisions of the law, and except for the provisions of

paragraphs 3 and 4 of this Article, the performance of functions in any corporate body is incompatible with:

- a) the status of a legal person that is a competitor of EDP or a company in a control or group relation with EDP;
  - b) the status of a legal person or an individual related to a legal person that is a competitor of EDP;
  - c) the exercise of functions, of any nature or for any reason whatsoever, notably by appointment to a corporate office, by employment contract or by services provision agreement, at a legal person that is a competitor of EDP or at a legal person related to a legal person that is a competitor of EDP;
  - d) the nomination, even if only a *de facto* nomination, as a member of a corporate body if made by a legal person that is a competitor of EDP or by a legal person or individual related to a legal person that is a competitor of EDP.
2. For the purpose of these articles of association, the following are deemed as a person related to a legal person that is a competitor:
    - a) one whose voting rights are ascribed to a competing legal person under Article 20 of the Securities Code or any provision that modifies or replaces it;
    - b) one that, either directly or indirectly, holds, in a competing legal person, or in a company in a control or group relation with it, as defined in Article 21 of the Securities Code, or in a company dependent, either directly or indirectly, on such company, a stake equal to or higher than 10% of the voting rights corresponding to the share capital of the company.
  3. To the extent permitted by law, the incompatibility set forth in the previous paragraphs does not apply to competing legal persons in which EDP holds a stake equal to or higher than 50% of the respective share capital or voting rights, nor to individuals that exercise functions of any nature or for any reason, or who have been nominated, even if only *de facto*, in those competing legal persons, when the appointment to corporate office of a competing legal person or the agreement with a competing legal person has been made based upon a nomination from EDP or a company controlled by it.
  4. Without prejudice to the provisions of paragraphs 5 and 6, the incompatibilities set forth in the foregoing paragraphs may also not apply to the performance of functions as a member of the general and supervisory board, to the extent permitted by law, subject to authorization given by prior resolution, with the favor of two thirds of the votes cast at the elective general shareholders' meeting. The competition relation must be expressly referred to and precisely identified in the appointment proposal, and the authorization resolution may be subject to conditions, notably to a holding of no more than 10% of EDP's share capital.
  5. Any member of the general and supervisory board elected in accordance with paragraph 4 of this Article may neither be present nor participate in the meetings, nor in parts of the meetings, in which subjects involving competition risk or sensitivity are discussed, notably subjects with impact in the markets in which there is competition with EDP, nor may such member have access to the respective information and documentation. The general and supervisory board shall assure the implementation of this provision and such same board may decide the qualification of a subject as involving competition risk or sensitivity.
  6. Apart from the provisions contained in these articles of association, the legal rules and regulations addressed to prevent an intervention in a conflict of interests situation will always apply within all corporate bodies and to all activity of the company.
  7. For the purpose of these articles of association, a legal person that is a competitor is one that exercises, directly or indirectly, an activity which competes with the activity developed by EDP, or by a company in which EDP holds a stake equal to or higher than 50% of the respective share capital or voting rights, in Portugal or abroad, provided that, in the last-mentioned case, it occurs in a market in which EDP or a controlled company exercises its activity through a permanent establishment.
  8. For the purpose of these articles of association, it is considered that a legal person indirectly exercises an activity in competition with EDP when, directly or indirectly, it holds or it is held

in, at least, ten per cent of the share capital or voting rights of a company that carries out any of the activities developed by EDP, or by a controlled company.

9. The provisions of paragraph 6 of this Article shall apply also to the members of specific committees created by corporate bodies who are not members of any of the corporate bodies and who otherwise would be incompatible under the provisions of this Article.

