



Conselho Geral e de Supervisão

(General and Supervisory Board)

POINT THREE OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING OF EDP

Opinion of the General and Supervisory Board on the vote of confidence in the Executive Board of Directors

Shareholders,

1. Article 22 no. 1 subparagraph h) of the EDP by-laws establishes the powers of the General and Supervisory Board to:

“Issue, on its own initiative or when so requested by the chairman of the executive board of directors, an opinion on the annual vote of confidence in the directors specified in Article 455 of the Portuguese Companies Code”.

It makes perfect sense for a supervisory body like the General and Supervisory Board of EDP to issue its opinion on members of the Executive Board of Directors, over which it exercises its supervisory, monitoring and advisory functions, in an objective and soundly reasoned manner.

This is being done for the first time by EDP, and so the General and Supervisory Board is hoping to initiate a practice that it believes is healthy and valuable in terms of constructing a rigorous governance model based on the soundest principles and best corporate management practices. To meet this goal, the performance of the executive administrative body has to be assessed.

This assessment is independent of that which the Remuneration Committee undertakes in relation to establishing the variable remuneration of members of the Executive Board of Directors.

The assessment in question should also be completely separate from that undertaken by the Remuneration Committee to establish the variable remuneration of members of the Executive Board of Directors.

2. The General and Supervisory Board therefore carried out a careful appraisal of the Executive Board of Directors at its meeting on 6 March, with special reference to the Chairman. All the members present played an active part in the discussion.

The appraisal of the General and Supervisory Board arises from the exercise of its supervisory, monitoring and advisory functions relative to the Executive Board of Directors throughout the 2007 financial year. Shareholders will find an account of this work in the annual report of the General and Supervisory Board, set forth in the ordinary and extraordinary meetings of the

Plenary and Committee sessions, as well as in the daily monitoring by the Chairman of the General and Supervisory Board, who represents the body institutionally, coordinates its activities and sees that its decisions are properly implemented.

The conclusions of this meeting may be summarised as follows:

2.1. The **overall appraisal** of the work of the Executive Board of Directors and how it has been conducted is excellent, and attention is particularly drawn to the manner in which the Chairman of the Executive Board of Directors, António Mexia, has guided and implemented the Company's strategy. The assessment is based on the demonstrable competence shown, as expressed in the qualitative and quantitative results, plain for all to see in the 2007 Annual Report and Accounts.

2.2. The points below are highlighted with respect to the **specific appraisal**:

a) The EBITDA and net profits exceeded the figures forecast in the 2007 budget, and this has been regarded favourably by the General and Supervisory Board.

b) The relationship cultivated with the shareholders and stakeholders, especially with the government and industry regulators.

c) The absence of labour unrest in EDP, thanks to professional and appropriate working relations with employees and trade unions; the Company's considerable interest in seeking out and making the most of talent is especially noteworthy.

d) The extremely strict handling of issues related to conflict of interests, in particular with major shareholders.

e) The exemplary relationship with the General and Supervisory Board and its specialised Committees, noted in:

- The provision of large amounts of well-prepared information, though not always far enough ahead of time for it to be thoroughly analysed. This aspect needs closer attention;
- The answers to questions raised and the provision of all the clarifications required;
- The active input from the Chairman of the Executive Board of Directors and the members of that body in meetings of the General and Supervisory Board and its Committees, whenever needed.

f) The rigorous and professional cooperation of the Chairman of the Executive Board of Directors with the Chairman of the General and Supervisory Board, allowing the constant monitoring of the most important files, which has lent credibility to the governance model adopted, providing the essential flexibility for management and respect for the supervisory duties.



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g) The marked improvement in the image of EDP, both at home and abroad, with special reference to the leading position the Company has taken in the wind power field.

3. Conclusion

In accordance with the conclusions of the March 6 meeting, the General and Supervisory Board hereby reaffirms its confidence in the collective and individual competence of the members of the Executive Board of Directors to, in 2008, achieve the ambitious targets set forth in the current Strategic Plan and Business Plan, the year in which their mandate comes to an end. We firmly believe that they will work solely to foster the interests of the Company.

The General and Supervisory Board has therefore unanimously decided to inform the Shareholders that it fully supports the approval of a vote of confidence and praise in the Executive Board of Directors, its Chairman, António Mexia, and each of its members.

Lisbon, 6 March 2008

Chairman, General and Supervisory Board

António de Almeida