

GENERAL AND SUPERVISORY BOARD

INTERNAL REGULATIONS

This is an unofficial translation of the General and Supervisory Board Internal Regulations prepared for information purposes only. In the case of any discrepancy between this translation and the Portuguese version of the Internal Regulations, the Portuguese version will prevail.

ABBREVIATIONS AND DEFINITIONS

GMS – Company’s general meeting of shareholders.

AE – Entity responsible for independent external auditing of the Company’s accounts and assets, pursuant to Article 8 of the Securities Code.

EBD – The Company’s Executive Board of Directors.

GSB or Board – The Company’s General and Supervisory Board.

CMVM – Portuguese Securities Market Commission.

Committee – Any committee set up by the GSB to perform certain functions belonging to the Board, which can assume two different configurations: Permanent Committee or Eventual Committee.

Company – EDP – Energias de Portugal, S.A.

EDP’s Articles of Association– The Company’s current Articles of Association approved by its GMS.

Eventual Committee – It is created by the GSB to perform certain specific duties and its mandate is shorter than GSB’s term of office.

IR or Regulations – The main body of rules approved by the GSB regarding its organisation and functioning.

Law – It comprises not only legal rules but also regulations applying to the Company’s activity.

Permanent Committee - It is created by GSB to perform certain specific duties and its mandate is identical to GSB’s term of office.

Subsidiaries – Companies that are dominated by or in the same group as the Company pursuant (to) the Securities Code.

SA – Statutory Auditor.

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¹ Approved at the General and Supervisory Board meeting of 7th May 2009.

Preamble

30th June 2006 marked a new stage in EDP's corporate governance. With the entry into force of the corporate governance model decided at the General Meeting of Shareholders on 30th March 2006, the Company moved from a one-tier model (albeit mitigated by the existence of an Executive Committee with powers delegated to it by the Board of Directors), to a two-tier model, whose major distinguishing feature is the existence of the General and Supervisory Board and the Executive Board of Directors as fundamental corporate bodies responsible for the definition and pursuance of the Company's interest.

The adoption of the new corporate governance model coincided with the reform of the Companies Code, implemented by Decree-Law 76-A/2006 of 29th March, and reflects an aspiration to improve best governance practices. This two-tier model was subjected to a significant legal review.

The new model is characterised by its flexibility and its ability to maximise the synergies resulting from the division of responsibilities within the company, particularly in the areas of **management, monitoring and auditing**. The degree to which this governance model succeeds depends largely on **how well the GSB fulfils its role of overseeing the management of the company, as well as supervises its activities, within demanding accountability criteria**.

These regulations were developed in this spirit, aiming to be a standard reference of sufficient flexibility and transparency to shape the GSB's activity in the exercise of its **powers of monitoring and supervision**, as set forth in the law and the EDP'S Articles of Association, while taking into account, above all, its relationship with other corporate bodies and company officers. In this context, an adequate model for the **relationship between the GSB and the EBD** deserved special attention, insofar as there should exist strict cooperation between these two corporate bodies in the pursuit of the company's best interests, independently of the mission of the former to supervise and monitor the latter.

In light of the above goals and applicable provisions of the law and EDP's Articles of Association, these regulations are the result of a revision of those in effect during the last mandate. Also, the recommendations on best governance practices, in particular the "CMVM's Corporate Governance Code", were taken into account.

Finally, these regulations also clarify some aspects of the two-tier model, taking into consideration not only the results of the experience acquired during the previous mandate but also the results of the dialogue with CMVM regarding the responsibilities of the GSB as EDP's supervisory body.

Chapter I

Framework, composition and functioning of the GSB

Article 1

Framework

The GSB IR are created under Article 22(1)(u) of EDP's Articles of Association, with the aim of defining the rules governing its organisation and functioning, as well as the rules governing its relationship with other corporate bodies and company officers, while taking into account its legal and statutory powers.

Article 2

Mission and principles

1. In the exercise of its powers, the GSB's main mission is to guarantee the permanent monitoring and supervision of the management of the Company and its subsidiaries, cooperating with the EBD and with other corporate bodies and company officers in the pursuit of the Company's interests.
2. The GSB and its members shall conduct their activities in strict adherence to the law, EDP'S Articles of Association, the decisions of the General Meeting of Shareholders, and these regulations. They shall also take into consideration recommendations regarding best practices in corporate governance.