## **Section II**

### **General shareholders' meeting**

#### **Article 11**

1. The general shareholders' meeting shall adopt resolutions concerning all the matters provided for in law and in these articles of association.
2. In particular, the general shareholders' meeting shall, according to the law and to these articles of association:
  - a) assess the report of the executive board of directors, discuss and vote on the balance sheet, the accounts and the opinion of the statutory auditor and those of the general and supervisory board, if applicable, and resolve on the allocation of the annual results;
  - b) elect and remove the members of the general shareholders' meeting board, of the executive board of directors and of the general and supervisory board, as well as the respective chairmen and vice-chairmen, should they exist, the statutory auditor, following a proposal of the general and supervisory board or, upon delegation by it, the members of the audit committee, and, furthermore, the members of the environment and sustainability board;
  - c) resolve on any amendments to the articles of association, including increases of the share capital;
  - d) appoint a remuneration committee charged with fixing the remuneration of the members of the corporate bodies, whose members should, in their majority, be independent;
  - e) assess the annual report on the activity of the general and supervisory board;
  - f) deal with any other matter for which it has been convened.
3. The resolutions of the general shareholders' meeting shall be passed by a majority of the votes cast, except when a provision of the law or of these articles of association requires a qualified majority.
4. With the exception of the provisions of paragraph 5, resolutions relating to the amendment of the articles of association, merger, demerger and transformation of the company must be approved by two-thirds of the votes cast, irrespective of whether the meeting takes place following a first or a second convening announcement, and irrespective of the number of shareholders present or represented at any of such meetings.
5. Resolutions for the amendment of the articles of association referring to Article 10 and to paragraphs 3 to 5 of Article 14, as well as amendments to this paragraph insofar as it refers to any of such provisions, must be approved by two-thirds of the votes cast, except if a lower limit is provided for in mandatory law, in which case the limit set forth here is deemed to be reduced accordingly.
6. Abstentions are not cast.

#### **Article 12**

The general shareholders' meeting board is composed of a chairman and a vice-chairman, elected by the general shareholders' meeting, and of the company's secretary.

### Article 13

General shareholders' meetings must be convened with a minimum thirty days prior notice, with express reference to the matters in its agenda.

### Article 14

1. Only shareholders with voting rights may attend to the general shareholders meetings, as well as any other persons whose presence in those meetings is deemed justified by the chairman of the general shareholders' meeting board.
2. Each share corresponds to 1 vote.
3. Votes from one single shareholder shall not be cast, as on its own account or on behalf of another shareholder, that exceeds 20% of the votes corresponding to the total share capital.
4. For the purpose of this Article, shall be treated as cast by the same shareholder the voting rights, whenever so considered under the terms of Article 20, paragraph 1 of the Securities Code, or any provision that modifies or replaces it, that are chargeable to them.
5. In the event that the limitation on the cast of votes provided for in the foregoing paragraphs affects several shareholders, the mentioned limitation shall apply proportionately to the ordinary shares held by each one.
6. Shareholders may exercise their voting right by correspondence in relation to each item of the agenda, by letter, being required, in case the shareholder is a single person, an identical signature to the one on the identity card and accompanied of a readable copy of it, and in case the shareholder is a corporate body, the signature of their representative shall be recognized in that quality, noting that in any case the referred letter shall be addressed to the Chairman of the General Shareholders' Meeting and sent by registered mail with acknowledgement of receipt to the registered office of the company, in at least three days in advance of the date of the meeting, unless a longer period is set in the notice to convene meeting.
7. Voting rights may also be exercised by electronic means, pursuant to requirements that assure their authenticity, which shall be defined by the chairman of the general shareholders' meeting board and included in the notice of the respective general shareholders' meeting.
8. The chairman of the general shareholders' meeting board must verify the authenticity and validity of the postal votes, as well as assure their confidentiality until the moment of the voting, being those votes deemed as negative votes in relation to proposals of resolutions presented after the date on which such votes have been issued.
9. The holders of rights representing shares under ADR programs may give instructions to the respective depositary bank for the exercise of voting rights or grant a proxy to a representative designated by EDP for this purpose, subject to compliance with the applicable provisions of the law or of these articles of association; the deposit agreement must set forth the dates and means for the exercise of the voting instructions or lack of instructions.
10. Shareholders may only attend, discuss and vote at the general shareholders' meetings, in person or through a representative, if, in the registration date, corresponding to 0 hours (GMT) of the fifth day of negotiation prior to the date of the general shareholders meeting they own at least one share.
11. Shareholders that intend to participate or be represented at the shareholders meeting shall declare it in writing to the Chairman of the General Shareholders Meeting and to the financial intermediary to which the book-entry registry of the shares has been entrusted, until the end of the sixth day of negotiation before the date of the meeting, and may use the email for that purpose.
12. Shareholders that have declared their intention to participate in the shareholders meeting, according to the previous number, and that have transferred the ownership of the shares between the fifth day of negotiation prior to the date of the meeting and the final of the same, shall communicate it immediately to the Chairman of the General Shareholders' Meeting and to the Portuguese Securities Market Commission.

