



General and Supervisory Board

REGULATIONS ON PROVISION OF SERVICES BY STATUTORY AUDITOR OR STATUTORY AUDITING COMPANY

Approved on 28 February 2019

This is an unofficial translation of the Regulations on Provision of Services by Statutory Auditor or Statutory Auditing Company prepared for information purposes only. In the case of any discrepancy between this translation and the Portuguese version of the Regulations, the Portuguese version will prevail.



I. Scope and Purpose

1. The General and Supervisory Board (GSB), as an EDP – Energias de Portugal, S.A. (EDP or Company) oversight body, and the Audit Committee (AUDC), as a committee of that board with a specialised role, as assigned by law and statute, safeguard the independence of the ROC/SROC in the provision of Audit and Non-Audit Services to EDP and its affiliates.
2. In compliance with the legal and statutory provisions, and their due adaptations, the principles underlying this Regulation shall apply to EDP and its affiliates, as well as its ROC/SROC, and the Executive Board of Directors (EBD) shall be responsible for taking the necessary steps to ensure its actual application, while the GSB and the AUDC shall be responsible for the supervision thereof.

II. Independence

3. Under its powers in relation to the services provided by the ROC/SROC, the GSB and the AUDC undertake to take suitable steps to prevent, identify and resolve any threats to the independence of the ROC/SROC of EDP and the entities under its Control, particularly in situations of self-review, personal interest, representation, familiarity, confidence or intimidation.
4. In analysing and evaluating the independence of the ROC/SROC, the GSB and the AUDC shall adopt the standard of an objective, reasonable and well-informed third party.

III. Definitions

5. For the purposes of this Regulation, the terms and acronyms below have the following meaning:

GSM	General Shareholders' Meeting of the Company
EBD	Executive Board of Directors of the Company
GSB	General and Supervisory Board of the Company
AUDC	Audit Committee, constituted as per the terms of Article 444 (2) of the Commercial Companies Code (approved by Decree-Law No.262/86, of 2 September, as amended) and Article 23 (2) of the Company's Articles of Association



CMVM	Portuguese Securities Market Commission
Control	Domain relationship defined according to the Statute of the Order of Statutory Auditors
EIP	Public Interest Entity
EOROC	Statute of the Order of Statutory Auditors approved by Law No. 140/2015, of 7 September
Collegiate Supervisory Body	Body composed of AUDC, Audit, Control and Related Parties Committee of EDP Renováveis and/or Audit Committee of EDP Finance BV, this term may also be applicable to each of these entities separately
OROC	Certified Auditors' Association
REA	European Auditing Regulation approved by Regulation (EU) No. 537/2014 of the European Parliament and of the Council, of 16 April 2014, on specific requirements for the statutory audit of EIP accounts
Network	Larger structure (i) of cooperation, to which a ROC or SROC belongs; (ii) whose purpose is to share profits and costs, or share common ownership, control or management, common policies and procedures of internal quality control, a common business strategy, the use of a common brand or significant part of professional resources, as defined in Article 2 (p) of the ASLR approved by Law No. 148/2015, of 9 September
ASLR	Audit Supervision Legal Regime, approved by Law No. 148/2015, of 9 September
ROC or Statutory Auditor	Natural person registered in the Order of Statutory Auditors (OROC), in accordance with the Statute of the Order of Statutory Auditors (OROC), to carry out statutory audits of accounts, as set forth in Article 2 (s) of the ASLR, approved by Law No. 148/2015, of 9 September, elected by the GSM of the Company.
SROC or Companies of Statutory Auditors	Legal entity registered in the OROC, in accordance with the SOROC, to carry out statutory audits of accounts, as set forth in Article 2 (u) of the ASLR, approved by Law No. 148/2015, of 9 September and under



