



*Unofficial translation  
For information purposes only*

**Unofficial Translation**

***This is an unofficial translation of the articles of association prepared for information purposes only. EDP, S.A. is governed by the Portuguese version of the articles of association and in the case of any discrepancy between this translation and the Portuguese version of the articles of association, the Portuguese version of the articles of incorporation will prevail.***

**EDP, S.A.**

**ARTICLES OF ASSOCIATION**

**Chapter I**

**Name, duration, registered office and purpose**

**Article 1**

**(Firm)**

1. The company is incorporated as a limited liability company (*sociedade anónima*) and adopts the name EDP, S.A. (hereinafter referred to as “EDP”).
2. The company shall exist for an indefinite period of time.

**Article 2**

**(Registered office)**

1. The registered office is located in Lisbon, at Avenida 24 de Julho, number 12, and may be moved within the same municipality or to an adjacent municipality by resolution of the executive board of directors.
2. The executive board of directors may establish and close agencies, delegations or any other forms of representation, both in the national territory and abroad.

**Article 3**

**(Purpose)**

1. The corporate purpose of EDP is the direct or indirect promotion, development and management of undertakings and activities in the energy sector, both at the national and international levels, with the goal of growing and improving the performance of its group’s companies.
2. Within the development of its corporate purpose, EDP shall, in relation to its group’s companies:
  - a) formulate the common global strategy for those companies;
  - b) coordinate their activities, in such a manner as to ensure the attainment of the objectives entrusted to them at any given moment;
  - c) guarantee the joint representation of the interests that are common to those companies;
  - d) undertake, in global terms, the functions that are common to those companies, namely, in the financial area, with the aim of obtaining group synergies.
3. The company may also acquire participating interests as a limited liability member in companies having corporate missions that differ from its own, even if such companies are

regulated by special laws, or participate in complementary company groupings, European economic interest groupings, consortia or in any other types of association, temporary or permanent.

4. The company may provide services and grant shareholder loans and other forms of loan to companies in which it has holdings, in accordance with the law.

## **Chapter II**

### **Share capital, shares and bonds**

#### **Article 4**

##### **(Share capital and capital increase by the executive board)**

1. The share capital amounts to € 4,184,021,624 (four thousand, one hundred and eighty four million, twenty one thousand, six hundred and twenty four euros) and is fully paid up.
2. The share capital is represented by 4,184,021,624 shares, with the nominal value € 1 each.
3. The executive board of directors is authorized to increase the share capital, one or more times, in an amount corresponding to a maximum of 10% of the current share capital, through the issuance of shares, to be subscribed by new contributions in cash, in accordance with the terms and conditions of the issuance defined by the executive board of directors, being the proposed resolution subject to prior approval by the general and supervisory board with a majority of two thirds.
4. The executive board of directors is authorized to increase the share capital, on one or more occasions, up to the maximum amount of 10% of the current share capital, through the issuance of shares to be made by contributions in cash and subscribed by qualified investors following accelerated bookbuilding offers, in accordance with the terms and conditions of the issuance to be defined by the executive board of directors, provided that the issuance price is not lower than (i) 95% of the weighted average price of the shares in Euronext Lisbon on the date on which the issuance price is set, or (ii) 95% of the weighted average price of the shares in Euronext Lisbon in the maximum period of ten days ending on the date in which the issuance price is set, and provided that the proposed resolution is approved in advance by the General and Supervisory Board by a qualified majority of two thirds of votes cast.
5. The authorizations granted to the executive board of directors pursuant to numbers 3 and 4 of this Article are non-cumulative, in the sense that any issuance of shares carried out pursuant to such authorizations shall be deducted to the maximum limit of the other, so that the executive board of directors, when making use of any of the authorizations above, or both, may not approve share capital increases exceeding 10% of the current share capital.

#### **Article 5**

##### **(Representation, categories of shares and own shares)**

1. The shares are nominative and assume exclusively the dematerialized (book-entry) form.
2. The company may issue non-voting preference shares, redeemable or not in accordance with the law.
3. The company may acquire, hold and sell its own shares, as provided by law and up to the limits set forth in the law.