13. The proof of the ownership of the shares shall be made through the delivery to the Chairman of the General Shareholder' Meeting, by financial intermediary to which the book-entry registry of the shares has been entrusted,, until the end of the fifth day of negotiation prior to the date of the meeting, of a statement enclosing information about the number of shares registered and the date of the respective registry, and the email may be used for that purpose.
14. The limitation on the cast of votes contained in paragraph 3 of this Article applies to all resolutions, including to those for which the law or these articles of association require a qualified majority calculated over the company's capital.
15. Shareholders may be represented by persons with full legal capacity appointed for that purpose. The respective notification of such representation must be made to the chairman of the general shareholders' meeting board by 17:00 hours of the second day before the date scheduled for the general shareholders' meeting.

### **Article 15**

1. Shareholders who, under the terms of Article 20, paragraph 1 of the Securities Code or any provision that replaces or modifies it, become the holders of, or to whom has been ascribed, a stake equal to or higher than 5% of the voting rights or of the share capital must communicate this fact to the executive board of directors within the five business days following the date of such event, and shall not be able to exercise the respective voting rights until this communication is made.
2. In accordance with the foregoing paragraph and paragraphs 3 and 4 of Article 14, shareholders have the duty to provide to the executive board of directors, in writing and in a complete, objective, clear and truthful manner, and in a way satisfactory to such body, all the information requested by it about facts relating to them and which refer to the provisions of Article 20, paragraph 1 of the Securities Code or any legal provision that replaces or modifies it.
3. Non-compliance with the provisions of the foregoing paragraph prohibits the exercise of the voting rights corresponding to the shares held by the defaulting shareholder.

## **Section III Executive board of directors**

### **Article 16**

1. The executive board of directors is composed of a number of members set by the general shareholders' meeting that elects them.
2. The number of members set in accordance with the foregoing paragraph shall be between a minimum of five and a maximum of seven.
3. The chairman of the executive board of directors is appointed by the general shareholders' meeting from amongst the elected directors, and has a casting vote.
4. In the case of absence or temporary impairment of the chairman of the executive board of directors, the vice-chairman of the executive board of directors, should he exist, shall have a casting vote.

### **Article 17**

1. The executive board of directors is responsible for:
  - a) setting the objectives and management policies of the company and the group;
  - b) preparing the annual operating and financial plans;
  - c) managing the company's business affairs and performing all the acts and operations

- relating to the corporate purpose that do not fall within the duties attributed to other bodies of the company;
- d) representing the company in or out of court, as plaintiff or defendant, in which capacity it may discontinue, reach a compromise or accept liability in any legal proceedings, and execute arbitration agreements;
  - e) acquiring, selling or by any manner transferring or creating encumbrances over rights or real estate assets;
  - f) incorporating companies and subscribing for, acquiring, creating encumbrances over and transferring stakes;
  - g) adopting resolutions regarding the issuance of bonds and other securities in accordance with the law and these articles of association, in compliance with the annual quantitative limits set by the general and supervisory board;
  - h) establishing the technical and administrative organization of the company and the standards for internal operation, notably concerning personnel and their remuneration;
  - i) granting powers of attorney, as deemed appropriate, including those of sub-delegation;
  - j) appointing the company's secretary and respective substitute;
  - l) engaging the external auditor nominated by the general and supervisory board in accordance with Article 22, paragraph 1 q) of these articles of association and removing him from such office upon indication from the general and supervisory board;
  - m) performing any other duties conferred on it by law or by the general shareholders' meeting;
  - n) establishing a specific regulation that sets out the rules for its internal operation.
2. The approval of the strategic plan of the company and the execution of the following operations by the company or by a company controlled by it are subject to previous receipt of a favorable opinion from the general and supervisory board:
- a) purchases and transfers of assets, rights and stakes with a significant economic value;
  - b) execution of financial agreements with a significant value;
  - c) opening and closing of establishments or important parts of establishments and important expansions or reductions of activity;
  - d) other businesses or operations with a significant economic or strategic value;
  - e) setting up or terminating strategic partnerships or any other forms of enduring cooperation;
  - f) merger, demerger or transformation plans;
  - g) amendments to the articles of association, including moving the registered office and increasing the share capital, when the initiative is conferred on the executive board of directors.

