



## **INTERNAL REGULATION**

### **GENERAL AND SUPERVISORY BOARD**

**Approved on 17<sup>th</sup> December 2020**

*This is an unofficial translation of the General and Supervisory Board Internal Regulation 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 will prevail.*



## ABBREVIATIONS AND DEFINITIONS

<b>GMS</b>	Company's general meeting of shareholders
<b>EBD</b>	The Company's Executive Board of Directors.
<b>GSB or Board</b>	The Company's General and Supervisory Board.
<b>CMVM</b>	Portuguese Securities Market Commission.
<b>Committee</b>	Any committee set up by the GSB to perform certain functions belonging to the Board, which can assume two different configurations: Permanent Committee or Eventual Committee.
<b>Permanent Committee</b>	It is created by GSB to perform certain specific duties and its mandate is identical to GSB's term of office.
<b>Eventual Committee</b>	It is created by GSB to perform certain specific duties and its mandate is identical to GSB's term of office.
<b>EDP's Articles of Association</b>	of The Company's current Articles of Association approved by its GMS.
<b>Law</b>	It comprises not only legal rules but also regulations applying to the Company's activity.
<b>Company</b>	EDP – Energias de Portugal, S.A. <b>Subsidiaries</b> – Companies that are dominated by or in the same group as the Company pursuant (to) the Securities Code.
<b>IR or Regulations</b>	The main body of rules approved by the GSB regarding its organisation and functioning.
<b>SA</b>	Statutory Auditor



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## **Chapter I**

### **Framework, composition and functioning of the GSB**

#### **Article 1**

##### **Framework**

The GSB IR are written under Article 22(1)(u) of EDP's Articles of Association, with the aim of defining the rules governing its organisation and function, as well as the rules governing its relationship with other corporate bodies and company officers, while taking into account its legal and statutory powers.

#### **Article 2**

##### **Mission and principles**

1. In the exercise of its powers, the GSB's main mission is to guarantee the permanent monitoring and supervision of the management of the Company and its subsidiaries, cooperating with the EBD and with other corporate bodies and company officers in the pursuit of the Company's interests.
2. The GSB and its members shall conduct their activities in strict adherence to the law, EDP'S Articles of Association, the decisions of the General Meeting of Shareholders, and these regulations. They shall also take into consideration recommendations regarding best practices in corporate governance.

#### **Article 3**

##### **Composition**

1. The GSB is composed of a number of effective members not lower than nine, but always higher than the number of directors, elected for a term of office of 3 years.
2. The Chairman and Vice-Chairman of the GSB shall be elected by the GMS.
3. By statute, the Chairman of the Board of the General Meeting of Shareholders is a member of the GSB.
4. The majority of GSB members are independent.



## **Article 4**

### **Functioning**

1. In the exercise of its powers, the GSB develops its activity through plenary meetings and Committees.
2. As a collegiate body, the GSB makes its decisions in plenary meetings, regardless of the delegation of specific powers to its Committees.
3. The Chairman of the GSB represents the Board, coordinates its activities, convenes and presides over meetings and ensures the correct implementation of its decisions.
4. Under the supervision of Chairman of the GSB, the Company Secretary has the responsibility of:
  - a) Acting as secretary to plenary GSB meetings.
  - b) Providing information requested by GSB members.
  - c) Ensuring that GSB acts are registered and certified.
5. The GSB is supported by an office staffed preferentially by employees of EDP or, exceptionally, by collaborators hired for this purpose. The office will work together with and under the guidance of the Chairman of the GSB.
6. The GSB may contract expert services for assistance with specific tasks, when considered adequate for the performance of its duties.

## **Chapter II**

### **STATUS OF THE MEMBERS**

#### **Article 5**

#### **Responsibilities of the Chairman of the GSB**

1. The Chairman of the GSB is especially responsible for:
  - a) Representing the GSB and the advocate of its decisions before other corporate bodies.
  - b) Promoting the necessary endeavours for the adequate monitoring by the GSB of the Company and Subsidiaries activity.
  - c) Coordinating the activities of the GSB and the Committees functioning, having the right to attend any meeting and being informed on any activity performed by such Committees.
  - d) Proposing to the GSB members plenary, the Chairman and, when existing, the Vice-Chairman of each Committee.



- e) Endeavouring for that the GSB members receive in a timely manner all the necessary information for the full development of their functions.
  - f) Overseeing the budget execution of the GSB and manage the material and human resources allocated to it.
  - g) Convene and preside to the GSB meetings, being responsible to monitor the correct execution of its resolution.
2. In his absence or impediment, the GSB Chairman is replaced the respective Vice-Chairman, or in his absence, for who is designated by the Shareholders' Meeting or the GSB, subject to ratification of the Shareholders' Meeting, and should the Vice-Chairman to assist the Chairman when requested.

