

	EDP Group's Tax Mission and Policy	OS 4/2017/CAE 24 February
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Considering the dimension and complexity of operations that EDP Group performs in the several geographies where it operates, it is necessary to reflect the practice and the principles followed in EDP through the formalization of the Group's tax mission and policy in order to, institutionally, conduct tax issues grounded in principles and guidelines which are transversal to all activities developed.

In this context, it is verified convenient to update EDP Group's Tax Mission and Policy (disclosed by OS 11/2014/CAE, dated 6th June) through the introduction of a new paragraph related to the need of the tax function of EDP Group companies being developed considering the transferpricing rules, namely OECD guidelines and the best international practices.

The **Executive Board of Directors** resolved:

1. To republish EDP Group's Tax Mission and Policy as per the document attached.
2. To apply this Service Order and the respective attachment to EDP Distribuição – Energia, S.A. and to EDP Gás Distribuição, S.A. as long as the respective content does not go against, respectively, OS 04/2014/CAE, dated 11th February, and OS 05/2014/CAE, dated 11th February.
3. To apply this Service Order and the respective attachment to EDP Serviço Universal, S.A. and to EDP Gás – Serviço Universal, S.A., as long as the respective content does not go against OS 02/2014/CAE, dated 11th February.
4. To charge EDP representatives at the board of directors of dominated companies, whether their registered seat is in Portugal or abroad, to implement the necessary measures to transpose the attached document.
5. To revoke OS 11/2014/CAE, dated 6th June.

The Executive Board of Directors

Annex: EDP Group's Tax Mission and Policy

Disclosure:

- General Managers
- BoD of the Group Companies
- Executive Officers of the Corporate Center and UNGE
- BoD of Fundação EDP

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EDP Group's Tax Mission

- The EDP Group considers it is an ethical and civic duty to contribute to the financing of the general functions of the States where the Group is present through the payment of taxes and contributions due in accordance with the applicable Constitution and remaining laws of those States, contributing to the welfare of citizens, to a sustainable development of the Group's local businesses and to the value creation for shareholders.

EDP Group's Tax Policy

- To comply with tax obligations foreseen in the respective legislations and arising from the businesses and social activities carried out by EDP Group in each country, through the payment of taxes and the compliance with any reporting obligations;
- To ensure an adequate and prudent interpretation of the law in force to the transactions performed, with the support of lawyers and external consultants and requiring the opinion of the local tax authorities when necessary and possible, in order to guarantee full compliance with the applicable legislation;
- To build a proactive, healthy and close relationship of cooperation with tax authorities of the various countries where the Group is present in order to obtain an adequate flow of the information, documentation and clarifications necessary to ensure an appropriate understanding of the transactions carried out by the Group in those countries;
- To carry out the tax function in the EDP Group companies with the utmost accuracy and professionalism in line with the "EDP Group's Tax Mission" and taking into account:
 - ❖ that are implemented the options which are most suitable to the business and shareholders in due compliance with the spirit and letter of the Law;
 - ❖ that the EDP companies defend their legitimate interests at the administrative level and, if necessary, at the court level, when it can be reasonably interpreted that the payment of taxes and contributions can raise questions of legality;
 - ❖ that the EDP companies use the tax benefits and incentives applicable in their region that are considered appropriate to the business carried out;
 - ❖ that, in the definition of the terms and conditions of the intra-group operations, the companies consider the applicable Transfer Pricing rules, OECD guidelines and international best practices.

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- To provide the conditions for individuals and entities that undertake any transactions with EDP to comply with any tax obligations directly deriving from such transactions, namely by providing the necessary generic/specific tax information or declarations which the EDP Group is legally obliged to provide or considers relevant.

Organizational Structure of the Tax Function in EDP Group

- Organize, manage and train a global group of professionals specialized in international and local taxation and exclusively dedicated to achieve full compliance with EDP Group's Tax Mission and Policy, with an active and permanent attention to the minimization of tax risks and to ensure the use of the tax benefits and incentives which are available and are reasonably applicable.