	the terms of Article 441 (m) of the Commercial Companies Code and appointed by the GSM of the Company.
Auditing Services	Services described in Annex I , which include the examinations and other services related to the accounts of the Company and entities under its Control carried out in accordance with the auditing standards in force, comprising: a) the statutory audit of the accounts carried out in compliance with a legal or statutory provision; b) voluntary audit of accounts performed in compliance with contractual binding; c) services related to those referred to in the previous paragraph, when they have a specific or limited purpose or scope
Non-Auditing Services	Services that, under the terms of Annex II , can be provided by the ROC/SROC (including audit firms, respective partners and legal persons that are part of the Network to which the audit firm belongs) to EDP or entities under its Control
Prohibited Non-Auditing Services	Services that, under the terms of Annex III , cannot be provided by the ROC/SROC (including audit firms, respective partners and legal persons that are part of the Network to which the audit firm belongs) to EDP or entities under its Control in the European Union, including those provided for in Article 5 (1) of Regulation (EU) No. 537/2014, of 16 April, and in Article 77 of the EOROC
Company or EDP	EDP – Energias de Portugal, S.A.

IV. Provisions of Auditing Services

6. The proposed choice of ROC/SROC, put forward by the GSB to the GSM, must include a specific explanation of verification of the independence of the proposed Auditing Service providers, considering the independence of the ROC/SROC, of the Company of which the ROC is a partner, of the responsible partner and of the other professionals involved in the audit, of the legal



entities that integrate the respective Network, as well as of its partners and other managing officers/directors under the terms legally provided for, as well as taking into account in particular the following aspects:

- a) The minimum initial period of exercise of statutory audit functions by the ROC/SROC is two years and the maximum period is two or three terms, depending on whether they are, respectively, four or three years, and the maximum period being exercise of functions of the ROC or SROC may exceptionally be extended up to a maximum of 10 years, provided that such extension is approved by the GSM, under a reasoned proposal by the GSB;
 - b) After the maximum period referred to in paragraph a) above, the ROC/SROC concerned can only be re-designated after a minimum period of four years;
 - c) The maximum period of exercise of the statutory audit functions by the partner responsible for directing or directly executing the statutory audit of the seven years, as from its first appointment, and may not be reappointed before a minimum three-year period has elapsed;
 - d) Economic and commercial, financial, labor, family or other relations maintained with the Company or entities under its Control, with a detailed description of all services in progress and past services provided to date; and
 - e) Independence and quality control policies and procedures adopted by the ROC/SROC.
7. The above proposal of the GSB is drafted taking account the work undertaken by the AUDC, the Committee to which the relevant powers are assigned pursuant to Article 444 (2) of the Commercial Companies Code.
 8. In the event of renewal of the previous service provider, in addition to independence conditions, the costs and benefits of replacement must be weighed up and the proposal shall be accompanied by the prior opinion of the AUDC.
 9. Audit Services Agreements must specify measures enabling the GSB and the AUDC to monitor and evaluate the independence of the ROC/SROC, including acceptance of these Regulations, notably ensuring the receipt of the information set forth in Article 63 of the EOROC.



10. The scope, resources to be used and activities schedule of the Audit Services must be discussed and agreed by the GSB and the AUDC, the EBD and the service providers themselves, on an annual basis, to guarantee:
 - a) the indispensable conditions for the independence of ROC/SROC performance;
 - b) the receipt by the AUDC of all ROC/SROC reports and correspondence regarding the Company and entities under its Control and the holding of periodic meetings with the ROC/SROC, with and without the presence of the EBD, whenever appear appropriate to the performance of the competences, responsibilities and functions of the AUDC.
11. The procurement of Auditing Services or others specifically qualified as such in **Annex I**, but not included in the contracts of the ROC/SROC, require the motivated prior authorization of the AUDC.
12. Under the terms of the Commercial Companies Code, minutes of each meeting of the respective Collegiate Supervisory Body must be drawn up, which must report and record the prior approval of the provision of the Audit Service in question.