## **Article 6**

### **Suitability**

1. The GSB members shall have the appropriate qualifications and professional experience for their duties and which should be revealing to the adequacy of the functions carried out not only in individual terms but also considering all members of the corporate body which are representative of diversified and collectively adequate.
2. The appointment as GSB member shall be accepted within the following 30 days in a written statement (Annex 1), which shall also record:
  - a) Adequate knowledge of legal, regulatory requirements and statutory rules applicable to its activity and to Company's activity.
  - b) Unconditional acceptance of these Regulations.
  - c) The absence of any incompatibility under the law or the EDP'S Articles of Association with the exercise of GSB member duties.
  - d) Meeting the requirements of independence set out in article 8(1), if elected as a GSB independent member.
3. In the first 30 days of each financial year, members shall renew their statements on the absence of incompatibility and compliance with the requirements of independence, if applicable, as set out in Annex 2.

## **Article 7**

### **Incompatibilities**

1. In addition to others that are specifically applicable, GSB 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 to the incompatibility set in article 10 of EDP's Articles of Association.

2. Without prejudice to the power of GSB 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 Chairman of the GSB, who shall initiate an assessment process with GSB or an Eventual Committee set up for the purpose, who will decide on the incompatibility.

## **Article 8**

### **Independence**

1. A person is considered independent if he/she is not associated with any specific interest group in the company and is not under any circumstance liable to affect his/her impartiality in making analyses or decisions, such as any of the situations indicated below or in relation to him or herself, or his or her spouse or relatives by birth or marriage to the third degree:
  - a) Being an owner, occupying a management position, having a contractual tie with or acting on behalf of or on the account of owners of qualifying holdings of 2% or more of the share capital or voting rights of EDP or a similar percentage in a company that controls it.
  - b) Being an owner, occupying a management position, having a contractual tie with or acting on behalf of or on the account of owners of qualifying holdings of 2% or more of the share capital or voting rights of a rival company.
  - c) Being elected for more than two consecutive or intercalated terms.
  - d) Having exercised for twelve years, on a consecutive or non-consecutive basis, functions in any corporate body of the Company exception made to, from the end of its functions in any body and its new appointment, at least a three-year period has elapsed.
  - e) Having, in the last three years, provided services or had a significant commercial relation with the Company or one of its Subsidiaries.
  - f) Being a remuneration beneficiary paid by the Company or one of its



Subsidiaries other than the remuneration deriving from the execution of its functions as a GSB member.

2. Without prejudice to the power of GSB 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 GSB 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 Chairman of the GSB, who shall initiate an assessment process with the GSB or an Eventual Committee set up for the purpose, who will decide on the independence status.

## **Article 9**

### **Competition**

1. Without authorisation from the General Meeting of Shareholders, GSB 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. GSB 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 10**

### **Conflicts of Interest**

1. When a GSB member is in a situation of conflict of interests both effective or apparent on a decision to be carried out by this body, the member must inform the GSB Chairman on the facts that may constitute or give cause to a conflict between his/hers interests and the social interest.
2. The GSB Chairman should start a verification process before the GSB or before an eventual commission composed by GSB members for that purpose, in order to be issued a reasoned resolution on the matter.
3. On the situation set forth in the number one of this article, the GSB member should refrain himself/herself to participate and vote at the meeting in which the





respective matter is discussed and voted, without prejudice to the obligation of providing information and clarifications when requested by the Board or by their respective members.

## **Article 11**

### **Rights and duties**

1. Without affecting their other rights as set forth in the Law and the EDP's Articles of Association, GSB members have the right to:
  - a) Obtain information considered essential for the performance of their duties, through the Chairman of the GSB; without prejudice of access and information restrictions imposed by this Regulation.
  - b) Propose to the Chairman of the GSB to hire the services of experts and advisors to be engaged in areas deemed necessary for them to perform their duties, within the agreed budget for such services.
  - c) Ask the Chairman of the GSB to instigate EBD to implement any actions related to the activities of EDP, subsidiaries and non-profit institutions economically dependent on them.
2. Be nominated as a member to the Committees of the GSB.
3. Without affecting their other duties as set forth in the Law and the EDP's Articles of Association, members of the GSB 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 GSB and Committee meetings of which they are members 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 the confidentiality on events and information acquired in the course of their duties, except in cases where its communication is permitted by Law.
  - e) Provide the necessary legal guarantees and assurances to perform their duties as a GSB member.



## **Article 12**

### **Evaluation of GSB activities**

1. The GSB 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 its members' activity.
2. The GSB shall monitor compliance with rules applicable to the work of its members, in particular those set out in these Regulations.
3. Every year, the GSB or an Eventual Committee specifically set up for the purpose shall evaluate:
  - a) The activity developed and the contribution made by the members.
  - b) The compliance with these Regulations, followed by a revision, if appropriate.