Article 3

Composition

1. The GSB is composed of a number of effective members not lower than nine, but always higher than the number of directors, elected for a term of office of three years.
2. The Chairman and Vice-Chairman of the GSB shall be elected by the GMS.
3. By statute, the Chairman of the Board of the General Meeting of Shareholders is a member of the GSB.
4. The majority of GSB members are independent.

Article 4

GSB's functioning

1. In the exercise of its powers, the GSB develops its activity through plenary meetings and Committees.
2. As a collegiate body, the GSB makes its decisions in plenary meetings, regardless of the delegation of specific powers to its Committees.
3. The Chairman of the GSB represents the Board, coordinates its activities, convenes and presides over meetings and ensures the correct implementation of its decisions.
4. Under the supervision of Chairman of the GSB, the Company Secretary has the responsibility of:
 - a) Acting as secretary to plenary GSB meetings.
 - b) Providing information requested by GSB members.
 - c) Ensuring that GSB acts are registered and certified.
5. The GSB is supported by an office staffed by employees or collaborators hired for this purpose. The office will work together with and under the guidance of the Chairman of the GSB.
6. The GSB may contract expert services for assistance with specific tasks, when considered adequate for the performance of its duties.

Article 5

Committees

1. Regardless of retaining the continued responsibility for the exercise of its duties as a corporate body, the GSB will create Permanent and Eventual Committees composed of some of its members when it is considered appropriate and necessary for the performance of certain specific duties.
2. The GSB will create the following Permanent Committees:
 - a) A Financial Affairs Committee, with a majority of independent members, to

which the GSB will delegate the responsibility of overseeing the company's financial affairs, as well as affairs related to risk management, especially taking into account article 22(1)(b to d) (r) and (s) of EDP'S Articles of Association.

- b) The Remuneration Committee, with a majority of independent members, to which the GSB will delegate the responsibility of setting the policy and the remuneration for directors, particularly pursuant to Article 27(1) of EDP'S Articles of Association.
- c) The Corporate Governance and Sustainability Committee, pursuant to article 23(1), to which the GSB will delegate the responsibility for monitoring matters related to:
 - I. Corporate governance.
 - II. Sustainability development of EDP's activities.
 - III. Management monitoring.
 - IV. Conduct and ethics in-house codes.
 - V. Systems for assessing and solving conflicts of interest, especially regarding EDP's shareholder relations.
 - VI. Setting suitable criteria and competences to be observed by EDP's structures and bodies and their repercussions on their composition.
 - VII. Succession plans drafting.
3. Within the limits of these regulations and without affecting the terms of their constitution, the Permanent and Eventual Committees will have as their main mission the permanent and detailed oversight of the affairs that are entrusted to them, in order to ensure a GSB adequate decision-making process, or to provide information to the Board about particular issues.
4. The Committees shall submit their internal regulations to the GSB for approval in harmony with these Regulations and in compliance with the terms of their constitution.
5. The Committees' activity shall be coordinated by the Chairman of the GSB, who shall ensure appropriate articulation between it and GSB plenary

meetings, through the Committees' Chairmen, who shall keep him/her informed of their activities, including sending the meetings' notice and respective minutes.

6. At ordinary GSB meetings, the Committees shall present updates of the most important matters with which they have dealt.
7. Every year, the Committees shall report to the GSB on their work and their evaluation of their activities and those reports shall be included in GSB annual report.

Chapter II

STATUS OF GSB MEMBERS

Article 6

Suitability

1. The GSB members shall have the appropriate qualifications and professional experience for their duties.
2. The appointment as GSB member shall be accepted within the following 30 days in a written statement (Annex 1), which shall also record:
 - a) Adequate knowledge of legal, regulatory requirements and statutory rules applicable to its activity and to Company's activity.
 - b) Unconditional acceptance of these Regulations.
 - c) The absence of any incompatibility under the law or the EDP'S Articles of Association with the exercise of GSB member duties.
 - d) Meeting the requirements of independence set out in article 8(1), if elected as a GSB independent member.
3. In the first 30 days of each financial year, members shall renew their statements on the absence of incompatibility and compliance with the requirements of independence, if applicable, as set out in Annex 2.

