



**Annual General  
Shareholders' Meeting**

April 10<sup>th</sup>, 2008

**PROPOSAL CONCERNING POINT 4 OF THE AGENDA**

**Grant authorization to the Executive Board of Directors for the acquisition  
and sale of own shares by EDP and subsidiaries of EDP**

**Considering:**

- A) The legal regulations applying to the acquisition and sale of own shares by limited liability companies set forth in the Portuguese Companies Code;
- B) The permission by the Articles of Association to acquire, hold and sell own shares, as provided the law and up to the limits set forth in the law, as well as to carry out operations permitted by law involving own marketable securities;
- C) The provisions laid down in Regulation (EC) 2273/2003 of the European Commission dated December 22<sup>nd</sup>, 2003, that define special conditions contemplating, namely, requirements to exempt certain programs of reacquisition of own shares from the general conditions of market abuse, programs that should be taken into consideration even if they do not involve integrated acquisitions into the programs concerned;
- D) The authorization conferred on the Executive Board of Directors to buy and sell own shares by resolution of the General Shareholders' Meeting of April 12<sup>th</sup>, 2007 by virtue of which EDP carried out stock operations on own shares and presently holds 17.377.996 own shares;
- E) From the Company's point of view it is deemed convenient for EDP and its subsidiaries to hold an authorization to buy or to sell own shares, either for carrying out stock-options programs previously approved or for any actions deemed necessary or appropriate from the company's point of view;

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**The Executive Board of Directors proposes that the Annual General Shareholders' Meeting:**

1. Approves the provision of authorization to the Executive Board of Directors of EDP and the management bodies of EDP's subsidiaries for acquiring or selling own shares;
2. Approves the acquisition by EDP, or by any of its current or future subsidiaries, of own shares, including acquisition or allocation rights, subject to decision of the Executive Board of Directors of EDP and under the following terms and conditions:
  - a) **Maximum number of shares to buy:** to a total not exceeding ten percent of the share capital of EDP, less any sales that might have occurred, regardless of the number of shares required for the buying entity to comply with its commitments set forth by law, contract or by the issue of securities or contractual requirement regarding the provision of stock-options programs for the Executive Board members and other collaborators of the EDP Group to purchase shares, subject to, if required and in compliance with legislation, the subsequent sale of shares exceeding the foregoing threshold and notwithstanding the acquisition of own shares with the intention of share capital reduction, approved by resolution of the general meeting of shareholders, in which event the specific thresholds defined in the corresponding resolution shall apply.
  - b) **Period during which shares can be acquired:** eighteen months from the date of this resolution.

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- c) **Forms of acquisition:** acquisition of shares or share purchase or allocation rights, against payment, in any shape or form and pursuant to the terms and limits peremptorily determined in legislation, either in regulated markets where EDP shares have been admitted for trading or outside of stock markets, respecting the principle of shareholder equality, namely the financial institution with which EDP has entered into an equity swap agreement or similar financial agreement, or any acquisition of any form in order to or for the purpose of complying with any legal or contractual requirement, or the conversion or exchange of convertible or exchangeable securities issued by the company or a subsidiary, under the terms of the respective issuance conditions or agreements executed in relation to such conversion or exchange.
- d) **Minimum and maximum counterparts for acquisitions:** the maximum and minimum buying price shall be, respectively, 115% and 85% of the weighted average of the closing price of EDP shares in the last 10 sessions of the Euronext Lisbon prior to the date of acquisition or the date on which the right to acquire or allocate shares was attained, or it will correspond to the acquisition price arising from contracted financial instruments, from the issuance conditions established by the company or any subsidiary, from securities convertible into or exchangeable for shares of the company, or any agreement entered into concerning such conversions or exchanges.
- e) **When to acquire:** to be determined by the Executive Board of Directors of EDP, considering the security market situation and the conveniences or

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commitments of the buying entity or any of its subsidiaries. Acquisitions may occur on one or more occasions, broken down in the manner the referred to Board deems appropriate.