### Article 18

1. In particular, it is the responsibility of the chairman of the executive board of directors to:
- a) represent the executive board of directors;
  - b) coordinate the activity of the board and to convene and preside over the respective meetings;
  - c) to oversee the proper execution of the board's resolutions.
2. The chairman of the executive board of directors has the right to attend the meetings of the general and supervisory board whenever he deems appropriate, except when resolutions in relation to the matters set forth in Article 22, paragraph 1 o) of these articles of association are involved and, generally, in any situations involving conflict of interests.

## Article 19

1. The company shall be bound before third parties:
  - a) by the signature of two directors;
  - b) by the signature of one of the directors, within the limits of the powers delegated by the board;
  - c) by the signature of those holding powers of attorney, with regard to the acts or categories of acts specified in the corresponding powers of attorney.
2. The executive board of directors can resolve that certain company documents be signed by means of mechanical processes or by rubber stamp.

## Article 20

1. The executive board of directors will fix the frequency of its ordinary meetings; however, it is mandatory that it meet bi-monthly and that it meet in extraordinary session whenever so convened by its chairman, by two directors or at the request of the general and supervisory board.
2. The executive board of directors may not pass resolutions without the presence of the majority of its members.
3. Without prejudice to the provision of the foregoing paragraph and provided that at the beginning of each meeting the following means of communication is approved by a majority of two-thirds of the participants, directors may be present or intervene in meetings of the executive board of directors through telecommunication means that ensure real-time transmission and simultaneous receipt of voice, or voice and image.
4. No director is allowed to represent more than one other director at each meeting.
5. The members of the executive board of directors who cannot be present at a meeting may, in the case of a resolution that the chairman considers to be urgent, express their vote by way of letter addressed to him.
6. Absences, continuous or interpolated, of any director to more than half of ordinary executive board of directors meetings held during one civil year, without any justification accepted by this corporate body, will determinate a definitive absence by the referred director.
7. A definitive absence, as established on previous number, shall be declared by the executive board of directors, which shall afterwards proceed with the replacement of that director according to the law and to these by-laws.

## Section IV

### General and supervisory board

## Article 21

1. The general and supervisory board is composed of a number of effective members not lower than nine, but always higher than the number of directors, including those referred in the following paragraphs, elected for a term of office of three years.
2. The chairman of the general shareholders' meeting board is inherently a member of the general and supervisory board.
3. Shareholders or groups of shareholders owning shares that represent a minimum of 10% and a maximum of 20% of the company's capital may subscribe to lists for the separate election of a member of the general and supervisory board, in which case the following rules shall apply:
  - a) each list shall propose at least two eligible persons for each position to be filled, such position to be filled by the first person indicated in the list with more votes;
  - b) the same shareholder cannot subscribe to more than one list;
  - c) if in the separate election, there are lists presented by more than one shareholder or group