Article 7

Incompatibilities

1. In addition to others that are specifically applicable, GSB members are subject to the incompatibility rules set forth in article 414-A(1)(a)(b)(c)(d)(e)(g) and (h) (see article 434(4) and article 437(1) of the Companies Code and to the incompatibility set in article 10 of EDP's Articles of Association.
2. Without prejudice to the power of GSB to decide on the incompatibility of its members, each member shall be responsible for the permanent monitoring of the absence of any circumstances that may lead to his/her situation becoming incompatible with the performance of his/her duties.
3. Any member who has doubts regarding a situation of incompatibility in relation to him or herself or another member should refer the case to the Chairman of the GSB, who shall initiate an assessment process with GSB or an Eventual Committee set up for the purpose, who will decide on the incompatibility.
4. If a member reports or is found to be in an incompatibility situation, his or her term of office shall be terminated immediately.

Article 8

Independence

1. A person is considered independent if he/she is not associated with any specific interest group in the company and is not under any circumstance liable to affect his/her impartiality in making analyses or decisions, such as any of the situations indicated below or in relation to him or herself, or his or her spouse or relatives by birth or marriage to the third degree:
 - a) Being an owner, occupying a management position, having a contractual tie with or acting on behalf of or on the account of owners of qualifying holdings of 2% or more of the share capital or voting rights of EDP or a similar percentage in a company that controls it.
 - b) Being an owner, occupying a management position, having a contractual tie with or acting on behalf of or on the account of owners of qualifying

holdings of 2% or more of the share capital or voting rights of a rival company.

- c) Receiving any remuneration, even if suspended, from EDP, a subsidiary or non-profit institutions economically dependent on them, except the remuneration for the exercise of his/her duties as GSB member.
 - d) Being elected for more than two consecutive or intercalated terms.
2. Without prejudice to the power of GSB to assess the independence status of its elected members, each one shall be responsible for permanent checking for the absence of any circumstance that might affect this status during the performance of his/her duties.
 3. If a GSB member is in doubt as to whether or not he/she or another member meets the independence requirements, he/she shall refer the case to the Chairman of the GSB, who shall initiate an assessment process with the GSB or an Eventual Committee set up for the purpose, who will decide on the independence status.
 4. If a member reports or is found to have lost his/her status as an independent, his or her term of office shall be terminated immediately.

Article 9

Competition

1. Without authorisation from the General Meeting of Shareholders, GSB members can neither engage, directly or indirectly, in activities in competition with the Company, neither hold positions in, represent or act on behalf of a competing company, pursuant to article 10 of EDP's Articles of Association.
2. GSB members elected under article 10(4) of EDP's Articles of Association cannot attend meetings, or parts of meetings, in which competitively sensitive issues are discussed, nor can they otherwise have access to this information and documentation. This relates in particular to information regarding markets in which there is competition with the Company.

3. If a member declares him/herself or the GSB or the Eventual Committee set up for the purpose decide that he/she is in unauthorised competition situation with the Company, his or her term of office shall be terminated immediately.

Article 10

Rights and duties

1. Without affecting their other rights as set forth in the Law and the EDP's Articles of Association, GSB members have the right to:
 - a) Obtain information considered essential for the performance of their duties.
 - b) Propose to the Chairman of the GSB to hire the services of experts and advisors to be engaged in areas deemed necessary for them to perform their duties, within the agreed budget for such services.
 - c) Ask the Chairman of the GSB to instigate EBD to implement any actions related to the activities of EDP, subsidiaries and non-profit institutions economically dependent on them.
 - d) Serve as a member of the GSB Committees.
2. Without affecting their other duties as set forth in the Law and the EDP's Articles of Association, members of the GSB have the duty to:
 - a) Always act according to high standards of professionalism, impartiality, care and loyalty in the pursuit of the Company's interests.
 - b) Participate in the GSB and Committee meetings of which they are members and justify as soon as possible any inability to attend.
 - c) Obtain the information they need to perform their duties.
 - d) Maintain the confidentiality on events and information acquired in the course of their duties, except in cases where its communication is permitted by Law.
 - e) Provide the necessary legal guarantees and assurances to perform their duties as a GSB member.

Article 11

Evaluation of GSB activities

1. The GSB shall assess any difficulties and obstacles detected by its members with regard to the performance of their duties and make every effort to ensure that appropriate measures are taken to remove difficulties and obstacles to its members' activity.
2. The GSB shall monitor compliance with rules applicable to the work of its members, in particular those set out in these Regulations.
3. Every year, the GSB or an Eventual Committee specifically set up for the purpose shall evaluate:
 - a) The activity developed and the contribution made by the members.
 - b) The compliance with these Regulations, followed by a revision, if appropriate.