#### **Article 6**

##### **(Issuance of bonds and other securities)**

1. The company may issue bonds or other securities in accordance with the law and, moreover, carry out any such operations involving its own bonds or other securities as permitted by law.
2. The executive board of directors can resolve to issue bonds or other securities, and shall establish the amount thereof and all the other conditions of issue.

#### **Article 7**

##### **(Communication duty of shareholders' agreements)**

Shareholders' agreements relating to the company must, within the thirty days following execution, be fully communicated to the executive board of directors and to the general and supervisory board by the subscribing shareholders.

### **Chapter III**

#### **Corporate bodies and other corporate structures**

##### **Section I**

##### **General provisions**

#### **Article 8**

##### **(Corporate bodies and corporate structures)**

1. The corporate bodies of the company are:
  - a) the general shareholders meeting;
  - b) the executive board of directors;
  - c) the general and supervisory board;
  - d) the statutory auditor.
2. The executive board of directors appoints the company secretary to exercise the functions set out in the law, and an alternate.
3. Within the scope of the general and supervisory board, a financial matters committee will be created responsible for the functions set out in the law.
4. Committees may be created or designated which at any given moment are proven to be appropriate for the adequate management, supervision and monitoring of EDP.
5. In the case provided for in the previous paragraph, the corporate body promoting the creation of the committee must establish its scope of competences and its composition.

#### **Article 9**

##### **(Composition and terms of office)**

1. The corporate bodies and other corporate structures will have the number of members established in these Articles of Association or, when not established, the one determined in the respective election or appointment resolution.
2. The terms of office of the corporate bodies and other corporate structures are of three years, and their re-election shall be permitted, one or more times, for the referred offices, subject to the limits imposed by law that prevents the re-election.
3. Within the limits established by these Articles of Association, during their respective terms of

office, the corporate bodies and other corporate structures may vary in terms of number of its members, either due to the termination of functions or the election of new members to complete the ongoing term of office.

4. The replacement of the outgoing members of the corporate bodies and other corporate structures is only mandatory when, as a result of the termination, the number of effective members becomes lower than the minimum limit provided for in the applicable law or in these Articles of Association.
5. Outside of the cases provided for in the previous paragraph, the replacement of the outgoing member is optional.
6. The members of corporate bodies and other corporate structures shall exercise their term of office until the newly elected members begin the performance of their respective offices, without prejudice to the legal provisions applicable to their renouncement or temporary or permanent impairment during the term of office.

#### **Article 10 (Independent members)**

1. For the purposes of these Articles of Association, independent members are considered to be those who are not associated with any specific interest group in the company, nor are in any circumstance likely to affect their impartial analysis and decision, particularly due to:
  - a) being the holder or acting on behalf or for the account of a holder of a qualified shareholding equal to or higher than 2% of the EDP's share capital;
  - b) their re-election for more than two consecutive or interpolated terms of office.
2. The corporate body or other corporate structure that must include independent members, should permanently assess whether the legal and statutory requirements as well as those resulting from recommendations that EDP should comply with are met. In case of non-compliance with the latter, non-compliance must be justified considering the specific reality of EDP.

#### **Article 11 (Incompatibilities)**

1. Without prejudice to the mandatory provisions of the law, and except for the provisions of paragraphs 3 and 4 of this Article, the performance of functions in any corporate body or other corporate structure is incompatible with:
  - a) the status of a legal person that is a competitor of EDP or a company in a control or group relation with EDP;
  - b) the status of a legal person or an individual related to a legal person that is a competitor of EDP;
  - c) the exercise of functions, of any nature or for any reason whatsoever, notably by appointment to a corporate office, by employment contract or by services provision agreement, at a legal person that is a competitor of EDP or at a legal person related to a legal person that is a competitor of EDP;
  - d) the nomination, even if only a de facto nomination, as a member of a corporate body if