V. Provisions of Non-Auditing Services

13. The provision of Non-Auditing Services, set forth in **Annex II**, from the ROC/SROC by the Company or by entities under its Control requires the motivated prior authorization of the AUDC.
14. The EBD's requests for procurement of Non-Auditing Services from the ROC/SROC must include:
 - a) Description of the services and reason for their procurement;
 - b) Specification of the procedures adopted for selection of the ROC/SROC for this service, particularly if the operation is put out to tender/consultation or direct award;
 - c) For direct awards, the decision must be justified;
 - d) For tenders/consultations, information on the conditions governing the different bids and reason for selection;
 - e) ROC/SROC declaration stating its opinion that the award of the Non-Auditing Services does not jeopardize its independence, in particular that it does not create a situation of self-

- review, personal interest, representation, familiarity, confidence or intimidation, identifying the adopted safeguard measures of such independence;
- f) Maximum fees payable for the services provided;
 - g) Draft contract or terms of the service provision;
 - h) Information on the total amount of procurements approved to date in the relevant calendar year;
 - i) Indication and composition of the Network to which the ROC/SROC belongs;
 - j) Information regarding the limit for Non-Auditing Services established by the applicable law, as well as the monitoring of the referred limit.
15. Once the ROC/SROC has undertaken an evaluation of the threats to its independence and the safeguards applied, the AUDC shall authorize the procurement of Non-Auditing Services from the ROC/SROC if it concludes that:
- a) The service to be provided is not a Prohibited Service as provided for by the Article 5 (1) of the European Regulation of Audit of Public Interest Entities and Article 77 (8) of the EOROC and/or included in **Annex III** to this Regulation, nor it is not intended that the service be, directly or indirectly, provided by a member of the Network to which the ROC/SROC belongs, including the ROC/SROC itself;
 - b) In accordance with the stance of an objective, reasonable and well-informed third party, the service provision does not imply any threat to the independence of the ROC/SROC and, in particular, does not create a possible situation of self-review, personal interest, representation, familiarity, confidence or intimidation, and in such event the contracting will be prohibited;
 - c) The provision of the service in question does not give rise to any threats to the independence and objectivity of the ROC/SROC, in the context of the statutory audit work, as well as the type and sufficiency of the safeguards applied, taking into account the provisions of the Article 71 of the EOROC;
 - d) The contracting of Non-Auditing Services by EDP or by an entity under its Control does not imply that the amount of Non-Auditing Services contracted exceeds 70% of the average fees due, in the last three consecutive years, for the statutory audit of accounts to EDP or the

- entities under its Control, it being the responsibility of the EBD to arrange for the contracting of these services to respect the fixed limit;
- e) When the total fees received in each of the last three consecutive financial years are greater than 15% of the total fees received by the ROC or SROC, or, if applicable, the ROC of the group that carries out the statutory audit, in each of these financial years, the ROC/SROC informs the AUDC of this fact and analyses the threats to its independence and the safeguards applied to mitigate those threats, and the AUDC should, if this situation continues:
- i. work with the ROC/SROC in order to confirm the amounts in question;
 - ii. evaluate and decide, based on objective criteria, whether the ROC/SROC can continue to carry out the statutory audit for an additional period that cannot exceed two years.
16. The services legally required of the ROC/SROC for the statutory audit are not included in the calculation of the fee limit applicable to Non-Prohibited Services other than Audit, in accordance with the provisions of Article 4 (2), second paragraph of the OER, nor do they require prior authorization under the terms of Article 77, (10) and (11) of the EOROC and, consequently, communication to the CMVM, as provided for in Article 77 (12) of the EOROC.
17. To the extent that the same ROC/SROC is responsible for the statutory audit of the accounts of several EIPs in a dominant, ascending or descending relationship, and intends to provide Non-Auditing Services to any one of them:
- a) In the case of entities headquartered in the European Union, the Collegiate Supervisory Bodies of all the EIPs concerned will be called upon, pursuant to Article 77, (10) and (11) of the EOROC;
 - b) In the case of entities with registered offices outside of the European Union, the legal duties applicable in this matter must be complied with.
18. Pursuant to Article 77, (10) and (11) of the EOROC, the Collegiate Supervisory Body of an EIP must approve the Non-Auditing Services to be provided by the ROC/SROC that performs the statutory audit of accounts, or by a member of its Network, not only to EIP itself but also to EDP and the entities under its Control, regardless of whether or not they are EIP.