Article 12

Dismissal for just cause

1. At the request of any member, the GSB shall examine any cases of dereliction of duty by its members and shall take the necessary measures to restore its regular functioning.
2. If it finds that a member is guilty of severe dereliction of duty, the GSB shall decide on whether to submit a motion for his/her dismissal for just cause to the GMS.
3. The investigation to assess the appropriateness of the conduct of GSB members may be delegated wholly or in part to an Eventual Committee.

Chapter III

GSB's RESPONSIBILITIES AND DUTIES

Article 13

Main GSB's responsibilities and duties

1. In the exercise of its legal and statutory powers, the GSB is responsible for monitoring and supervising the Company's activity, either directly or through the Committees created for this effect. The Board should:
 - a) Monitor on a permanent basis the management of the Company and its subsidiaries and provide advice and assistance to the EBD, particularly concerning strategy, achievement of targets and compliance with the Law.
 - b) Issue an opinion on the Company's annual report and financial statements.
 - c) Monitor on a permanent basis the activity of the SA and AE and, with regard to the former, issue an opinion on its election or appointment, dismissal, independence and other relations with the Company.
 - d) Monitor and evaluate on a permanent basis the internal accounting and auditing procedures, as well as the effectiveness of the risk management system and the internal control and auditing systems, including how complaints and queries from employees or others are received and processed.
 - e) Propose the dismissal of any EBD member to the GMS.
 - f) Oversee the definition of required competencies for the internal corporate structure of the Company or Group, monitor their impact and the drafting of succession plans.
 - g) Provide for the replacement of EBD members in the event of definitive absence or temporary incapacity, in accordance with the Law.
 - h) Issue, on its own initiative or when requested by the Chairman of the EBD,

an opinion on the annual vote of confidence in the directors, as referred to in article 455 of the Companies Code.

- i) Monitor and evaluate issues relating to corporate governance, sustainability, conduct and ethics code and adherence to these codes, systems for assessing and resolving conflicts of interest, including those related with the Company's relations with shareholders, and issue appropriate opinions on these matters.
- j) Obtain the means, financial or of any other nature, that it reasonably deems necessary for its activities and request the EBD to take the measures or make the adjustments deemed appropriate. The GSB may contract the means needed to obtain independent advice, as required.
- k) Receive regularly information from EBD on significant business relations between the Company or its subsidiaries and shareholders with qualified holdings and persons related to them.
- l) Set up Committees.
- m) Represent the Company in its relations with the directors.
- n) Monitor EBD activities.
- o) Monitor compliance with the Law and EDP's Articles of Association.
- p) Select and substitute the Company's AE, providing EBD with instructions for its appointment and dismissal.
- q) Verify, as and when it deems appropriate, the existence of proper bookkeeping, accounting and support documentation, as well as the status of any assets or securities held by the Company.
- r) Monitor the process of preparing and disclosing financial information.
- s) Convene the GMS when it deems appropriate.

Article 14

GSB's previous opinions

1. Besides the Company's strategic plan, the following Company or subsidiary operations require a favourable previous opinion from the GSB in the exercise

of its legal and statutory powers:

- a) Acquisition and sale of assets, rights or shareholdings of significant economic value.
 - b) Contracting financing operations of significant value.
 - c) The opening and closure of establishments, or important parts thereof, and important increases or reductions in activity.
 - d) Other transactions or operations of significant economic or strategic value.
 - e) The commencement or termination of strategic partnerships or other forms of lasting cooperation.
 - f) Plans for divisions, mergers or transformations.
 - g) Changes to the EDP's Articles of Association, including moving the head office and increasing the share capital proposed by EBD.
2. On its own initiative or at the Chairman of the EBD's request, the GSB is responsible for setting the parameters for the economic or strategic value of the operations subject to previous opinion.
 3. Requests for previous opinion and their supporting documents should be presented to the GSB with adequate antecedence in relation to the date of the meeting at which they will be analysed.
 4. If the matter is not included in the meeting agenda according to article 21(2), any member may inform the Chairman of the GSB that he/she considers the time for analysis insufficient, which shall result in the postponement of the previous opinion request analysis.
 5. The GSB may set up special mechanisms for issuing or exempt previous opinions in cases of exceptional urgency or when the nature of the matter so justifies.