- made by a legal person that is a competitor of EDP or by a legal person or individual related to a legal person that is a competitor of EDP.
2. For the purpose of these Articles of Association, the following are deemed as a person related to a legal person that is a competitor:
    - a) one whose voting rights are ascribed to a competing legal person under Article 20 of the Securities Code or any provision that modifies or replaces it;
    - b) one that, either directly or indirectly, holds, in a competing legal person, or in a company in a control or group relation with it, as defined in Article 21 of the Securities Code, or in a company dependent, either directly or indirectly, on such company, a stake equal to or higher than 10% of the voting rights corresponding to the share capital of the company.
  3. To the extent permitted by law, the incompatibility set forth in the previous paragraphs does not apply to competing legal persons in which EDP holds a stake equal to or higher than 50% of the respective share capital or voting rights nor to natural person who performs functions in a competing legal entity appointed by EDP.
  4. Without prejudice to the provisions of paragraphs 5 and 6, the incompatibilities set forth in the foregoing paragraphs may also not apply to the performance of functions as a member of the general and supervisory board, to the extent permitted by law, subject to authorization given by prior resolution, with the favor of two thirds of the votes cast at the elective general shareholders' meeting. The competition relation must be expressly referred to and precisely identified in the appointment proposal, and the authorization resolution may be subject to conditions, notably to a holding of no more than 10% of EDP's share capital.
  5. Any member of the general and supervisory board elected in accordance with paragraph 4 of this Article may neither be present nor participate in the meetings, nor in parts of the meetings, in which subjects involving competition risk or sensitivity are discussed, notably subjects with impact in the markets in which there is competition with EDP, nor may such member have access to the respective information and documentation. The general and supervisory board shall assure the implementation of this provision and such same board may decide the qualification of a subject as involving competition risk or sensitivity.
  6. Apart from the provisions contained in these Articles of Association, the legal rules and regulations addressed to prevent an intervention in a conflict of interests' situation will always apply within all corporate bodies or other corporate structures and to all activity of the company.
  7. For the purpose of these Articles of Association, a legal person that is a competitor is one that exercises, directly or indirectly, an activity which competes with the activity developed by EDP, or by a company in which EDP holds a stake equal to or higher than 50% of the respective share capital or voting rights, in Portugal or abroad, provided that, in the last-mentioned case, it occurs in a market in which EDP or a controlled company exercises its activity through a permanent establishment.
  8. For the purpose of these Articles of Association, it is considered that a legal person indirectly exercises an activity in competition with EDP when, directly or indirectly, it holds or it is held in, at least, ten per cent of the share capital or voting rights of a company that carries out any of the activities developed by EDP, or by a controlled company.
  9. The provisions of paragraph 6 of this article shall apply also to the members of specific

committees created by corporate bodies who are not members of any of the corporate bodies and who otherwise would be incompatible under the provisions of this Article.

10. The shareholder that individually holds at least 20% of the share capital of EDP, and that, directly or through a legal person which is in a domain relationship with it, enters into and maintains a medium or long term strategic partnership of business cooperation in the activities of generation, distribution or supply of electricity or natural gas, approved in accordance with legal and corporate provisions, with prior favourable opinion of the general and supervisory board shall not be deemed to be a legal person that is a competitor of EDP.

