



General and Supervisory Board

INTERNAL REGULATION

CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE

Approved on 16th December 2021



CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE - CGSC

INTERNAL REGULATION

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Article 1

Establishment of the Corporate Governance and Sustainability Committee

The aim of this Internal Regulation is to establish the rules for the organisation, functioning, responsibilities, powers and duties of the Corporate Governance and Sustainability Committee (CGSC or Committee), appointed by decision of the General and Supervisory Board (GSB), in accordance with article 23(1) of EDP's Articles of Association.

Article 2

Mission and Principles

1. The CGSC, created by the GSB, is responsible for exercising the functions described in Article 12 of this Regulation and its mission is to oversee and supervise the following areas on a continuous basis:
 - a) Corporate governance;
 - b) Sustainability in all its dimensions.
 - c) Internal codes of ethics and conduct.
 - d) Systems for evaluating and resolving conflicts of interest in relations between the Company and its shareholders, through the analysis of the proposals for remedies regarding situations reported to this Committee by the Financial Matters Committee/Audit Committee (AUDC).
 - e) Internal proceedings and relationship between the Company and Subsidiary or Group companies and their employees, clients, providers and remaining stakeholders.
 - f) Succession plans.
 - g) The evaluation process of the GSB and the different Specialized Committees.
2. Considering that the Planet and Humanity face critical challenges caused by climate change, loss of biodiversity and the use of natural resources, as well as by the social disruptions and challenges to cohesion resulting from new technologies, the development of which seriously impacts all aspects of sustainability, particularly in the energy sector, EDP, as an entity that assumes to have the know-how, expertise and instruments to respond to these challenges, has a strategic plan that assumes this option in its internal posture, having this Committee for mission the following its progress, and the challenging of the various internal interlocutors, by



adopting a proactive attitude, with an ethical and solidary concern in the actions it develops, under the leadership of the Executive Board of Directors (EBD).

3. In fulfilment of the provisions of the preceding paragraph, this Committee's performance is materialized and manifested in transversal areas, monitoring and accompanying, in particular, the internal culture and cohesion, the leadership and Government model, the way in which the action plans are executed, the business options in any of the geographies in which EDP Group is present, the concrete interaction between the Company and the environment, whether social, economic or cultural.
4. The activity to be carried out by CGSS, within the scope of its functions, also applies to the Subsidiaries and may cover elements of relevant information from other companies directly or indirectly owned by the Company or by its Subsidiaries.
5. The CGSC and its members must guide their actions by strictly respecting the Law, the Bylaws, the resolutions of the General Shareholders' Meeting (GSM) and by the present Regulation.

Article 3

Composition

1. The CGSC is elected by the GSB and composed of no less than three members. It consists mainly of suitably qualified and experienced independent members of the GSB, as defined in the GSB Internal Regulation.
2. Members of the CGSC are elected for the same terms of office as that of the GSB which elects them.
3. The CGSC Chairperson is elected by the GSB.
4. The EBD Chairperson, as a permanent guest member, will be able to attend and participate in the CGSC work, although without the right to vote.

Article 4

Functioning

1. Meetings of the CGSC are convened by the Chairperson or two of its members, either on their own initiative or at the request of any member of the GSB or Chairperson of the EBD.



2. The CGSC should meet regularly enough to ensure its duties can be carried out, at least quarterly.
3. The notice of meeting and agenda should be sent to all members of the CGSC and the Chairmen of the GSB and EBD at least eight days in advance of the meeting.
4. If essential to its work, the CGSC may decide to include external members in its meetings and, in relation to the Company and its subsidiaries, may jointly or individually interview and request the attendance of the following:
 - a) Members of the Board of Directors.
 - b) Members of the supervisory bodies.
 - c) The Statutory Auditor.
 - d) Managerial or other members of staff, in collaboration with the appropriate administrative bodies.
 - e) Shareholders.
 - f) External experts.
5. The CGSC is required to hold meetings and make decisions on the basis of a majority attendance. Decisions are taken on the basis of a majority vote and in the event of a tie, the Chairperson has the casting vote.
6. Minutes are taken of meetings of the CGSC, and which are signed by all members attending that meeting.
7. So as to develop its activity, the CGSC may require technical assistance from the Support Office of the GSB to the Chairperson of the GSB.

Article 5

CGSC Chairperson Responsibilities

The Chairperson of the CGSS is especially responsible for:

- a) Represent the CGSC in and out of court;
- b) Coordinate the CGSC activity, as well as, convene and chair the respective meetings;
- c) Exercise a casting vote;
- d) To ensure the correct execution of the CGSC resolutions.