## **Article 13**

### **Dismissal for just cause**

1. At the request of any member, the GSB shall examine any cases of dereliction of duty by its members and shall take the necessary measures to restore its regular functioning.
2. If it finds that a member is guilty of severe dereliction of duty, the GSB shall decide on whether to submit a motion for his/her dismissal for just cause to the GMS.
3. The investigation to assess the appropriateness of the conduct of GSB members may be delegated wholly or in part to an Eventual Committee.

## **Chapter III**

### **RESPONSIBILITIES AND DUTIES**

## **Article 14**

### **Main GSB's responsibilities and duties**

1. In the exercise of its legal and statutory powers, the GSB is responsible for monitoring and supervising the Company's activity, either directly or through the Committees created for this effect. The Board should:
  - a) Monitor on a permanent basis the management of the Company and its subsidiaries and provide advice and assistance to the EBD, particularly



concerning strategy, achievement of targets and compliance with the Law.

- b) Issue an opinion on the Company's strategic plan and on the operations referred to in article 17(2) of EDP's Articles of Association
- c) Issue an opinion on the Company's annual report and financial statements.
- d) Monitor on a permanent basis the activity of the SA and, with regard to the former, issue an opinion on its election or appointment, dismissal, independence and other relations with the Company.
- e) Monitor and evaluate on a permanent basis the internal accounting and auditing procedures, as well as the monitoring of the risk profile of the Company, the effectiveness of the risk management system and the internal control and auditing systems, including how complaints and claims from employees or others are received and processed.
- f) Pronounce about the working plans and about the resources made available to the internal control services, including control on the compliance of rules applicable to the Company (compliance services) and internal audit, and assess the reports made by those services, when matters related to legal accountability, identification or resolution of conflicts of interest and detection of potential irregularities are at stake.
- g) Propose the dismissal of any EBD member to the GMS.
- h) Oversee the definition of required competencies for the internal corporate structure of the Company or Group, monitor their impact and the drafting of succession plans.
- i) Provide for the replacement of EBD members in the event of definitive absence or temporary incapacity, in accordance with the Law.
- j) Issue, on its own initiative or when requested by the Chairman of the EBD, an opinion on the annual vote of confidence in the directors, as referred to in article 455 of the Companies Code.
- k) Monitor and evaluate issues relating to corporate governance, sustainability, conduct and ethics code and adherence to these codes, systems for assessing and resolving conflicts of interest, including those related with the Company's relations with shareholders, and issue appropriate opinions on these matters.
- l) Appoint the Ethics Committee of EDP Group, following a proposal presented by the Executive Board of Directors of EDP Group and an opinion obtained



- by the Corporate Governance and Sustainability Committee on such appointment.
- m) Appoint the Ethics Ombudsman of EDP Group, following a proposal presented by the Executive Board of Directors of EDP Group and an opinion obtained by the Corporate Governance and Sustainability Committee on such appointment.
  - n) Obtain the means, financial or of any other nature, that it reasonably deems necessary for its activities and request the EBD to take the measures or make the adjustments deemed appropriate. The GSB may contract the means needed to obtain independent advice.
  - o) Receive regularly information from EBD on significant business relations between the Company or its subsidiaries and shareholders with qualified holdings and persons related to them.
  - p) Set up Committees.
  - q) Assess the performance of the Committees, their internal functioning and the relation between corporate bodies and the Committees of the Company.
  - r) Represent the Company in its relations with the directors.
  - s) Monitor EBD activities.
  - t) Evaluate the performance of the EBD as well as of its Chairman and remaining members, during the performance of the respective activities.
  - u) Monitor compliance with the Law and EDP's Articles of Association.
  - v) Verify, as and when it deems appropriate, the existence of proper bookkeeping, accounting and support documentation, as well as the status of any assets or securities held by the Company.
  - w) Monitor the process of preparing and disclosing financial information.
  - x) Convene the GMS when it deems appropriate.
  - y) Give an opinion on the advance dividend on the profits during the financial year.
  - z) Fix annual numerical limits regarding bond issuance and other securities by the EBD.
2. Regarding the appointment, supervision and monitoring of the SA, the GSB should:
- a) Conduct the selection procedure of the SA, through a market consultation at least of three of the most relevant statutory auditors' companies on the market, being the selection made based on the following criteria service

quality, experience in companies with similar size and the ability to ensure its independence according to the requirements set forth in the applicable law;

- b) Analyse any other report presented related to the accountability namely, when applicable, the additional report addressed to the GSB and to the Financial Matters/Audit Committee and the report to the supervision authorities of public interest companies;
- c) Set supervision proceedings designed to ensure the SA independence, and to that regard prevent, identify and settle any threats to SA independence and determine the range of services other than audit that should not be provided for by the SA as such services are incompatible with the performed activity of the Company;
- d) Propose to the Shareholders' Meeting the appointment or removal of the SA, based on a reasoned opinion.