## **Section II**

### **General shareholders' meeting**

#### **Article 12**

##### **(Competencies of the general shareholders' meeting)**

1. The general shareholders' meeting shall adopt resolutions concerning all the matters provided for in law and in these Articles of Association.
2. In particular, the general shareholders' meeting shall, according to the law and to these Articles of Association:
  - a) assess the report of the executive board of directors, discuss and vote on the balance sheet, the accounts and the opinion of the statutory auditor and those of the general and supervisory board and of the financial matters committee, if applicable, and resolve on the allocation of the annual results;
  - b) elect and remove the members of the general shareholders' meeting board, of the executive board of directors and of the general and supervisory board, as well as the respective chairmen and vice-chairmen, should they exist, and upon proposal from the general and supervisory board or by delegation thereof, from the financial matters committee, the statutory auditor;
  - c) resolve on any amendments to the Articles of Association, including increases of the share capital;
  - d) appoint a remuneration committee, whose members should, in their majority, be independent, charged with fixing the remuneration of the members of the corporate bodies according to the remuneration policy proposal that shall be submitted to the general shareholders' meeting approval;
  - e) assess the annual report on the activity of the general and supervisory board;
  - f) deal with any other matter for which it has been convened.
3. The resolutions of the general shareholders' meeting shall be passed by a majority of the votes cast, except when a provision of the law or of these articles of association requires a qualified majority.
4. The resolutions relating to the amendment of the Articles of Association and the merger, demerger transformation or winding up of the company, with the exception of the provisions of paragraph 5, must be approved by two-thirds of the votes cast and, whenever the general meeting takes place following a first convening announcement, as long as the number of shareholders present or represented at such meetings hold, at least, shares corresponding to

one third of the share capital.

5. Resolutions for the amendment of the Articles of Association referring to Article 11 and to paragraphs 3 to 5 of Article 15, as well as amendments to this paragraph insofar as it refers to any of such provisions, must be approved by two-thirds of the votes cast, except if a lower limit is provided for in mandatory law, in which case the limit set forth here is deemed to be reduced accordingly.
6. Abstentions are not cast.

#### **Article 13**

##### **(Board of the general shareholders' meeting)**

The general shareholders' meeting board is composed of a chairman and a vice-chairman, elected by the general shareholders' meeting, and of the company's secretary.

#### **Article 14**

##### **(Convene the general shareholders' meeting)**

General shareholders' meetings must be convened with the prior notice and under the terms established by law.

#### **Article 15**

##### **(Voting right and participation in the general shareholders' meeting)**

1. Only shareholders with voting rights may attend to the general shareholders' meetings, as well as any other persons whose presence is authorized by the chairman of the general shareholders' meeting board.
2. Each share corresponds to 1 vote.
3. Votes cast by a shareholder, on its own account or on behalf of another shareholder, that exceed 25% of the votes corresponding to the share capital, shall not be taken into account.
4. The limitation provided for in the previous paragraph:
  - a) if it affects several shareholders, it operates in proportion to the shares held by each one;
  - b) it applies to all resolutions regardless of the majority required by law or by these Articles of Association for approval of the proposal.
5. For the purposes of this Article, the votes that are attributable to him in accordance with the applicable legal provisions are considered to have been cast by the same shareholder.
6. The voting right of shareholders must be exercised under the terms set out in the respective notice, which must provide, at least, the possibility of exercise in the following ways:
  - a) by correspondence, by means of a letter addressed to the chairman of the board of the general shareholders' meeting by registered mail with acknowledgment of receipt;
  - b) electronically, in advance or during the meeting.

7. The chairman of the board of the general shareholders' meeting must verify the authenticity and regularity of votes cast in advance and ensure their confidentiality until the moment of voting.
8. Votes cast in advance are deemed as negative votes in relation to resolution proposals presented after the date on which these same votes were cast.
9. Holders of rights representing shares under ADR programs may give instructions to the respective depositary bank to exercise their voting rights or grant a power of attorney to a representative designated by EDP for this purpose, in compliance with applicable legal and statutory provisions; the deposit agreement must set forth the dates and means for the exercise of voting instructions, as well as cases of absence of instructions.
10. Shareholders may only attend, discuss and vote at the general shareholders' meeting if, on the registration date, corresponding to 0 hours (GMT) on the fifth trading day prior to the date of the general shareholders' meeting, they hold at least one share and if the other requirements set out in the respective notice are met.
11. Shareholders who intend to participate in the general shareholders' meeting must declare this in writing to the financial intermediary with which the individual registration account is open, and it is up to the latter to communicate the intentions received in accordance with the applicable legal terms to the chairman of the board of the general shareholders' meeting.
12. Shareholders who have declared their intention to participate in a general shareholders' meeting and who, between the registration date and the end of the general shareholders' meeting, transfer the shares held, must communicate this transfer immediately to the chairman of the board of the general shareholders' meeting and to the Securities Market Commission. This event does not affect the right to participate and vote at the general shareholders' meeting.
13. Shareholders may be represented at the general shareholders' meeting by persons with full legal capacity, and for this purpose, they must send an instrument of representation to the chairman of the board of the general shareholders' meeting under the terms set out in the respective notice.

