



General and Supervisory Board

## **INTERNAL REGULATION**

### **UNITED STATES OF AMERICA (USA) BUSINESS AFFAIRS MONITORING COMMITTEE**

**Approved on 16<sup>th</sup> December 2021**

*This is an unofficial translation of the United States of America (USA) Business Affairs Monitoring Committee prepared for information purposes only. In the case of any discrepancy between this translation and the Portuguese version of the Internal Regulation, the Portuguese version shall prevail.*



**UNITED STATES OF AMERICA BUSINESS AFFAIRS MONITORING COMMITTEE**

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### **Article 1 - Establishment of the USA Business Affairs Monitoring Committee**

The purpose of this Internal Regulation is to establish the rules regarding the organization, functioning, competences, powers and duties of the United States of America Business Affairs Monitoring Committee (Committee), appointed by a resolution of the General and Supervisory Board (GSB) taken on the 16<sup>th</sup> March 2020 and renewed on the 15<sup>th</sup> April 2021, as provided for in article 23 no. 1 of the Articles of Association of the Company (Articles of Association).

### **Article 2 – Mission and Principles**

1. The Committee, established by a GSB resolution, is responsible for the functions set forth in article 10 of this Regulation, under the terms of the specific delegation of powers approved by the GSB as a result of the compliance mechanisms adopted within the scope of the activity of EDP Group in the United States of America.
2. The mission of the Committee is the monitoring and passing of resolutions on matters related with the activity undertaken by companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America and further described on article 10 of this Regulation.
3. The Committee and the respective members should act in accordance with the Law, the Articles of Association, the resolutions of the General Shareholders' Meeting and the remaining internal regulations and provisions.

### **Article 3 – Composition**

1. The Committee is elected by the GSB and mostly composed by never less than four independent members, with the qualifications and experience to adequately perform their duties.
2. The Chairperson of the Committee is the Chairperson of the GSB.

### **Article 4 - Functioning**

1. Meetings of the Committee are convened by the Chairperson or by two of its members or at the request of the Chairperson of the Executive Board of Directors (EBD).
2. The Committee should meet regularly enough to ensure the adequate performance of its duties.
3. The notice and the agenda of each meeting should be sent to all Committee members and to the Chairperson of the EBD at least eight days in advance of the meeting. Under exceptional circumstance, duly justified, the convene, the agenda and the support documents may be presented after this deadline.



4. The Chairperson of the EBD may attend and participate in the works of the Committee, however without voting rights.
5. When deemed adequate and relevant for the performance of its duties, the Committee may decide on the participation of external personnel to its meetings and may request the attendance namely of:
  - a) Members of the Board of Directors of EDP Group Companies.
  - b) Supervisory body members of EDP Group Companies.
  - c) The Statutory Auditor.
  - d) Senior management members of EDP Group companies or other employees, in collaboration with the appropriate management bodies.
  - e) Shareholders.
  - f) Experts on safety matters (Security Officers and Third-Party Monitor).
  - g) External experts.
6. The Committee 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.
7. Minutes of the Committee meetings are drawn up which are signed by all members attending that meeting.
8. In its functioning, the Committee may request technical support from the GSB support cabinet.

#### **Article 5 – Chairperson Responsibilities**

The Chairperson of the Committee is especially responsible for:

- a) Representing the Committee in and out of court.
- b) Coordinate the activity of the Committee as well as convene and chair the respective meetings.
- c) Exercise a casting vote.
- d) Ensure the circulation of information by the Committee members on the matters handled and other information considered indispensable to perform their duties.
- e) Guarantee the disclosure of information related to the Committees activity to the other members of the GSB, without prejudice of access of information restrictions regarding members which are in a conflict of interests situation.



### **Article 6 - Incompatibilities**

1. In addition to others that are specifically applicable, the Committee members are subject to the incompatibility rules set forth in article 414<sup>º</sup>-A no. 1 (a), (b), (c), (d), (e), (g) and (h) (*ex vi* article 434<sup>º</sup>, no. 4) and article 437<sup>º</sup>, no. 1, all from the Portuguese Companies Code as well as in article 10.<sup>º</sup> of the Articles of Association.
2. Without prejudice to the power of the Committee to decide on the incompatibility of its members, each member is personally responsible to permanently monitor 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 an incompatibility situation in relation to himself/herself or to another member, should refer the case to the Chairperson of the Committee, who shall initiate an assessment process with the GSB or a Temporary Committee set up for this purpose, to issue a reasoned opinion on the incompatibility.

### **Article 7 - Independence**

1. A member of the Committee 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 Committee to assess the independence status of its elected members, each one shall be personally responsible for the permanent checking of the absence of any circumstance that might affect this status during the performance of his/her duties.
3. If a Committee 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 Committee who shall initiate an assessment process with the GSB or a Temporary Committee set up for this purpose, to issue a reasoned opinion on the independence status.

### **Article 8 - Conflicts of Interests**

1. When a Committee member is in a situation of conflict of interests either apparent, potential or real, the member must inform the Committee Chairperson on the facts that may constitute or give cause to a conflict between his/hers interests and the social interest.
2. The Committee Chairperson will inform the GSB Chairperson of this fact, who should start a verification process before the GSB or the Temporary Committee composed of GSB members for this purpose, in order to be issued a reasoned resolution on the matter.
3. The Committee 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 9 - Rights and Duties**

1. Without affect their other rights set forth in Law and EDP's Articles of Association, the Committee members have the right to:
  - a) Obtain information considered essential for the performance and their duties, through the Committee Chairperson.
  - b) Propose to the Chairperson of the Committee 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 duties as set forth in the Law and EDP's Articles of Association, the Committee Chairperson is entitled to request all information deemed convenient to perform his duties.
3. Without affecting their other duties as set forth in the Law and the Articles of Association, the Committee members 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 Committee meetings and justify as soon as possible any inability to attend.
  - c) Maintain himself/herself adequately informed so as to ensure the adequate performance of his/her 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 or by internal regulations or orders.

#### **Article 10 - Functions**

1. In addition to any other assignments expressly delegated on it by the GSB, the Committee is responsible to monitor and to pass resolutions, within the scope of GSB competences, on the following matters related to the activity undertaken by companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America:



- a) The strategic/business plans, assessing the different developing scenarios in which they rest and their implementation, including the resources necessary to its execution (human and financial).
  - b) The annual budget.
  - c) The investment, divestment, merger, acquisition and restructuring projects of significant value businesses
  - d) Financing transactions.
  - e) Alliances /strategic partnerships entered into, the specific actions deriving therefrom and evolution of counterpart risks.
  - f) The issuance of prior opinions including in cases of urgency following the requests presented by the EBD.
  - g) The compliance of the assumed commitments regarding public safety.
  - h) Performance, risk assessment, value at risk and the respective management.
2. The Committee is further responsible for defining compliance procedures on the obligations assumed by EDP regarding the development of the business of companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America with respect to the GSB activity.
  3. In accordance with the delegation of powers conferred by the GSB, the Committee is also responsible for any other matters related to the activity undertaken by companies wholly or majority held by and/or subsidiaries of EDP Group in the United States of America that, according to the Law and EDP By-Laws, particularly article 22, are included in the GSB competences.

#### **Article 11 - Publication**

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