- of shareholders, the voting shall be made in relation to all of these lists;
- d) if there is a proposal for the election of a separate member under the terms of the foregoing subparagraphs, such election shall precede the other directors' election.
4. The majority of the elected members of the general and supervisory board must be independent and must also meet the remaining requirements, notably concerning academic training and competence, set forth in legal or regulatory provisions applicable, at each relevant moment, to EDP.
  5. Lists of members for the general and supervisory board to be submitted to the general shareholders meeting may include, besides the proposal of effective members, a list of, at least, two independent substitute candidate, who are called, by the chairman of the general and supervisory board, to replace in case of definitive absence of effective members, pursuant to the order set forth in the referred list.
  6. The supervenience of motives which determine the lack of independence of members of the general and supervisory board who have that quality determines the termination of the respective appointment.
  7. At its own initiative or upon the request of the chairman of the executive board of directors, the general and supervisory board must set the parameters to measure the economic or strategic value of operations that should be submitted to its opinion under the terms of article 17, paragraph 2, as well as it must establish expeditious proceedings to issue such opinion in emergency cases or when the nature of the subject justifies it and, in addition, the events in which such opinion may be dismissed.
  8. The chairman of the general and supervisory board represents the general and supervisory board, coordinates its activities, convenes and presides over the respective meetings and oversees the correct execution of its resolutions.
  9. In his absence or impairment, the chairman of the general and supervisory board shall be replaced by the respective vice-chairman, should he exist, or, in his absence, by whomever is designated by the general shareholders' meeting or, subject to ratification at the immediately following general shareholders' meeting, by the general and supervisory board.
  10. The chairman of the general and supervisory board or, in his absence or impairment, a member delegated by this body appointed for the purpose may, whenever he deems convenient and without voting right, attend the meetings of the executive board of directors and participate in the discussion of matters to be submitted to the general and supervisory board.

## Article 22

1. In addition to that provided in law, the general and supervisory board of directors has, in particular, the responsibility to:
  - a) oversee on a permanent basis the activity of the management of the company and controlled companies and to, in such respect, advise and assist the executive board of directors, notably in relation to strategy, achievement of goals and compliance with the applicable legal rules;
  - b) deliver its opinion about the management report and annual accounts;
  - c) oversee on a permanent basis the activity of the statutory auditor and of the external auditor and, concerning the first, to issue a pronouncement on its respective election or appointment, its removal and its independence conditions and other relations with the company;
  - d) oversee on a permanent basis and evaluate the internal procedures relating to accounting and auditing matters, as well as the efficacy of the risk management system, the internal control system and the internal audit system, including the receipt and processing of related complaints and queries, whether or not originating from employees;
  - e) propose the removal of any member of the executive board of directors to the general shareholders' meeting;
  - f) monitor the definition of criteria and necessary competences in the structures and internal

- bodies of the company or the group to be complied with and their consequences in the respective composition, as well as to prepare plans of succession;
- g) provide for, in accordance with the law, the replacement of the members of the executive board of directors in the event of absence or temporary impairment;
  - h) 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;
  - i) monitor and assess matters relating to corporate governance, sustainability, internal codes of ethics and their compliance, evaluate and resolve conflicts of interests systems, including in respect of the company's relations with shareholders, and to deliver opinions on these matters;
  - j) obtain financial or other resources which it reasonably believes are necessary for its activity and to request from the executive board of directors the adoption of measures or corrections that it considers appropriate, being allowed to use the means required for its own independent advisory, if necessary;
  - l) receive periodic information from the executive board of directors about significant commercial relations between the company or controlled companies and shareholders with a qualified stake and related persons;
  - m) appoint the remuneration committee and the audit committee;
  - n) represent the company in its relations with the directors;
  - o) supervise the activities of the executive board of directors;
  - p) monitor compliance with the law and the articles of association;
  - q) select and replace the company's external auditor, giving the executive board of directors instructions to engage and remove it;
  - r) monitor, when it deems appropriate and through the means considered appropriate, the correctness of the books, the account registers and supporting documents, as well as the status of any assets or values held by the company;
  - s) supervise the preparation and release of financial information;
  - t) convene the general shareholders' meeting when it deems appropriate;
  - u) approve its internal regulation, which shall including rules regarding the relations between the corporate bodies and organs.
2. The general and supervisory board shall deliver a favorable opinion in relation to the subjects referred to in Article 17, paragraph 2 of these articles of association.

### **Article 23**

1. The general and supervisory board may create specialized or monitoring committees, in addition to those envisaged in the law, notably in the area of corporate governance and sustainability.
2. The general and supervisory board shall delegate in an audit committee, consisting of at least three independent members with suitable qualifications and experience, the competences provided for in Article 22, paragraph 1 b) to d), r) and s) of these articles of association, in addition to others set forth in law.
3. The chairman of the general and supervisory board shall preside over the audit committee in the event he is an independent member.