#### **Article 16**

##### **(Communication of qualified shareholdings)**

1. Shareholders who reach or exceed, directly or through votes attributable to them under legal terms, a shareholding of 5%, 10%, 15%, 20%, 25%, one third, half, two thirds and 90% of the voting rights corresponding to EDP's share capital and anyone who reduces their shareholding to a value below any of those thresholds communicates this fact to the executive board of directors, as quickly as possible and within a maximum period of four trading days after the day on which the fact occurred or became known.
2. The communication mentioned in the previous paragraph must have the content required by the applicable legal standards.
3. For the purposes of the voting limitation provided for in these Articles of Association, shareholders have the duty to provide the executive board of directors with all the information not contained in the communication mentioned in the previous number and that the board deems necessary.
4. Failure to comply with the duty provided for in the previous paragraph determines, for the

defaulting shareholder, the inhibition of the exercise of voting rights inherent to the shares held.

**Section III  
Executive board of directors  
Article 17**

**(Composition of the executive board of directors)**

1. The executive board of directors is composed of a number of members set by the general shareholders' meeting that elects them.
2. The number of members set in accordance with the foregoing paragraph shall be between a minimum of three and a maximum of nine.
3. The chairman of the executive board of directors is appointed by the general shareholders' meeting from amongst the elected members.
4. To the chairman of the executive board of directors is assigned a casting vote in the event of a tie.
5. In the absence or impediment of the chairman of the executive board of directors, the vice-chairman or, if not appointed, the member of the executive board of directors who has been assigned this right in the respective appointment act has the casting vote.

**Article 18**

**(Executive board of directors' responsibilities)**

1. The executive board of directors is responsible for:
  - a) setting the objectives and management policies of the company and the group;
  - b) preparing the annual operating and financial plans;
  - c) managing the company's business affairs and performing all the acts and operations relating to the corporate purpose that do not fall within the duties attributed to other bodies of the company;
  - d) representing the company in or out of court, as plaintiff or defendant, in which capacity it may discontinue, reach a compromise or accept liability in any legal proceedings, and execute arbitration agreements;
  - e) acquiring, selling or by any manner transferring or creating encumbrances over rights or real estate assets;
  - f) incorporating companies and subscribing for, acquiring, creating encumbrances over and transferring stakes;
  - g) adopting resolutions regarding the issuance of bonds and other securities in accordance with the law and these Articles of Association, in compliance with the annual quantitative limits set by the general and supervisory board;
  - h) establishing the technical and administrative organization of the company and the standards for internal operation, notably concerning personnel and their remuneration;
  - i) granting powers of attorney, as deemed appropriate, including those of sub-delegation;
  - j) appointing the company's secretary and respective substitute;
  - k) engaging the external auditor nominated by the general and supervisory board in accordance with Article 23, paragraph 1 p) of these Articles of Association and removing

- him from such office upon indication from the general and supervisory board;
- l) performing any other duties conferred on it by law or by the general shareholders' meeting;
  - m) establishing a specific regulation that sets out the rules for its internal operation.
2. The approval of the strategic plan of the company and the execution of the following operations by the company or by a company controlled by it are subject to previous receipt of a favorable opinion from the general and supervisory board:
- a) purchases and transfers of assets, rights and stakes with a significant economic value;
  - b) execution of financial agreements with a significant value;
  - c) opening and closing of establishments or important parts of establishments and important expansions or reductions of activity;
  - d) other businesses or operations with a significant economic or strategic value;
  - e) setting up or terminating strategic partnerships or any other forms of enduring cooperation;
  - f) merger, demerger or transformation plans;
  - g) amendments to the Articles of Association, including moving the registered office and increasing the share capital, when the initiative is conferred on the executive board of directors.