## **Article 15**

### **GSB's previous opinions**

1. Besides the Company's strategic plan, the following Company or subsidiary operations require a favourable previous opinion from the GSB in the exercise of its powers:
  - a) Acquisition and sale of assets, rights or shareholdings of significant economic value.
  - b) Contracting financing operations of significant value.
  - c) The opening and closure of establishments, or important parts thereof, and important increases or reductions in activity.
  - d) Other transactions or operations of significant economic or strategic value.
  - e) The commencement or termination of strategic partnerships or other forms of lasting cooperation.
  - f) Plans for divisions, mergers or transformations.
  - g) Changes to the EDP's Articles of Association, including moving the head office and increasing the share capital proposed by EBD.
2. On its own initiative or at the Chairman of the EBD's request, the GSB is responsible for setting the parameters for the economic or strategic value of the operations subject to previous opinion.



3. Requests for previous opinion and their supporting documents should be presented to the GSB within a reasonable period of before the meeting at which they will be analysed.
4. If the matter is not included in the meeting agenda, or if the respective support documentation has not been sent, partially or completely, together with the meeting call, as foreseen in Article 20(2) and (3), any member may inform the Chairman of the GSB that he/she considers the time for analysis insufficient, which shall result in the postponement of the previous opinion request analysis.
5. The GSB may set up special mechanisms for issuing or exempt previous opinions in cases of exceptional urgency or when the nature of the matter so justifies.

## **Article 16**

### **Other responsibilities**

1. In the exercise of its powers, the GSB is also responsible for:
  - a) Approving the GSB and its Committees' annual activity plan and respective budget.
  - b) Selecting employees for the GSB's support office, instructing the EBD to hire and relieve them of duties, pursuant to article 22(1)(j) of EDP's Articles of Association and hiring experts to assist its members in the performance of their duties, with the necessary powers being delegated to Chairman of the GSB pursuant to paragraph 2.
  - c) Monitoring and supervising the activities of non-profit institutions depending on the Company and its subsidiaries.
  - d) Approve the respective internal regulation which should include the relationship rules with the other corporate bodies.
2. The GSB shall provide its Chairman with the necessary powers to select the support office's employees and decide on the hiring of experts from outside the EDP Group.
3. In accordance with the EDP's in-house rules, the EBD and the competent EDP departments shall implement the decisions referred to in the previous numbers.

## **Article 17**



### **Institutional relationship between the GSB and the EBD**

1. The GSB and the EBD should cooperate actively and faithfully, with neither interfering in the remit of the other, so that both can perform their respective duties effectively and responsibly in the sole pursuit of the Company's interests.
2. The Chairman of the GSB ensures permanent relations with the EBD ensuring, *inter alia*, the correct implementation of the decisions of the GSB.
3. In the context of this institutional relationship, and apart from requests for previous opinions, the EBD should regularly present the following to the Chairman of the GSB:
  - a) In general:
    - i. Information regarding any transaction that may have a significant influence on the profitability or financial liquidity of the Company or Group;
    - ii. All information deemed relevant with respect to the affairs of the Company or Group;
  - b) In particular:
    - i. In the final quarter of each financial year, information regarding the management policy it intends to pursue in the following year, as well as the facts and issues that justifies its choices;
    - ii. Up to forty days prior to the Annual General Meeting, a complete management report on the previous financial year;
    - iii. Quarterly, information on the Company's financial and economic position and how business is progressing.
4. The Chairman of the GSB or, in his absence or unavailability, a member designated by this body for that purpose and the members of the Financial Affairs Committee have the right to attend EBD's meetings.
5. All information regarding the activity of GSB shall be managed by its Chairman, which should allow the documentation sent by the EBD to be made available to all the members of the GSB within the following timeframes:
  - a) In the following forty-eight hours, should the issue be of particular relevance or grave to the Company;
  - b) As convenient, but no later than the first GSB meeting, following reception of the information, for all other matters.
6. Before the meetings of their boards, the Chairmen of the GSB and EBD shall seek



to coordinate their activities in such a way as to define the matters for which the Chairman of the GSB presence at the EBD's meetings is particularly important and vice-versa.

7. The Chairmen of the GSB and EBD shall meet regularly and whenever necessary to assess the general performance of the Company and its Subsidiaries.
8. The Chairman of the GSB may, whenever deemed necessary and in articulation with the Chairman of the EBD, meet with the senior management of the Company and with the officers of the management bodies of the Subsidiaries, to analyse matters of significance for the performance of the Group.
9. At least once a year, the GSB should discuss the strategy, policies with the EBD, long-term plans and risks linked to the business of the Company and its subsidiaries, in particular the strategic plan.
10. The GSB has the power to revoke unlawful decisions made by the EBD, and a request for it to do so can be made by any GSB member or director.