### **Article 24**

1. The general and supervisory board shall meet in ordinary session at least once every quarter and in extraordinary session whenever convened by its chairman, at his own initiative or at the request of any of its members, the executive board of directors or the respective chairman.
2. A member of the general and supervisory board may be represented in a meeting by another member, through a letter to the chairman, with the following limitations:

- a) each proxy letter may not be used more than one time;
  - b) each member may not represent more than one member;
  - c) independent members may not represent or be represented by non independent member.
3. Members may be present and intervene in the meetings of the general and supervisory board through means of communication that assure, in real-time, the transmission and reception of voice or voice and image, should the authenticity of the statements and the security of the communications be assured, and to the extent that its contents and the respective participants are registered.
  4. Members who cannot be present or represented at a meeting of the general and supervisory board may, in case of a resolution deemed to be urgent by the respective chairman, issue their vote by postal or by electronic means to the chairman..

## **Section V Statutory auditor**

### **Article 25**

The company shall have a statutory auditor with the powers and duties set forth in the law.

## **Section VI Company secretary**

### **Article 26**

1. The company shall have a secretary as well as a substitute secretary, both appointed by the executive board of directors, with the functions set forth in the law for the company secretary.
2. Without prejudice to the possibility of his re-appointment, the functions of the secretary cease with the term of office of the executive board of directors that appointed him.

## **Section VII Remuneration committee**

### **Article 27**

1. Without prejudice to the provisions of Article 11, paragraph 2 d) in respect of the other corporate bodies, the remuneration of the directors, as well as any complementary benefits, notably complementary retirement or disability pensions, are set by a committee appointed by the general and supervisory board. The majority of the members of such committee shall be independent.
2. The remuneration committee shall submit to the annual general shareholders' meeting a statement on the remuneration policy of the members of the executive board of directors approved by the referred Commission.

## **Section VIII**

### **Environment and sustainability board**

#### **Article 28**

1. An environment and sustainability board shall be constituted with purely advisory functions and dependent on the executive board of directors. It shall be responsible, at the request of the executive board of directors, for advising and supporting it in the formulation of the corporate strategy for the environment and sustainability.
2. The environment and sustainability board shall consist of five persons of acknowledged qualification in the area of environment protection and sustainability, who shall be elected at the general shareholders' meeting pursuant to a proposal from the executive board of directors.

#### **Chapter IV**

### **Term of office of the corporate bodies**

#### **Article 29**

1. The members of the general shareholders' meeting board, the executive board of directors, the general and supervisory board, the environment and sustainability board, the remuneration committee and the statutory auditor shall be elected every three years, and their re-election shall be permitted, one or more times, for the referred offices, subject to the limits imposed by law.
2. The members of the corporate bodies shall exercise their term of office until the newly elected members begin the performance of their respective offices, without prejudice to the legal provisions applicable to their renouncement or temporary or permanent impairment during the term of office.

#### **Chapter V**

### **Allocation of annual results**

#### **Article 30**

1. The profits of the year, calculated in accordance with the law, shall be allocated as follows:
  - a) to cover the losses of previous years;
  - b) to constitute or reinforce the legal reserve and other reserves prescribed by law;
  - c) to constitute or reinforce other reserves created by the general shareholders' meeting;
  - d) to be distributed as dividends to shareholders;
  - e) to pay bonuses to the directors and employees, by way of a share in the profits, according to criteria to be defined by the general shareholders' meeting;
  - f) to grant to the EDP Foundation an amount for patronage initiatives of recognized merit in accordance with the program to be submitted to the general and supervisory board within the context of EDP Group's policy of corporate citizenship and sustainable development, up to an amount corresponding to 0.1% of the consolidated turnover;
  - g) other purposes by resolution of the general shareholders' meeting.
2. Payments in advance of profits may be made to shareholders during the course of the year upon a proposal from the executive board of directors and a favorable opinion from the general and supervisory board, up to the maximum permitted by law.

## **Chapter VI**

### **Winding up and liquidation**

#### **Article 31**

- 1.** The company shall be wound up when there exists legal cause.
- 2.** The liquidation shall be conducted in accordance with the terms of the law and the resolutions of the general shareholders' meeting.