#### **Article 19**

##### **(Chairman of the executive board of directors)**

- 1. In particular, it is the responsibility of the chairman of the executive board of directors to:
  - a) represent the executive board of directors;
  - b) coordinate the activity of the board and to convene and preside over the respective meetings;
  - c) to oversee the proper execution of the board's resolutions.
- 2. The chairman of the executive board of directors has the right to attend the meetings of the general and supervisory board whenever he deems appropriate, except when resolutions in relation to the matters set forth in Article 23, paragraph 1 n) of these Articles of Association are involved and, generally, in any situations involving conflict of interests.

#### **Article 20**

##### **(Binding)**

- 1. The company shall be bound before third parties:
  - a) by the signature of two directors;
  - b) by the signature of one of the directors, within the limits of the powers delegated by the board;
  - c) by the signature of those holding powers of attorney, with regard to the acts or categories of acts specified in the corresponding powers of attorney.
- 2. The executive board of directors can resolve that certain company documents be signed by means of mechanical processes or by rubber stamp.

#### **Article 21**

##### **(Functioning of the executive board of directors)**

1. The executive board of directors will fix the frequency of its ordinary meetings; however, it is mandatory that it meet bi-monthly and that it meet in extraordinary session whenever so convened by its chairman, by two directors or at the request of the general and supervisory board.
2. The executive board of directors may not pass resolutions without the presence of the majority of its members.
3. Without prejudice to the provision of the foregoing paragraph and provided that at the beginning of each meeting the following means of communication is approved by a majority of two-thirds of the participants, directors may be present or intervene in meetings of the executive board of directors through telecommunication means that ensure real-time transmission and simultaneous receipt of voice, or voice and image.
4. No director is allowed to represent more than one other director at each meeting.
5. The members of the executive board of directors who cannot be present at a meeting may, in the case of a resolution that the chairman considers to be urgent, express their vote by way of letter addressed to him.
6. Absences, continuous or interpolated, of any director to more than half of ordinary executive board of directors meetings held during one civil year, without any justification accepted by this corporate body, will determinate a definitive absence by the referred director.
7. A definitive absence, as established on previous number, shall be declared by the executive board of directors, which shall afterwards proceed with the replacement of that director according to the law and to these Articles of Association.

#### **Section IV**

##### **General and supervisory board**

#### **Article 22**

##### **(Composition of the general and supervisory board)**

1. The general and supervisory board is composed of a number of effective members that will be established in the respective election resolution, but always higher than the number of members of the executive board of directors.
2. Shareholders or groups of shareholders owning shares that represent a minimum of 10% and a maximum of 20% of the company's capital may subscribe to lists for the separate election of a member of the general and supervisory board, in which case the following rules shall apply:
  - a) each list shall propose at least two eligible persons for each position to be filled, such position to be filled by the first person indicated in the list with more votes;
  - b) the same shareholder cannot subscribe to more than one list;
  - c) if in the separate election, there are lists presented by more than one shareholder or group of shareholders, the voting shall be made in relation to all of these lists;
  - d) if there is a proposal for the election of a separate member under the terms of the foregoing subparagraphs, such election shall precede the other directors' election.
3. The majority of the elected members of the general and supervisory board must be

independent and must also meet the remaining requirements, notably concerning academic training and competence, set forth in legal or regulatory provisions applicable, at each relevant moment, to EDP.

