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**REPORT STATING THE REASONS OF THE PROPOSAL TO AMEND  
THE BYLAWS OF EDP RENOVÁVEIS, S.A.**

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## 1. PROPOSAL

The Board of Directors proposes to the Extraordinary General Meeting the amendment of the following articles of the Bylaws of EDP Renováveis, S.A.:

- 1.1 Amendment of Article 12.4 of the Bylaws ("Notice of General Meetings"), that will read as follows:

**12.4:** "Notices of all General Meetings will be published in the Commercial Registry's Official Gazette (Boletín Oficial del Registro Mercantil) and in the website of the Company at least one (1) month prior to the meeting."

- 1.2 Amendment of Article 12.6 of the Bylaws ("Notice of General Meetings") ("Convocatoria"), that will read as follows:

**12.6:** "The notice shall contain all the information required by the Law and shall indicate the place, which could be any in Spain coincident or not with the registered office municipality, the date and the hour of the first call of the meeting and all the matters that will be dealt in the meeting. The notice may also include, should it be the case, the date in which the General Meeting will take place on second call."

- 1.3 Amendment of **Article 26 of the Bylaws** ("Remuneration of the Directors") to add a new paragraph 26.4 and the enumeration of the other paragraphs of this article, with the following wording:

**26.4:** "The rights and duties of any kind derived from the condition of Board Member shall be compatible with any other rights and obligations either fixed or variable that could correspond to the Board Members as a consequence of other employment or professional engagements, if any, carried out in the Company. Variable remuneration resulting from said contracts or from any other relationship, including being a Board Member, will be limited to a maximum annual amount to be established by the General Shareholders' Meeting".

Enumeration of the other paragraphs of Article 26, so the old Article 26.4 becomes numbered as 26.5, and the old Article 26.5 becomes numbered as 26.6.

- 1.4 Amendment of Article 27.3 of the Bylaws ("Executive Committee"), which will read as follows:

**27.3:** "The Executive Committee is made up of at least six (6) Directors and not more than nine (9). The Board of Directors will be in charge of fixing the exact number of its members. The Chairman of the Executive Committee will be the Chairman of the Board of Directors or the Director appointed for such purpose by the Board of Directors, and in his absence, a member of the Executive Committee appointed for such purpose by the Board of Directors. The Secretary of the Executive Committee will be the same one of the Board of Directors and, in his absence, the Vice-Secretary. In the absence of both, the Secretary will be the one appointed by the Executive Committee for each meeting."

## 2. REPORT STATING THE REASONS

The referred proposal to amend the Bylaws are done for the following reason:

Amendments of the **Articles 12.4 y 12.6 of the Bylaws** are proposed to include the flexibilities regarding to the Notice of General Meeting and the place where the General Shareholders' Meeting shall be held provided in the Companies Act (Ley de Sociedades de Capital), according to the last wording given by the *Real Decreto-Ley 13/2010, de actuaciones en los ámbitos fiscal, laboral y liberalizadoras para fomentar la inversión y el empleo*.

Amendment of **Article 26 of the Bylaws** are proposed to aline the Bylaws of the Company to the best practices of market transparency, limiting any kind of remuneration received by the members of the Board of Directors, besides the one described on paragraphs 1 and 2 of the said Article, to a maximum annual limit to be established by the General Shareholders' Meeting.

Amendment of **Article 27.3 of the Bylaws** is proposed to increase the number of members of the Executive Committee, and to allow the new members proposed by the Nomination and Remuneration Committee in its meeting of May 3, 2011 to be part of the Executive Committee, establishing in a minimum of Six (6) and a maximum of nine (9).

In Lisbon (Portugal), on May 3, 2011.

The Board of Directors of **“EDP Renováveis, S.A.”**