- e) Ensure the circulation of information by the CGSC members on the matters handled and other information considered indispensable to perform their duties.
- f) Ensure the availability of information related to the Committee's activity to the other GSB members, without prejudice to restrictions on access to information in relation to members who are in a situation of conflict of interests.

Article 6

Incompatibilities

1. In addition to others that are specifically applicable, CGSC 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 also article 10 of EDP's Articles of Association).
2. Without prejudice to the power of the CGSC 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 Chairperson of the CGSC, who shall initiate an assessment process with GSB or a Temporary Committee set up for the purpose, to issue a reasoned opinion on the incompatibility.

Article 7

Independence

1. A member of the CGSC is considered independent if he/she meets the independence requirements set forth in the GSB Internal Regulation.
2. Without prejudice to the power of the CGSC 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 CGSC 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 Chairperson of the CGSC, who



shall initiate an assessment process with the GSB or a Temporary Committee set up for the purpose, to issue a reasoned opinion on the independence status.

Article 8

Competition

1. Without authorisation from the General Shareholders' Meeting, CGSC 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. CGSC 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.

Article 9

Conflicts of Interests

1. When a CGSC member is in a situation of conflict of interests either apparent, potential or real, the member must inform the CGSC Chairperson on the facts that may constitute or give cause to a conflict between his/hers interests and the social interest.
2. The CGSC Chairperson will inform the GSB Chairperson of this fact, who should start a verification process before the GSB or before a Temporary Committee composed by GSB members for that purpose, in order to be issued a reasoned resolution on the matter.

The CGSC member that is found in an apparent, potential or real conflict of interests shall not issue opinions, exert influence or carry out any actions in decision-making procedures regarding the conflicting situation, without prejudice to the obligation to provide information and clarifications when requested by the Committee or by its respective members

Article 10

Rights and Duties

1. Without affecting their other rights as set forth in law and the EDP's Articles of Association, CGSC



members have the right to:

- a) Obtain information considered essential for the performance of their duties, through the Chairperson of the CGSC.
 - b) Propose to the Chairperson of the CGSC hiring the services of experts and advisors deemed necessary for them to perform their duties, within the agreed budget for such services.
2. Without prejudice of other rights set forth in Law and in EDP's Articles of Association, the Corporate Governance and Sustainability Committee Chairperson is entitled to request to the GSB Chairperson all the information deemed convenient to perform his duties.
3. Without affecting their other duties as set forth in the Law and the EDP's Articles of Association, members of the CGSC 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 CGSC meetings and justify as soon as possible any inability to attend.
 - c) Be adequately informed so as to ensure the adequate performance of their duties.
 - d) Maintain confidentiality of events and information acquired in the course of their duties, except in cases where its communication is permitted by law.

Article 11

Evaluation of the Activity

1. The CGSC 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 the performance of their roles.
2. The CGSC shall monitor compliance with rules applicable to the work of its members, in particular those set out in this Regulation.
3. Every year, the CGSC shall evaluate:
 - a) The activity developed and the contribution made by the members.
 - b) The compliance with this Regulation, followed by a revision, if necessary.

Article 12

Duties



1. In addition to any other duties expressly conferred on it by the GSB, the CGSC is responsible for:
 - a) Overseeing and assessing the suitability of the corporate governance model implemented by the Company as this is a way to make it more efficient, fair and transparent, so its consistency with the best practices and the latest internationally accepted corporate governance standards must be accompanied by the CGSC, addressing the recommendations considered appropriate in this regard to the GSB and EBD.
 - b) Supervising compliance with, and the correct application of, the corporate governance principles and standards in force, in liaison with the work of the GSB, EBD and SA, promoting and requesting the exchange of information necessary for this purpose.
 - c) Overseeing and assessing the Company's corporate image and its reputation with the various stakeholders, namely in terms of the market in general and consumers, investors and supervisory authorities, public and published opinion, monitoring the activity of the Company's competent services, taking into consideration the implemented strategies, policies, process and procedures implemented, privileging the spirit of service to the Community.
 - d) Support and monitor the drawing up of, Company policies and strategies for sustainability, and its breadth and scope to the Social, Economic and Environmental aspects of the Company, as well as its implementation, addressing the recommendations considered appropriate in this regard to the GSB and the EBD.
 - e) Proactively monitor the activity of the Environment and Sustainability Committee and the internal structures that support it, with compliance with its annual action plan validated jointly by the EBD and the CGSC.
 - f) Complement the permanent monitoring that the AUDC carries out to the internal procedures related to conflicts of interests issues raised in the scope of the Company's activity, namely with its shareholders, as well as to the effectiveness of the accounting systems for the evaluation and resolution of these conflicts, the CGSC being responsible for (i) analysing the remedies possibly proposed by the AUDC in terms of formal or business structuring and (ii) the subsequent issuance of an opinion addressed to AUDC.