4. Lists of members for the general and supervisory board to be submitted to the general shareholders meeting may include, besides the proposal of effective members, a list of, at least, two independent substitute candidate, who are called, by the chairman of the general and supervisory board, to replace in case of definitive absence of effective members, pursuant to the order set forth in the referred list.
5. The supervenience of motives which determine the lack of independence of members of the general and supervisory board who have that quality determines the termination of the respective appointment.
6. At its own initiative or upon the request of the chairman of the executive board of directors, the general and supervisory board must set the parameters to measure the economic or strategic value of operations that should be submitted to its opinion under the terms of article 18, paragraph 2, as well as it must establish expeditious proceedings to issue such opinion in emergency cases or when the nature of the subject justifies it and, in addition, the events in which such opinion may be dismissed.
7. The chairman of the general and supervisory board represents the general and supervisory board, coordinates its activities, convenes and presides over the respective meetings and oversees the correct execution of its resolutions.
8. In his absence or impairment, the chairman of the general and supervisory board shall be replaced by the respective vice-chairman, should he exist, or, in his absence, by whomever is designated by the general shareholders' meeting or, subject to ratification at the immediately following general shareholders' meeting, by the general and supervisory board.
9. The chairman of the general and supervisory board or, in his absence or impairment, a member delegated by this body appointed for the purpose may, whenever he deems convenient and without voting right, attend the meetings of the executive board of directors and participate in the discussion of matters to be submitted to the general and supervisory board.

### **Article 23**

#### **(General and supervisory board responsibilities)**

1. In addition to that provided in law, the general and supervisory board of directors has, in particular, the responsibility to:
  - a) oversee on a permanent basis the activity of the management of the company and controlled companies and to, in such respect, advise and assist the executive board of directors, notably in relation to strategy, achievement of goals and compliance with the applicable legal rules;
  - b) deliver its opinion about the management report and annual accounts;
  - c) oversee on a permanent basis the activity of the statutory auditor and of the external auditor and, concerning the first, to issue a pronouncement on its respective election or appointment, its removal and its independence conditions and other relations with the company;

- d) oversee on a permanent basis and evaluate the internal procedures relating to accounting and auditing matters, as well as the efficacy of the risk management system, the internal control system and the internal audit system, including the receipt and processing of related complaints and queries, whether or not originating from employees;
  - e) propose the removal of any member of the executive board of directors to the general shareholders' meeting;
  - f) monitor the definition of criteria and necessary competences in the structures and internal bodies of the company or the group to be complied with and their consequences in the respective composition, as well as to prepare plans of succession;
  - g) provide for, in accordance with the law, the replacement of the members of the executive board of directors in the event of absence or temporary impairment;
  - h) issue, at its own initiative or when requested by the chairman of the executive board of directors, its opinion about the annual vote of confidence in directors referred to in Article 455 of the Companies Code;
  - i) monitor and assess matters relating to corporate governance, sustainability, internal codes of ethics and their compliance, evaluate and resolve conflicts of interests systems, including in respect of the company's relations with shareholders, and to deliver opinions on these matters;
  - j) obtain financial or other resources which it reasonably believes are necessary for its activity and to request from the executive board of directors the adoption of measures or corrections that it considers appropriate, being allowed to use the means required for its own independent advisory, if necessary;
  - k) receive periodic information from the executive board of directors about significant commercial relations between the company or controlled companies and shareholders with a qualified stake and related persons;
  - l) appoint the remuneration committee and the financial matters committee;
  - m) represent the company in its relations with the directors;
  - n) supervise the activities of the executive board of directors;
  - o) monitor compliance with the law and the articles of association;
  - p) select and replace the company's external auditor, giving the executive board of directors instructions to engage and remove it;
  - q) monitor, when it deems appropriate and through the means considered appropriate, the correctness of the books, the account registers and supporting documents, as well as the status of any assets or values held by the company;
  - r) supervise the preparation and release of financial information;
  - s) convene the general shareholders' meeting when it deems appropriate;
  - t) approve its internal regulation, which shall including rules regarding the relations between the corporate bodies and other corporate structures.
- 2.** The general and supervisory board shall deliver a favourable opinion in relation to the subjects referred to in Article 18, paragraph 2 of these Articles of Association.