Article 15

Other responsibilities

1. In the exercise of its legal and statutory powers, the GSB is also responsible for:
 - a) Approving the GSB and its Committees' annual activity plan and respective budget.
 - b) Selecting employees for the GSB's support office, instructing the EBD to hire

and relieve them of duties, pursuant to article 22(1)(j) of EDP's Articles of Association and hiring experts to assist its members in the performance of their duties, with the necessary powers being delegated to Chairman of the GSB pursuant to paragraph 2.

- c) Proposing the appointment or dismissal of the SA to the GMS.
 - d) Issuing favourable opinions regarding advances against profits paid to shareholders during the course of the financial year.
 - e) Setting annual quantitative limits on the issuance of bonds and other securities by the EBD.
 - f) Monitoring and supervising the activities of non-profit institutions depending on the Company and its subsidiaries.
2. The GSB shall provide its Chairman with the necessary powers to, within the limits of GSB budget, select the support office's employees and decide on the hiring of experts from outside the EDP Group under the following conditions:
- a) For experts to assist the GSB Committees, by joint decision with the Chairman of the Committee in question.
 - b) For the GSB support office and experts to assist it and the Committees presided over by Chairman of the GSB, by joint decision with the Vice-Chairman.
3. In accordance with the EDP's in-house rules, the EBD and the competent EDP departments shall implement the decisions referred to in the previous numbers.

Article 16

Institutional relationship between the GSB and the EBD

1. The GSB and the EBD should cooperate actively and faithfully, with neither interfering in the remit of the other, so that both can perform their respective duties effectively and responsibly in the sole pursuit of the Company's interests.
2. In the context of this institutional relationship, and apart from requests for previous opinions, the EBD should regularly present the following to the Chairman of the GSB:
 - b) In general:

- (i) Information regarding any transaction that may have a significant influence on the profitability or financial liquidity of the Company or Group;
 - (ii) All information deemed relevant with respect to the affairs of the Company or Group;
 - c) In particular:
 - (i) In the final quarter of each financial year, information regarding the management policy it intends to pursue in the following year, as well as the facts and issues that justify its choices;
 - (ii) Up to 30 days prior to the Annual General Meeting, a complete management report on the previous financial year;
 - (iii) Quarterly, information on the Company's financial and economical position and how business is progressing.
- 3. The Chairman of the GSB, one of its members appointed by GSB to this effect and the members of the Financial Affairs Committee have the right to attend EBD's meetings.
- 4. All information regarding the activity of GSB shall be managed by its Chairman through the communication channels adopted, which should allow the documentation sent by the EBD to be made available to all the members of the GSB within the following timeframes:
 - a) In the following 48 hours, should the issue be of particular relevance or grave to the Company;
 - b) As convenient, but no later than the first GSB meeting, following reception of the information, for all other matters.
- 5. Before the meetings of their boards, the Chairmen of the GSB and EBD shall seek to coordinate their activities in such a way as to define the matters for which the Chairman of the GSB presence at the EBD's meetings is particularly important and vice-versa.
- 6. The Chairmen of the GSB and EBD shall meet whenever necessary to assess the general performance of the Company and its Subsidiaries.

7. At least once a year, the GSB should discuss the strategy, policies, long-term plans and risks linked to the business of the Company and its subsidiaries, in particular the strategic plan.
8. The GSB has the power to revoke unlawful decisions made by the EBD, and a request for it to do so can be made by any GSB member or director.

Article 17

GSB's institutional relationship with the SA and AE

1. In the performance of its duties of monitoring EDP and its Subsidiaries' activity, the GSB shall be assisted by the Company's SA and AE.
2. Regardless of EBD's formal powers of representation, the GSB represents the Company for all purposes in dealings with the SA and AE both directly and through the Financial Affairs Committee. It is responsible for proposing a provider for these services, its remuneration and the terms on which the services are provided and to ensure that the right conditions exist within the EDP Group for the provision of these services and for being the Company's interlocutor and first recipient of its audit reports.
3. Without prejudice to their functional and hierarchic independence from EDP, the SA and AE activities are subject to GSB supervision, either directly or through its Financial Affairs Committee.
4. The GSB shall seek to coordinate with the EBD, the SA and AE the drafting of the annual plan of activities and the calendar for the issue of the opinion on the annual report and accounts.