## **Article 18**

### **GSB's institutional relationship with the SA**

1. In the performance of its duties of monitoring EDP and its Subsidiaries' activity, the GSB shall be assisted by the Company's SA.
2. Regardless of EBD's formal powers of representation, the GSB represents the Company for all purposes in dealings with the SA directly and through the Financial Matters Committee. It is responsible for proposing a provider for these services, its remuneration and the terms on which the services are provided and to ensure that the right conditions exist within the EDP Group for the provision of these services and for being the Company's interlocutor and first recipient of its audit reports.
3. Without prejudice to their functional and hierarchic independence from EDP, the SA activities are subject to GSB supervision, either directly or through its Financial Affairs Committee.
4. All communications and documents of the Statutory Auditor delivered to EDP, in particular the issue of the audit report, must necessarily be addressed to the GSB/Financial Matters/Audit Committee, with carbon copy to the EBD, or when the recipient is another due to the nature of the subject, a copy of this





communication or document should always be sent to the GSB/Financial Matters Committee/Audit Committee.

5. The GSB shall seek to coordinate with the EBD and the SA the drafting of the annual plan of activities and the calendar for the issue of the opinion on the annual report and accounts.

## **Article 19**

### **GSB Annual Report**

1. The GSB shall produce an annual report of its activity, to be presented to the Annual General Meeting.
2. In its annual report, the GSB makes a general presentation and assessment of its activities, as well as the activities of its Committees, with emphasis on:
  - a) The modes of monitoring and supervision of the Company's management and the results thereof.
  - b) The institutional relationship between the GSB and EBD.
  - c) Company's compliance with the recommendations on corporate governance that it should have taken into consideration.
  - d) Internal procedures regarding accounting and auditing, as well as the risk profile monitoring of the Company, the effectiveness of the risk management system and the internal control and auditing systems.
  - e) The absence of incompatibilities and an assessment of the independence of its members.
  - f) The main features of the EBD remuneration policy as defined by the Remuneration Committee.
  - g) An evaluation of the performance and the independence of the SA.
  - h) A brief summary of previous opinions procedures.
  - i) The authorisations granted regarding transactions between the Company and GSB members.
  - j) The execution of the GSB annual budget.
  - k) The Financial Matters Committee's opinion on the Company's financial statements.
3. The Chairman of the GSB is responsible for organising annual report draft, and an

Eventual Committee can be created specifically to this end. The report should then be approved by the Board at least 30 days prior to the Annual General Meeting.

## **Chapter IV**

### **PLENARY MEETINGS**

#### **Article 20**

##### **Organisation of GSB plenary meetings**

1. The GSB holds an ordinary meeting at least once a quarter, as well as extra meetings whenever convened by its Chairman, on its own initiative, or at the request of any of its members, the EBD or the Chairman of the EBD.
2. The dates and places of GSB meetings are established in the respective meeting notices, though the annual activity plan shall lay down guidelines on the meetings scheduling, without prejudice to the Chairman's power to make any adjustments that he/she sees fit.

#### **Article 21**

##### **Meetings' notice and agenda**

1. The GSB members or the Chairman of the EBD shall inform the Chairman of the GSB of matters that they wish to place on the agenda for appreciation by the plenary meeting, indicating the urgency of the request and providing supporting documents and any motions.
2. With the exception of meetings to issue previous opinions, which are subject to article 15(3), GSB plenary meetings are convened by its Chairman, and the meeting notice is communicated to the GSB members and to the Chairman of the EBD at least eight (8) days prior to the date of the meeting.
3. The meeting notice shall be sent together with the agenda, even if provisional, a summary of the issues to be discussed and the necessary supporting documents.
4. In exceptional situations, the meeting notice and supporting documents may be submitted outside the time limits referred to in the previous number 2.
5. If the agenda includes matters related to monitoring the EBD activity, the Chairman of the GSB shall inform the Chairman of the EBD that he/she will not be allowed to attend the discussion of these issues or have access to the relevant



documentation or information.

6. If the GSB includes a member elected under article 10(4) of EDP's Articles of Association, the Chairman of the GSB or the Eventual Committee appointed to this task should decide in advance whether an issue qualifies as sensitive in order to decide if this member can be present during discussion of the issue or have access to the relevant documentation or information. A definitive decision can be taken by the GSB at the beginning of the meeting.
7. By unanimous decision and full presence of all its members, the GSB can decide to meet in plenary without formal meeting notice procedures, as well as decide to add new items to the definitive agenda.
8. A plenary meeting can be convened by two GSB members or by the EBD, if the Chairman of the GSB has not convened a meeting within 15 days of receiving a request to do so by one of the GSB members or by EBD or the respective Chairman. In this case, with the necessary adaptations, the rules of this article will be applicable.