- g) Issue an opinion on the matters subject to the GSB for prior opinion or its waiver that concern matters of corporate governance or sustainability, which must be made known to the GSB for the purposes of the respective decision.
- h) Support the definition of the policy of the Company and the Subsidiaries in terms of standards of conduct, adoption of good practices and compliance with the highest ethics standards, with special attention to hierarchical relationships, effective, fair and transparent leadership practices, and social policies, both internal and external.
- i) Issue an opinion on the EBD proposal, regarding the composition of EDP's Ethics Commission and address it to the GSB.
- j) Issue an opinion on the EBD's proposal regarding the Regulation of EDP Group's Ethics Commission and submit to the GSB for approval.
- k) Issue an opinion on the EBD's proposal regarding EDP Group's Ethics Ombudsperson, which should be addressed to the GSB.
- l) Supervise the application of the Code of Ethics, establishing guidelines for its compliance by the companies and entities that make up EDP Group.
- m) Monitor and keep track of the activities of the Ethics Commissions of EDP Group, notably the quarterly reporting of the ethic nature complaints assessed by such Commissions, as well as to issue recommendations as it may consider appropriate to the established procedure.
- n) Monitor the execution of EDP Group's Ethics Program presented by the Ethics Ombudsperson each year, namely through quarterly reports prepared by the Ethics Ombudsperson and previously submitted to the Ethics Commission.
- o) Issue opinion regarding the revisions to the Code of Ethics that are proposed by the Ethics Commission and submit it for approval of the GSB.
- p) Issuing opinions on the application of rules for incompatibility and independence to members of the Company's corporate bodies, when requested by the GSB.
- q) In collaboration with the EBD, supervising the definition of the criteria and powers required for the structures and internal bodies of the Company, its subsidiaries and other entities for which the Company has the right to appoint members of corporate bodies, and their repercussions on the respective composition, in conjunction with EDP's



- Selection Policy and the criteria set forth therein on terms of merit, adequacy to the function and diversity.
- r) Monitor the preparation, in coordination with the EBD, of succession plans in relation to the structures and internal bodies of the Company, of the Subsidiaries, as well as of other entities in relation to which the Company has the right to appoint the members of the corporate bodies. This analysis should cover all key positions, most instrumental in the fulfilment of the Strategic Plan, which must be previously identified by the EBD and submitted to this Committee.
 - s) Promote, within the competent bodies, the replacement or filling of vacant posts in the Company's governing bodies in a timely manner.
 - t) Monitor the internal policy for the identification, development and management of talents, as well as their periodic identification and progression in the group.
2. With regard to point 1, paragraph s), the CGSC must strive to define criteria and powers which take into account:
- a) Experience and merit in business management.
 - b) Professional and academic ability within the Company's area of work.
 - c) Identification with the aims and values of the Company.
 - d) Decision-making abilities and independence in management.
 - e) Integrity, ethics and professional and personal values.
 - f) Gender diversity.
3. The CGSC will establish all the necessary mechanisms to enable it to work in conjunction with organisations and departments in the Company and its Subsidiaries, with the aim of holding regular joint meetings and defining procedures for monitoring activities.

Article 13

Reporting to the GSB

- 1. At the beginning of every year, the CGSC must submit its yearly Plan of Activities to the GSB Plenary Meeting for approval.
- 2. The CGSC will inform the GSB of its conclusions and minutes and must submit written reports or statements on the most important matters.



3. The informative elements referred on the previous number should also be made available on the internal information sharing platform.
4. At the first half-year GSB ordinary meeting, the CGSC Chairperson shall present to the GSB updated information on the most important matters with which the Committee has dealt.
5. The CGSC must produce an annual report of its activities and an assessment of these activities, which will be submitted to the GSB plenary for approval and will be included in the annual report of GSB.

Article 14

Internal Regulation

1. The CGSC will annually review the implementation of this Regulation and it will submit to the Chairperson of the GSB the amendments necessary to improve the Committee's, for approval in GSB Plenary Meeting work.
2. The GSB Internal Regulation applies to all areas not covered by this Regulation.

Article 15

Publication

This Regulation is published on the institutional website of the Company.