Article 18

GSB Annual Report

1. The GSB shall produce an annual report of its activity, to be presented to the Annual General Meeting.

2. In its annual report, the GSB makes a general presentation and assessment of its activities, as well as the activities of its Committees, with emphasis on:
 - a) The modes of monitoring and supervision of the Company's management and the results thereof.
 - b) The institutional relationship between the GSB and EBD.
 - c) Company's compliance with the recommendations on corporate governance that it should have taken into consideration.
 - d) Internal procedures regarding accounting and auditing, as well as the effectiveness of the risk management system and the internal control and auditing systems.
 - e) The absence of incompatibilities and an assessment of the independence of its members.
 - f) The main features of the EBD remuneration policy as defined by the Remuneration Committee.
 - g) An evaluation of the performance of the SA and AE.
 - h) A brief summary of previous opinions procedures.
 - i) The authorisations granted regarding transactions between the Company and GSB members.
 - j) The execution of the GSB annual budget.
 - k) The Financial Affairs Committee's opinion on the Company's financial statements.

3. The Chairman of the GSB is responsible for organising annual report draft, and an Eventual Committee can be created specifically to this end. The report should then be approved by the Board at least 30 days prior to the Annual General Meeting.

Article 19

Responsibilities of the Chairman of the GSB

1. The Chairman of the GSB is responsible for the following:
 - a) Representing the GSB and being the spokesman for its decisions to other corporate bodies.
 - b) Coordinating GSB activities and monitoring the correct functioning of its Committees, having the right to attend any of their meetings and request information about their activities.
 - c) Ensuring that the GSB members receive in a timely manner all the information they need for the proper performance of their duties.
 - d) Asking the EBD for the relevant information required for the GSB and its Committees to perform their duties and make it available to GSB members.
 - e) Promoting adequate measures to ensure that the GSB can properly monitor the Company's activity, in particular the EBD's activity.
 - f) Oversee the GSB budget execution and managing the material and human resources allocated to it.
 - g) Convening and chairing meetings of the GSB, as well as ensuring that its decisions are implemented correctly.
2. In case of absence or incapacity, the Chairman of the GSB is substituted by the Vice-Chairman (should there be one), or by someone appointed by the GMS or the GSB, subject to ratification at the following GMS.

Chapter IV
GSB PLENARY MEETINGS

Article 20

Organisation of GSB plenary meetings

1. The GSB holds an ordinary meeting at least once a quarter, as well as extra meetings whenever convened by its Chairman, on its own initiative, or at the request of any of its members, the EBD or the Chairman of the EBD.
2. The dates and places of GSB meetings are established in the respective meeting notices, though the annual activity plan shall lay down guidelines on the meetings scheduling, without prejudice to the Chairman's power to make any adjustments that he/she sees fit.

Article 21

Meetings' notice and agenda

1. The GSB members or the Chairman of the EBD shall inform the Chairman of the GSB of matters that they wish to place on the agenda for appreciation by the plenary meeting, indicating the urgency of the request and providing supporting documents and any motions.
2. With the exception of meetings to issue previous opinions, which are subject to article 14(3), GSB plenary meetings are convened by its Chairman, and the meeting notice is communicated to the GSB members and to the Chairman of the EBD prior to the date of the meeting by at least five days.
3. The meeting notice shall be sent together with the agenda, a summary of the issues to be discussed and the available supporting documents.
4. In exceptional situations, the meeting notice and supporting documents may be submitted outside the time limits referred to in the previous numbers.
5. If the agenda includes matters related to monitoring the EBD activity, the

Chairman of the GSB shall inform the Chairman of the EBD that he/she will not be allowed to attend the discussion of these issues or have access to the relevant documentation or information.

6. If the GSB includes a member elected under article 10(4) of EDP's Articles of Association, the Chairman of the GSB or the Eventual Committee appointed to this task should decide in advance whether an issue qualifies as sensitive in order to decide if this member can be present during discussion of the issue or have access to the relevant documentation or information. A definitive decision can be taken by the GSB at the beginning of the meeting.
7. By unanimous decision and full presence of all its members, the GSB can decide to meet in plenary without formal meeting notice procedures, as well as decide to add new items to the definitive agenda.
8. A plenary meeting can be convened by two GSB members or by the EBD, if the Chairman of the GSB has not convened a meeting within 15 days of receiving a request to do so by one of the GSB members or by EBD. In this case, with the necessary adaptations, the rules of this article will be applicable.