## **Article 22**

### **Participation on the meetings**

1. The Chairman of the GSB is responsible for chairing the meeting, introducing the agenda issues and giving the floor to those present in order to ensure the normal functioning of the meeting.
2. The members may attend and participate in the GSB meetings using communication means that provide real time transmission and reception of voice or voice and image. The authenticity of statements and the security of communications must be guaranteed, and their contents and their participants shall be recorded.
3. A member of the GSB may be represented at a meeting by another member after sending a proxy letter to the Chairman, subject to the following limitations:
  - a) No proxy may be used more than once.
  - b) No member may represent more than one other member.
  - c) Independent members may not represent or be represented by non-independent members.
4. In the event of a decision considered urgent by the Chairman of the GSB, members



who are unable to attend or be represented at a meeting may cast their vote by post or email, addressed to the Chairman.

5. The Chairman of the EBD has the right to attend the GSB meetings whenever he/she deems appropriate, except when resolutions concern EBD's activities.
6. The Chairman of the GSB may authorise attendance at all or part of meetings by other people whose presence is justified, announcing this authorisation at the beginning of the meeting.
7. The members of the GSB Support Office can attend the GSB Plenary meetings.
8. The Chairman of the GSB or any committee of such body appointed to this task, should decide in advance if any of the matters under discussion constitutes, by a legal, regulatory or geostrategic imposition, a situation of voting impediment of any member of the GSB.
9. Should any of the situation of voting impediment deriving from a legal, regulatory or geostrategic imposition arises under the terms of the previous number, the affected member of the GSB cannot attend the meetings, or parts of the meetings where such matters may be discussed neither can have access to the relevant documentation or information.

## **Article 23**

### **Quorum**

1. The GSB cannot make decisions without the majority of its members being present or represented.
2. The Company Secretary should confirm the existence of a decision-making quorum to the Chairman of the GSB.

## **Article 24**

### **Resolutions**

1. Decisions are taken by a majority of votes cast by members present or represented and postal votes.
2. Voting takes place in public, unless a prior decision is made to the contrary.
3. A GSB member should not participate in any voting in which he/she has a direct or indirect conflict of interest with the Company or a Subsidiary.



4. The execution of the GSB decisions is overseen by its Chairman.
5. After the closing of the GSB meeting, a summary of the adopted resolutions should be made available on the internal information sharing platform.

## **Article 25**

### **Confidentiality**

1. The contents of the plenary GSB meetings are confidential, as is all its supporting documentation.
2. Each GSB member shall take the necessary precautions to maintain the confidentiality of the documents and information that he/she receives prior to and during the meetings, even after the end of his/her term.
3. It must be ensured that the persons invited to prepare, attend or participate in plenary GSB meetings vow to maintain the confidentiality of the information they acquire.

## **Article 26**

### **Minutes**

1. The Company Secretary is responsible for drafting the minutes of the plenary GSB meetings.
2. The minutes are submitted to the Board for approval in the following meeting, at which GSB members can register comments that he/she deems appropriate.
3. The minutes are signed by all the members of the Board present at the meeting and by the Company Secretary.
4. The minutes should be made available on the internal information sharing platform.

## **Chapter V**

### **GSB COMMITTEES**

## **Article 27**

### **Mission and Activity**

1. Regardless of the maintenance of the responsibility for the exercise of its duties as a corporate body, the GSB will create Permanent and Eventual Committees composed of some of its members when it is considered appropriate and



necessary for the performance of certain specific duties.

2. Within the scope of these regulations and without affecting the terms of their constitution, the Permanent and Eventual Committees will have as their main mission the permanent and detailed oversight of the affairs that are entrusted to them, in order to ensure a GSB adequate decision-making process, or to provide information to the Board about particular issues.
3. The members of the Committees, including the respective chairman, and when adequate, the Vice- chairman, are nominated by the Plenary, under proposal of the Chairman.
4. The Committees' activity shall be coordinated by the Chairman of the GSB, who shall ensure appropriate articulation between it and GSB plenary meetings, through the Committees' Chairmen, who shall keep him/her informed of their activities, including sending the meetings' notice, presenting reports or written information on the most relevant matters, and respective minutes and additional information that may be requested by the Chairman
5. The Internal Regulations of each committee are approved by the Plenary, under proposal by the Chairman of the GSB or the respective Committee.
6. The Committees, under request to the Chairman of the GSB, can contract expert services for assistance with specific tasks when necessary to the execution of their activities.
7. The members of the GSB Support Office can assist the meetings of the committees, within the scope of the articulation of their activities with the Chairman of the GSB, according to this Internal Regulation.
8. Thirty days after its constitution, each committee must approve its Plan of Activities for the next twelve (12) months and present it to the Chairman of the GSB.
9. At the first half-year GSB ordinary meeting, the Committees' Chairmen shall present a summary report of the most important matters dealt by each committee.
10. Every year, the Committees shall present a report to the GSB on their work, together with the evaluation of their activities. These reports shall be included in the GSB annual report.
11. The Chairman of the relevant Committee or, in case of evident or eventual impediment of the latter, the Chairman of the GSB, or any committee of such body



appointed to this task, should decide in advance if any of the matters under discussion constitutes, by a legal, regulatory or geostrategic imposition, a situation of voting impediment of any of the respective members.

