

**ORDER NO. 2/2010**

The Chairman of the General Shareholders' Meeting received, on the 8<sup>th</sup> April 2010, from the shareholders PARPUBLICA – Participações Públicas (SGPS), S.A. and CAPITALPOR – Participações Portuguesas, SGPS, S.A., a *“Proposal on the Remuneration Policy of the Members of the General and Supervisory Board of EDP – Energias de Portugal, S.A.”* concerning Item 7 of the Agenda of this company General Shareholders' Meeting, convened for the next 16<sup>th</sup> April.

This item, which became mandatory as per the terms of Law n<sup>o</sup> 28/2009, dated 19<sup>th</sup> June, refers the following: *“Resolve on the remaining members of corporate bodies remuneration policy presented by the Remuneration Committee elected by the General Shareholders Meeting.”*

Hence, the only proposal which is proper to be accepted within this item of the agenda is the one presented by the Remuneration Committee foreseen in no. 2 of article 8<sup>o</sup> and appointed by the General Shareholders' Meeting as established on item d) of no. 2 of article 11<sup>o</sup> of the Articles of Association and which was duly disclosed to the market and conveyed to the Shareholders.

Therefore, in compliance with the agenda, it is not admitted the presentation of any other different proposal by the Shareholders, individually considered.

Only the Remuneration Committee has legitimacy for its presentation.

In fact, no. 1 of article 399<sup>o</sup> of the Portuguese Companies Code establishes that this competence belongs, alternatively, to the general shareholders' meeting or to a committee, appointed by the former.

As the Articles of Association foresees the existence of this Committee, the competence to establish corporate bodies' remuneration is own and exclusive of the referred Committee and it is not acceptable, without a previous modification of the Articles of Association, that this competence is called on by the general shareholders' meeting.

Law no. 28/2009, dated 19<sup>th</sup> June confirms this understanding, by restricting legitimacy on the presentation to the general shareholders' meeting of a statement regarding the remuneration policy, to the remuneration committee and to the board of directors (article 2, no. 1).

In addition, we shall note that PARPUBLICA is one of the elected members of this Remuneration Committee and the orientation now presented did not prevail when discussed among the other members of the said Committee.

It is a mechanism regarding the making of will of a corporate body that the law doesn't allow.

It is important to clarify that the aforementioned is not a constraint to the exercise of shareholders participation rights on the resolution making process, namely in this case, where the shareholders that presented the proposal own category B shares and so are able to discuss and vote – in favor, against or waiving - the proposal duly presented by the Remuneration Committee.

As a complementary note to express that, on this subject, I do not have any personal or direct interest, as the proposal now presented does not modify the orientation of the remuneration established by the Remuneration Committee for the Chairman of the General Shareholders' Meeting who, inherently, is a member of the General and Supervisory Board.

Therefore, and without needing to analyze the exact terms of its contents, from a legal point of view, I decide not to admit this proposal.

Lisbon, 13<sup>th</sup> April 2010

The Chairman of the General Shareholders' Meeting