Article 22

Participation on the meetings

1. The Chairman of the GSB is responsible for chairing the meeting, introducing the agenda issues and giving the floor to those present in order to ensure the normal functioning of the meeting.
2. The members may attend and participate in the GSB meetings using communication means that provide real time transmission and reception of voice or voice and image. The authenticity of statements and the security of communications must be guaranteed and their contents and their participants shall be recorded.
3. A member of the GSB may be represented at a meeting by another member after sending a proxy letter to the Chairman, subject to the following limitations:
 - a. No proxy may be used more than once.

- b. No member may represent more than one other member, at the same meeting.
 - c. Independent members may not represent or be represented by non-independent members.
4. In the event of a decision considered urgent by the Chairman of the GSB, members who are unable to attend or be represented at a meeting may cast their vote by post or email, addressed to the Chairman.
5. The Chairman of the EBD has the right to attend the GSB meetings whenever he/she deems appropriate, except when resolutions in any situations involving conflict of interests.
6. The Chairman of the GSB may authorise attendance at all or part of meetings by other people whose presence is justified, announcing this authorisation at the beginning of the meeting.

Article 23

Quorum

1. The GSB cannot make decisions without the majority of its members being present or represented.
2. The Company Secretary should confirm the existence of a decision-making quorum to the Chairman of the GSB.

Article 24

Decisions

1. Decisions are taken by a majority of votes cast by members present or represented and postal votes.
2. Voting takes place in public, unless a prior decision is made to the contrary.
3. A GSB member should not participate in any voting in which he/she has a direct or indirect conflict of interest with the Company or a Subsidiary.
4. In the occurrence a situation that could lead to a conflict of interest, the GSB

member shall inform the Chairman of this fact. Should the conflict of interest involve the Chairman, he/she should inform the Board.

5. The execution of the GSB decisions is overseen by its Chairman.

Article 25

Confidentiality

1. The contents of the plenary GSB meetings are confidential, as is all its supporting documentation.
2. Each GSB member shall take the necessary precautions to maintain the confidentiality of the documents and information that he/she receives prior to and during the meetings, even after the end of his/her term.
3. It must be ensured that the persons invited to prepare, attend or participate in plenary GSB meetings vow to maintain the confidentiality of the information they acquire.

Article 26

Minutes

1. The Company Secretary is responsible for drafting the minutes of the plenary GSB meetings.
2. The minutes are submitted to the Board for approval in the following meeting, at which GSB members can register comments that he/she deems appropriate.
3. The minutes are signed by all the members of the Board present at the meeting and by the Company Secretary.

Chapter V

FINAL PROVISIONS

Article 27

Publication

The Internal Regulations are published on the Company's website.

ANNEX 1
STATEMENT OF ACCEPTANCE OF AN APPOINTMENT TO THE GSB DRAFT

I (*name, ID or passport number, address*), elected to a position on the General and Supervisory Board (GSB) of EDP at the General Meeting of Shareholders held on (*date*), hereby state on my honour that I accept said position and undertake to perform my duties with the highest standards of professional diligence and act with impartiality, care and loyalty in the pursuit of the company's interests.

I also state for all intents and purposes that:

- a) I have sufficient knowledge of the legal and regulatory provisions and the EDP's Articles of Association applicable to my duties and the activity of the Company.
- b) I unconditionally accept the rules set out in the Internal Regulations.
- c) I am not in any situation of incompatibility provided for by law in article 414-A(a)(b)(c)(d)(e)(g) and (h) (see article 434(4) and article 437(1) of the Companies Code (See Point I of the attached Informative Note).
- d) I am not in a situation of incompatibility due to the performance of unauthorised competitive activities on the terms and within the limits defined in article 10 of EDP's Articles of Association (see Point II of the attached Informative Note).
- e) I meet the requirements of independence set out in the GSB's Internal Regulations (see Point III of the attached Informative Note). (applicable only if the person has been elected as an independent member of the GSB).

I also state that I shall inform the Chairman of the GSB immediately of the subsequent occurrence of any circumstance that may constitute a situation of incompatibility with my status as a member of the GSB or loss of status as an independent member. (*applicable only if the person has been elected as an independent member of the GSB*).