12. Should any of the situation of voting impediment deriving from a legal, regulatory or geostrategic imposition arises under the terms of the previous number, the affected member cannot attend the meetings, or parts of the meetings where such matters may be discussed neither can have access to the relevant documentation or information.

## **Article 28**

### **Permanent Committees**

The GSB will create the following Permanent Committees:

- a) The Financial Matters/Audit Committee with at least three independent members, to which the GSB delegates the responsibility of overseeing the company's financial affairs, as well as affairs related to risk management, especially taking into account article 23 (2) and (s) of EDP'S Articles of Association.
- b) The Remuneration Committee, with a majority of independent members, to which the GSB delegates the responsibility of setting the policy and the remuneration of members of the EBD, particularly pursuant to Article 27(1) of EDP'S Articles of Association.
- c) The Corporate Governance and Sustainability Committee, pursuant to article 23(1), composed by a majority of independent members, to which the GSB delegates the responsibility for monitoring matters related to:
  - i. Corporate governance.
  - ii. Strategic Sustainability.
  - iii. Conduct and ethics in-house codes.
  - iv. Systems for assessing and solving conflicts of interest, especially regarding EDP's shareholder relations.
  - v. Internal procedures and the relation between the Company and its Subsidiaries or Group companies and its employees, clients, providers and remaining shareholders.
- d) Strategy and Performance Committee, pursuant to Article 23(1) of EDP'S Articles of Association, with at least five members, to which the GSB will



delegate the responsibility of the following matters:

- i. Long, medium and short-term scenarios and strategy.
  - ii. Implementation of the strategic agenda, business plan and budget.
  - iii. Investments and divestments.
  - iv. Debt and financing.
  - v. Strategic alliances.
  - vi. Market evolution and competitiveness.
  - vii. Regulatory matters.
  - viii. The performance analysis of the Group and its business units.
  - ix. Comparative benchmarking taking into consideration the top companies of the sector.
  - x. Portfolio competitiveness evaluation of EDP businesses.
- e) United States of America Business Affairs Monitoring Committee, pursuant to Article 23(1) of EDP'S Articles of Association, with at least five members, to which the GSB delegates the monitoring of the following 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::
- i. The strategic/business plans, assessing the different developing scenarios in which they rest and their implementation.
  - ii. The annual budget.
  - iii. The investment, divestment, merger, acquisition and restructuring projects of significant value businesses.
  - iv. Financing transactions.
  - v. Alliances /strategic partnerships entered into by the Company and the specific actions deriving therefrom.
  - vi. Requests for prior opinion or waiver of prior opinion presented by the EBD.
  - vii. The compliance of the assumed commitments regarding public safety.

**Chapter VI**  
**FINAL PROVISIONS**  
**Article 29**  
**Publication**





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



## ANNEX 1

### STATEMENT OF ACCEPTANCE OF AN APPOINTMENT TO THE GSB DRAFT

I (*name, ID or passport number, address*), elected to a position on the General and Supervisory Board (GSB) of EDP at the General Meeting of Shareholders held on (*date*), hereby state on my honour that I accept said position and undertake to perform my duties with the highest standards of professional diligence and act with impartiality, care and loyalty in the pursuit of the company's interests.

I also state for all intents and purposes that:

- a) I have sufficient knowledge of the legal and regulatory provisions and the EDP's Articles of Association applicable to my duties and the activity of the Company.
- b) I unconditionally accept the rules set out in the Internal Regulations.
- c) I am not in any situation of incompatibility provided for by law in article 414-A(a)(b)(c)(d)(e)(g) and (h) (see article 434(4) and article 437(1) of the Companies Code (See Point I of the attached Informative Note).
- d) I am not in a situation of incompatibility due to the performance of unauthorised competitive activities on the terms and within the limits defined in article 10 of EDP's Articles of Association (see Point II of the attached Informative Note).
- e) I meet the requirements of independence set out in the GSB's Internal Regulations (see Point III of the attached Informative Note). (applicable only if the person has been elected as an independent member of the GSB).

I also state that I shall inform the Chairman of the GSB immediately of the subsequent occurrence of any circumstance that may constitute a situation of incompatibility with my status as a member of the GSB or loss of status as an independent member. (*applicable only if the person has been elected as an independent member of the GSB*).