#### **Article 24**

##### **(Committees of the general and supervisory board)**

1. The general and supervisory board may create specialized or monitoring committees that it deems appropriate for the proper exercise of its functions.
2. The general and supervisory board shall delegate in a financial matters committee, consisting of at least three independent members, with suitable qualifications and experience, the competences provided for in Article 23, paragraph 1 b) to d), q) and r) of these Articles of Association, in addition to others set forth in law.
3. The financial matters committee shall be chaired by an independent member.
4. The majority of the members constituting the specialized or monitoring committees created by the general and supervisory board should be independent.

#### **Article 25**

##### **(Functioning of the general and supervisory board)**

1. The general and supervisory board shall meet in ordinary session at least once every quarter and in extraordinary session whenever convened by its chairman, at his own initiative or at the request of any of its members, the executive board of directors or the respective chairman.
2. A member of the general and supervisory board may be represented in a meeting by another member, through a letter to the chairman, with the following limitations:
  - a) each proxy letter may not be used more than one time;
  - b) each member may not represent more than one member;
  - c) independent members may not represent or be represented by non independent member.
3. Members may be present and intervene in the meetings of the general and supervisory board through means of communication that assure, in real-time, the transmission and reception of voice or voice and image, should the authenticity of the statements and the security of the communications be assured, and to the extent that its contents and the respective participants are registered.
4. Members who cannot be present or represented at a meeting of the general and supervisory board may, in case of a resolution deemed to be urgent by the respective chairman, issue their vote by postal or by electronic means to the chairman.

#### **Section V**

##### **Statutory auditor**

#### **Article 26**

##### **(Statutory auditor responsibilities)**

The company shall have a statutory auditor with the powers and duties set forth in the law.

**Section VI  
Company secretary  
Article 27**

**(Appointment and responsibilities of the company secretary)**

1. The company shall have a secretary as well as a substitute secretary, both appointed by the executive board of directors, with the functions set forth in the law for the company secretary.
2. Without prejudice to the possibility of his re-appointment, the functions of the secretary cease with the term of office of the executive board of directors that appointed him.

**Section VII  
Remuneration committee  
Article 28**

**(Remuneration committee responsibilities)**

1. Without prejudice to the provisions of Article 12, paragraph 2 d) in respect of the other corporate bodies, the remuneration of the directors, as well as any complementary benefits, notably complementary retirement or disability pensions, are set by a committee appointed by the general and supervisory board.
2. The remuneration committee shall submit a proposal of remuneration policy of the members of the executive board of directors to the approval of the general shareholders' meeting, at least every four years and whenever there is a relevant change in the remuneration policy in force, according to which the remuneration committee shall exercise the powers conferred by the previous number of this article.

**Chapter V  
Allocation of annual results  
Article 29**

**(Profits and advance dividends on the profits)**

1. The profits of the year, calculated in accordance with the law, shall be allocated as follows:
  - a) to cover the losses of previous years;
  - b) to constitute or reinforce the legal reserve and other reserves prescribed by law;
  - c) to constitute or reinforce other reserves created by the general shareholders' meeting;
  - d) to be distributed as dividends to shareholders;
  - e) to grant to the EDP Foundation an amount for patronage initiatives of recognized merit in accordance with the program to be submitted to the general and supervisory board within the context of EDP Group's policy of corporate citizenship and sustainable development, up to an amount corresponding to 0.1% of the consolidated turnover;
  - f) other purposes by resolution of the general shareholders' meeting.
2. Payments in advance of profits may be made to shareholders during the course of the year upon a proposal from the executive board of directors and a favorable opinion from the general and supervisory board, up to the maximum permitted by law.



*Unofficial translation  
For information purposes only*

**Chapter VI  
Winding up and liquidation**

**Article 30**

**(Winding up and liquidation regime)**

1. The company shall be wound up when there exists legal cause.
2. The liquidation shall be conducted in accordance with the terms of the law and the resolutions of the general shareholders' meeting.