3. Approves the selling of own shares already purchased beforehand, subject to decision by the Executive Board of Directors of EDP and under the following terms and conditions:
  - a) **Minimum number of shares to sell:** the number of sale transactions and the number of shares to sell shall be determined by the Executive Board of Directors of EDP and/or by the managing bodies of EDP's subsidiaries, whenever deemed necessary or convenient to the Company. Sales transactions include the allocation of stock purchase options under the abovementioned stock-options programs;
  - b) **Period during which shares can be acquired:** eighteen months from the date of this resolution;
  - c) **Forms of selling:** the shares should be sold, against payment, in any shape or form and pursuant to the terms and limits peremptorily determined in legislation, either in regulated markets where EDP shares have been admitted for trading or outside of stock markets in the case of specific entities defined by the Executive Board of Directors of EDP, respecting the legal principle of shareholder equality, namely counterpart financial institutions in derivative contracts, or yet with the intention of meeting any

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commitment made in regard to EDP stock-options programs created under the express approval of the Annual General Shareholders' Meeting;

- d) **Minimum price:** the minimum selling price shall be either no less than 90% of the weighted average of the closing price of EDP shares in the last 10 sessions of the Euronext Lisbon prior to the date of sale, except when the purpose of the sale is to permit the full implementation of stock-options programs that have been created under the express approval of the General Meeting of Shareholders, or it shall be the price that was set or results from the terms and conditions of the issuance of other securities, namely convertible or exchangeable securities, or from a contract entered into in regard to such issue, conversion or exchange, relative to a sale obliged by the same;
- e) **When to sell:** the Executive Board of Directors of EDP shall determine the timing of each transaction in view of the market conditions and whether the sale is appropriate to or complies with the requirements of the selling entity, the Company or its subsidiary. Sales transactions may occur one or more times, broken down in the manner the referred to Executive Board deems appropriate.

4. Approves that the Executive Board of Directors be indicatively notified that, without prejudice to its freedom to decide and to act as per the resolutions taken in respect to paragraphs 1 to 3, in as much as possible and under the terms and according to the circumstances it deems appropriate - particularly in

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relation to acquisitions forming part of stock repurchase programs for the purpose of covering bond or other securities' conversion rights, or stock-options programs or similar rights, or other programs that may be governed by the Regulation mentioned in Recital C) - it should not only consider the Securities Market Commission recommendations in force but also the following recommended practices concerning the buying and selling of own shares in accordance with the authorizations granted under the previous paragraphs:

- a) disclose to the public, before commencing purchase and sale transactions, the contents of the authorization referred to in the foregoing paragraphs 1 to 3, in particular, the objective, maximum acquisition countervalue, maximum number of shares to buy and the authorized timeframe established for the transaction;
- b) record each transaction performed in the ambit of the preceding authorizations;
- c) publicly disclose any transactions performed on or before the seventh trading day subsequent to the date on which such transaction occurred;
- d) perform stock transactions in such a manner, in terms of timing, form and volume, that does not disturb the regular operation of the market, trying to avoid execution during sensitive trading periods, in particular the opening and closure of a session, at times when the market is disturbed, or when relevant facts are announced or financial results are being disclosed;

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- e) buy at a price no higher than either that of the latest independent operation or that of the highest independent offer at the time of acquisition in the official stock market of Euronext Lisbon;
- f) restrict acquisitions to 25% of the average daily trading volume, or to 50% of this trading volume provided that the competent authority is notified and disclosure to the market is made;
- g) refrain from selling when stock repurchase transactions are occurring under the auspices of the program governed by the Regulation referred to in Recital C).

To that end, and in the event of acquisitions under stock repurchasing programs, the Executive Board of Directors may divide up acquisitions and their conditions according to the respective program. It may provide information of such division in any public disclosure that may be made.

Lisbon, March 6, 2008

**EDP – Energias de Portugal, S.A.**

**The Executive Board of Directors**