Date:

Signature:



## ANNEX 2

### ANNUAL STATEMENT DRAFT

I (*name, ID or passport number, address*), elected to a position on the General and Supervisory Board (GSB) of EDP at the General Meeting of Shareholders held on (*date*), which I accepted in a written statement dated (*DD/MM/YY*), hereby declare on my honour that, since I was elected:

- a) I am not in any situation of incompatibility provided for by law in article 414-A(a)(b)(c)(d)(e)(g) and (h) (see article 434(4) and article 437(1) of the Companies Code (See Point I of the attached Informative Note).
- b) I have not been in a situation of incompatibility due to the performance of unauthorised competitive activities on the terms and within the limits defined in article 10 of EDP's Articles of Association (see Point II of the attached Informative Note).
- c) *I still meet the requirements of independence set out in the GSB's Internal Regulations* (see Point III of the attached Informative Note). (applicable only if the person has been elected as an independent member of the GSB).

Date:

Signature:



## INFORMATIVE NOTE

### Rules on incompatibilities and independence of GSB members

#### I – Rules on legal incompatibilities of GSB members

People in any of the situations indicated below may not be members of the GSB:

1. The person, his or her spouse or a relative to the third degree by birth or marriage<sup>1</sup>:
  - a) Is a beneficiary of particular advantages from the Company
  - b) Holds an administrative position at EDP
  - c) Is a member of the managing bodies of an EDP Group company or subsidiary
  - d) Is a member of an EDP subsidiary
2. The person or his or her spouse directly or indirectly provides services to or has a significant business relationship with EDP or a subsidiary.
3. The person performs management or supervisory duties at five companies, with the exception of law firms, firms of certified auditors and certified auditors, who are subject to the applicable law.

#### II - Rules on incompatibility of GSB members under the EDP's Articles of Association

Unless competitive activity has been authorised by EDP's General Meeting of Shareholders, pursuant to article 10(4) of EDP's Articles of Association, membership of the GSB is incompatible with<sup>2</sup>:

- a) The status of rival company<sup>3</sup> of EDP or a Group company or subsidiary.
- b) The status of a person or company related to a rival company of EDP<sup>4</sup>.

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1 The members of the Financial Affairs Committee are subject to the specific incompatibility set out in article 414-A of the Companies Code, according to which people who, on the conditions referred to in Point 1, work for a rival company and act on behalf or on the account of this company or are in any way bound to the interests of a rival company are not allowed to be members of said Committee.

2 To the extent permitted by law, incompatibility does not apply to rival companies in which EDP owns 50% or more of the share capital social or voting rights or natural persons who perform duties of any kind and for any reason or who are indicated albeit only *de facto*, at these rival companies, when the admission to a company position of the rival company or the contract with the rival company have been made by indication of EDP or one of its subsidiaries.

3 A rival company is any company that directly or indirectly engages in an activity in competition with that of EDP or a company in which EDP owns 50% or more of the share capital social or voting rights in Portugal or abroad, provided that, in the latter case, it is in a market in which EDP or a subsidiary operates on a regular basis. A company is considered to perform an activity in indirect competition with EDP if it directly or indirectly owns ten percent of the share capital or voting rights or ten per cent of its share capital or voting rights is owned by a company that engages in any of the activities undertaken by EDP or a subsidiary.

4 Persons are considered to be related to a rival company if :

- a) Their voting rights are imputable to it pursuant to article 20 of the Securities Code or any provisions amending or replacing it;
- b) They directly or indirectly own holdings in a rival company, a Group company or subsidiary, as set out in article 21 of the Securities Code or depend directly or indirectly on said company of 10% or more of the voting rights of the subsidiary.

- c) The performance of duties of any nature or for any reason, such as by admission to a company position, by employment agreement or service contract to the rival company or a company related to a rival company of EDP.
- d) The appointment, albeit only *de facto*, as a member of a corporate body by a rival company or natural person or company related to a rival company of EDP.

### **III – Rules on independence of GSB members (members elected with this status)**

Persons shall be considered independent if they are not associated with any specific interest group in the Company or in any circumstance likely to affect their impartiality in making analyses or decisions as a result of any of the situations indicated below applying to themselves or to their spouse or to the third degree by birth or marriage:

- a) They own, hold administrative functions, have contractual ties with or act on behalf of or on the account of owners of qualifying shareholdings of 2% or more of the share capital or voting rights of EDP or a similar percentage in a company that controls it.
- b) They own, hold administrative functions, have contractual ties with or act on behalf of or on the account of owners of qualifying shareholdings of 2% or more of the share capital or voting rights of a rival company.
- c) They have been re-elected for more than two consecutive or non-consecutive terms.
- d) Having exercised for twelve years, on a consecutive or non-consecutive basis, functions in any corporate body of the Company exception made to, from the end of its functions in any body and its new appointment, at least a three-year period has elapsed.
- e) Having, in the last three years, provided services or had a significant commercial relation with the Company or one of its Subsidiaries.
- f) Being a remuneration beneficiary paid by the Company or one of its Subsidiaries other than the remuneration deriving from the execution of its functions as a GSB member.