19. If there is more than one Collegiate Supervisory Body called to pronounce itself on the provision of the same Non-Auditing Service to the extent that the same ROC/SROC audits the accounts of several EIP in relation to Control, ascending and descending, the Collegiate Supervisory Body of each EIP must previously give an autonomous opinion, elaborating its own reasoning about the reasons why, having authorized the provision of the service, it understands that it does not prejudice the independence and the objectivity of the ROC/SROC regarding the statutory audit of the EIP accounts to which it belongs.
20. Without prejudice to the preceding paragraphs, each supervisory body will make its own assessment, by reference to the statutory audit of the accounts that the ROC/SROC carries out in its own sphere, taking into account the respective specificities:
- a) the reasoning of a Collegiate Supervisory Body, namely of an entity under Control, cannot simply adhere to, forward or reproduce the reasoning of another; and
 - b) the aforementioned assessment does not constitute an authorization in a literal sense regarding the provision of the service by EDP or the entity under Control.
21. Pursuant to the Commercial Companies Code, minutes of each meeting of the respective Collegiate Supervisory Body must be drawn up, which must report and record the prior approval of the provision of the Non-Auditing Service in question.

VI. Prohibited Non-Auditing Services

22. Services other than Auditing Prohibited are the services indicated in **Annex III** of this Regulation, which, in the European Union, cannot be provided, directly or indirectly, by the ROC/SROC (including any member of the Network to which said ROC/SROC belong, as defined in paragraph p) of Article 2 of the ASLR, to EDP or to entities under its Control, ascending and descending, and regardless of whether or not they are an EIP).
23. The prohibition provided for in the preceding paragraph applies during the period between the beginning of the audited period and the issuance of the legal certification of the accounts and,



in relation to the services referred to in number 5 of **Annex III**, also during the year immediately preceding the mentioned period.

24. Without prejudice to the provisions of paragraph 22, the scope of prohibited Non-Auditing services may be extended or reduced by a Member State and only such an extension or reduction in the provision of the service in that same Member State is applicable.
25. In the case of the provision of services by any member of the ROC/SROC Network, with registered office in a country other than a Member State of the European Union, to an entity also headquartered in a third country and controlled by an EIP, the provisions of Articles 5 (5) of the OER and 77 (13) of the EOROC, with the ROC/SROC assessing whether their independence is compromised by this provision of services.

VII. Reporting

26. At the end of the month following the end of quarters 1, 2 and 3 of the calendar year, and by mid-February of the year following the end of each calendar year, the EBD shall send the AUDC itemized information on the awards made by EDP and entities under its Control or to the ROC/SROC and the Network to which they belong, as well as the individual and aggregate fees and their percentage, under the following categories:
 - a) Auditing Services;
 - b) Non-Auditing Services
27. As part of the analysis of the information reported by the EBD, the AUDC:
 - a) Shall assess whether or not the services provided are correctly classified;
 - b) May ask the EBD for additional information or documentation deemed necessary to arrive at a reasoned opinion on the independence of the ROC/SROC;
 - c) Shall send its opinion on the analysis of the reported information to the GSB and the EBD.
28. The Company must report all service provision contracts relating to the performance of roles of public interest entered into with any ROC, to the OROC, within 30 days of their agreement, indicating the name of the ROC, the nature and duration of the service.



29. The ROC/SROC shall immediately inform the CMVM of any services that it has been authorized to provide by the AUDC under this Regulation.