Date:

Signature:

ANNEX 2
DRAFT ANNUAL STATEMENT

I (*name, ID or passport number, address*), elected to a position on the General and Supervisory Board (GSB) of EDP at the General Meeting of Shareholders held on (*date*), which I accepted in a written statement dated (*DD/MM/YY*), hereby declare on my honour that, since I was elected:

- a. I am not in any situation of incompatibility provided for by law in article 414-A(a)(b)(c)(d)(e)(g) and (h) (see article 434(4) and article 437(1) of the Companies Code (See Point I of the attached Informative Note).
- b) I have not been in a situation of incompatibility due to the performance of unauthorised competitive activities on the terms and within the limits defined in article 10 of EDP's Articles of Association (see Point II of the attached Informative Note).
- c) *I still meet the requirements of independence set out in the GSB's Internal Regulations* (see Point III of the attached Informative Note).
(applicable only if the person has been elected as an independent member of the GSB).

Date:

Signature:

INFORMATIVE NOTE

Rules on incompatibilities and independence of GSB members

I – Rules on legal incompatibilities of GSB members

People in any of the situations indicated below may not be members of the GSB:

1 – The person, his or her spouse or a relative to the third degree by birth or marriage²:

- a) Is a beneficiary of particular advantages from the Company
- b) Holds an administrative position at EDP
- c) Is a member of the managing bodies of an EDP Group company or subsidiary
- d) Is a member of an EDP subsidiary

2 – The person or his or her spouse directly or indirectly provides services to or has a significant business relationship with EDP or a subsidiary.

3 – The person performs management or supervisory duties at five companies, with the exception of law firms, firms of certified auditors and certified auditors, who are subject to article 76 of Decree-Law 487/99 of 16th November.

II - Rules on incompatibility of GSB members under the EDP's Articles of Association

Unless competitive activity has been authorised by EDP's General Meeting of Shareholders, pursuant to article 10(4) of EDP's Articles of Association, membership of the GSB is incompatible with³:

- a) The status of rival company⁴ of EDP or a Group company or subsidiary.

² The members of the Financial Affairs Committee are subject to the specific incompatibility set out in article 414-A of the Companies Code, according to which people who, on the conditions referred to in Point 1, work for a rival company and act on behalf or on the account of this company or are in any way bound to the interests of a rival company are not allowed to be members of said Committee.

³ To the extent permitted by law, incompatibility does not apply to rival companies in which EDP owns 50% or more of the share capital social or voting rights or natural persons who perform duties of any kind and for any reason or who are indicated albeit only *de facto*, at these rival companies, when the admission to a company position of the rival company or the contract with the rival company have been made by indication of EDP or one of its subsidiaries.

⁴ A rival company is any company that directly or indirectly engages in an activity in competition with that of EDP or a company in which EDP owns 50% or more of the share capital social or voting rights in Portugal or abroad, provided that, in the latter case, it is in a market in which EDP or a subsidiary operates on a regular basis. A company is considered to perform an activity in indirect competition with EDP if it directly or indirectly owns ten percent of the share capital or voting rights or ten per cent of its

- b) The status of a person or company related to a rival company of EDP5.
- c) The performance of duties of any nature or for any reason, such as by admission to a company position, by employment agreement or service contract to the rival company or a company related to a rival company of EDP.
- d) The appointment, albeit only *de facto*, as a member of a corporate body by a rival company or natural person or company related to a rival company of EDP.

III – Rules on independence of GSB members (members elected with this status)

Persons shall be considered independent if they are not associated with any specific interest group in the Company or in any circumstance likely to affect their impartiality in making analyses or decisions as a result of any of the situations indicated below applying to themselves or to their spouse or to the third degree by birth or marriage:

- a) They own, hold administrative functions, have contractual ties with or act on behalf of or on the account of owners of qualifying shareholdings of 2% or more of the share capital or voting rights of EDP or a similar percentage in a company that controls it.
- b) They own, hold administrative functions, have contractual ties with or act on behalf of or on the account of owners of qualifying shareholdings of 2% or more of the share capital or voting rights of a rival company.
- c) They receive any remuneration, even if suspended, from EDP, a subsidiary or non-profit institutions economically dependent on them, except in return for duties as a GSB member.
- d) They have been re-elected for more than two consecutive or non-consecutive terms.

share capital or voting rights is owned by a company that engages in any of the activities undertaken by EDP or a subsidiary.

5 Persons are considered to be related to a rival company if :

- a) Their voting rights are imputable to it pursuant to article 20 of the Securities Code or any provisions amending or replacing it;
- b) They directly or indirectly own holdings in a rival company, a Group company or subsidiary, as set out in article 21 of the Securities Code or depend directly or indirectly on said company of 10% or more of the voting rights of the subsidiary.