VIII. Intervention of the AUDC

30. Under its statutory functions or as delegated by the GSB in matters of ROC/SROC independence, the AUDC shall, namely:

- a) Regularly report to the GSB on its activities;
- b) Monitor the activity of the ROC/SROC of EDP and entities under its Control, to prevent, identify and resolve any threats to their independence.;
- c) Under the procedures for issuing opinions on the annual report and accounts, undertake an evaluation of the independence of the ROC/SROC to present the conclusions thereof for approval by the GSB, in particular identifying whether or not there is due cause for the GSB to propose the dismissal of the EDP's ROC/SROC to the GSM;
- d) Submit an annual report on the approved Non-Auditing Services, with a brief description of the reasons for authorization of their procurement. This information will be included in the annual corporate governance report;
- e) Annually evaluate the adequacy of this Regulation and, if deemed necessary, propose its revision to the GSB.



ANNEX I
EXEMPLICATIVE LIST OF AUDIT SERVICES

- A. Statutory audit of the accounts exercised in compliance with legal or statutory provision;
- B. Voluntary audit of the accounts performed in compliance with contractual binding;
- C. Other services related to those referred to in the previous paragraphs, when they have a specific or limited purpose or scope, namely:
 - a) Issuing legal account certifications;
 - b) The issuance of audit reports on the half-yearly and annual financial information provided for in the general regime for collective investment undertakings;
 - c) Issuance of reports prepared by an auditor under the terms of the Securities Code;
 - d) Voluntary audits of a set of financial statements prepared in accordance with a general accounting framework for the closing date of the annual exercise or an interim date, as provided for in ISA 805;
 - e) Audits of financial statements prepared according to special purpose benchmarks, as provided for in ISA 800;
 - f) Audits of isolated financial statements and of specific elements, accounts or items of a financial statement, as provided for in ISA 805;
 - g) Work to report on summary financial statements, as provided for in ISA 810.



ANNEX II
EXEMPLICATIVE LIST OF NON-AUDITING SERVICES

Non-auditing services are those audit services or related financial audit services, such as:

- a) The revision of financial statements with a limited level of assurance of reliability that includes, in particular, the limited revisions on quarterly, half-yearly accounts or with reference to another period;
- b) Assurance engagements (“trabalhos de fiabilidade”) on corporate governance statements, or on corporate social responsibility matters or on the entity's reports for regulatory purposes of financial institutions to fulfill their role, such as on capital requirements or ratios specific solvency requirements that determine the likelihood of the company continuing to meet its obligations.

DRAFT



ANNEX III
LIST OF PROHIBITED NON-AUDITING SERVICES

1. Tax advice services for:
 - a) Preparation of tax returns;
 - b) Payroll taxes;
 - c) Customs duties;
 - d) Identification of public grants and tax incentives, except if the support of the ROC/SROC for these services is required by law;
 - e) Support in relation to tax inspections, except if the support of the ROC/SROC for such inspections is required by law;
 - f) Calculation of direct and indirect taxes and deferred taxes;
 - g) Provision of tax advice.
2. Services involving any participation in management or decision-making in the audited company.
3. The preparation and updating of accounting records and accounts.
4. Payroll services.
5. The design and application of internal control or risk management procedures related to the preparation or control of financial information or the design and application of IT systems used to prepare such information.
6. Evaluation services, including evaluations relating to actuarial services or support services in court cases.
7. Legal services in matters of:
 - a) General advice;
 - b) Negotiation on behalf of the audited Company; and
 - c) Representation functions in dispute resolution.
8. Services related to the internal audit function of the audited company.
9. Services associated with the funding, structure and allocation of capital and the investment strategy of the audited company, except services guaranteeing reliability of accounts, such as the production of "comfort letters" regarding prospectuses issued by the audited company.
10. Promoting, trading or underwriting shares in the audited company.
11. Services in human resources matters, relating to:



- a) Management positions that may have a significant influence on the preparation of accounting records or accounts under the statutory audit, when these services involve:
 - i. Selecting or searching for candidates for these positions;
 - ii. Checking the references of the candidates for such positions;
- b) Configuration of the organizational structure; and
- c) Cost controls.

DRAFT