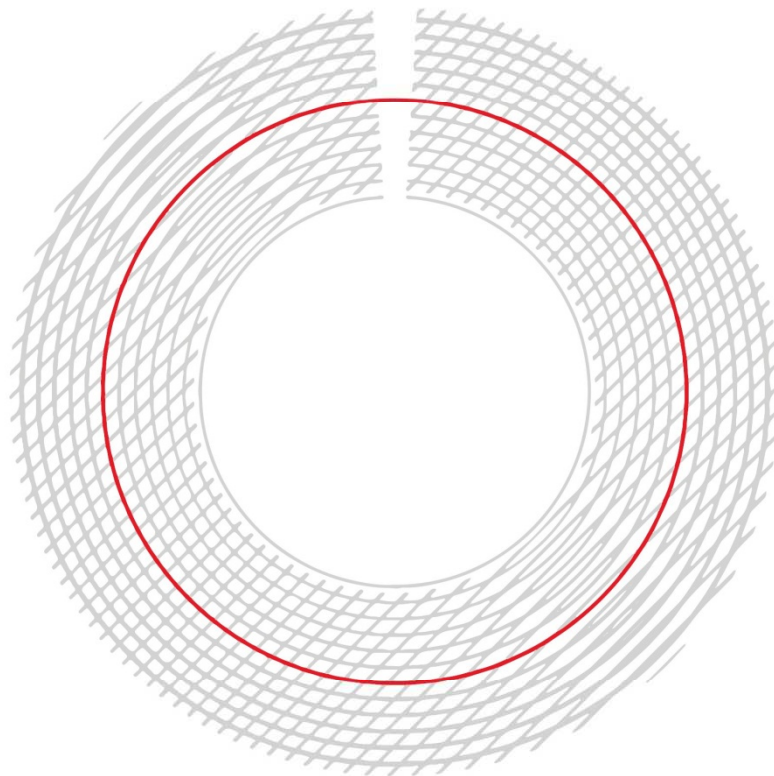

CORPORATE GOVERNANCE REPORT



edp renováveis

01

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CORPORATE GOVERNANCE

PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. CAPITAL STRUCTURE

1. CAPITAL STRUCTURE

EDP Renováveis, S.A. (hereinafter referred to as EDP Renováveis, EDPR or the Company) total share capital is, since its initial public offering (IPO) in June 2008, EUR 4,361,540,810 consisting of issued and fully paid 872,308,162 shares with nominal value of EUR 5.00 each. All the shares are part of a single class and series and are admitted to trading on the NYSE Euronext Lisbon regulated market.

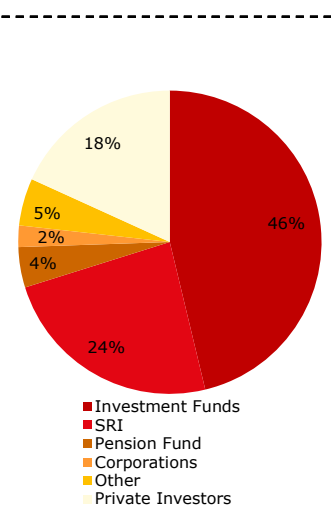
EDP RENOVÁVEIS, S.A.

Share Capital	EUR 4,361,540,810
Nominal Share Value	EUR 5.00
Number of Shares	872,308,162
NYSE Euronext Lisbon	
Isin	ES0127797019
Bloomberg Ticker	EDPR.LS
Reuters RIC	EDPR PL

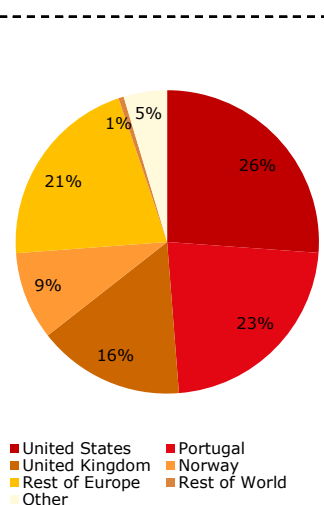
EDPR main shareholder is EDP Group, with 77.5% of share capital and voting rights. Excluding EDP Group holding, EDPR shareholders comprise about 92,000 institutional and private investors spread across more than 21 countries with main focus in United States, Portugal, United Kingdom and Norway. In Rest of Europe, France and Switzerland were the most representative countries.

Institutional Investors represented 82% of Company shareholders (ex-EDP Group), mainly Investment and SRI funds, while Private Investors, mostly Portuguese, stand for the remaining 18%.

INVESTOR TYPE
(ex-EDP Group)



INVESTOR BY GEOGRAPHY
(ex-EDP Group)



2. RESTRICTIONS TO THE TRANSFERABILITY OF SHARES

EDPR's Articles of Association have no restrictions on the transferability of shares.

3. OWN SHARES

EDPR does not hold own shares.

4. CHANGE OF CONTROL

EDPR has not adopted any measures designed to prevent successful takeover bids.

The Company has taken no defensive measures for cases of a change in control in its shareholder structure.

EDPR has not entered into any agreements subject to the condition of a change in control of the Company, other than in accordance with normal practice in case of financing of certain wind farm projects by some of its group companies and on the case of intra-group agreements.

5. SPECIAL AGREEMENTS REGIME

EDPR does not have a system for the renewal or withdrawal of counter measures particularly to provide for the restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

6. SHAREHOLDERS AGREEMENTS

The Company is not aware of any shareholders' agreement that may result in restrictions on the transfer of securities or voting rights.

II. SHAREHOLDINGS AND BONDS HELD

7. QUALIFIED HOLDINGS

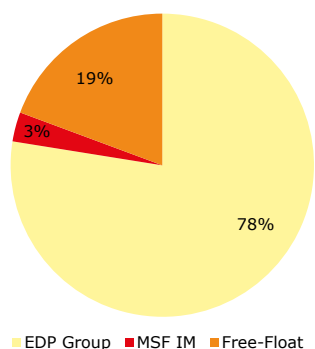
Qualifying holdings in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholder's holdings.

As of December 31st 2013 the following qualified holdings were identified:

SHAREHOLDER	# Shares	% Capital	% Voting Rights
EDP – Energias de Portugal, S.A. – Sucursal en España	541,027,156	62%	62%
Hidroeléctrica del Cantábrico, S.A.	135,256,700	15.5%	15.5%
EDP – Energias de Portugal	676,283,856	77.5%	77.5%
MFS Investment Management	27,149,038	3.1%	3.1%
Total Qualified Holdings	703,432,894	80.6%	80.6%

As of December 31st, 2013, EDPR's shareholder structure consisted of a total qualified shareholding of 80.6%, with EDP Group and MSF Investment Management detaining 77.5% and 3.1% of EDPR total capital respectively, free-float represented 19.4% of the shares.

SHAREHOLDER STRUCTURE



In September 2013, MFS Investment Management notified EDPR of a qualified shareholding of 3.1% of share capital and the respective 3.1% of voting rights. MFS Investment Management is an American based active and global asset manager.

8. SHARES HELD BY THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

The table below reflects the number of EDPR shares owned, directly or indirectly, by the Board Members, as of December 31st of 2013. The transactions of shares by EDPR Board Members are reported to the regulatory and supervisory entities (CMVM – Comissão de Mercado de Valores Mobiliários – in Portugal and CNMV – Comisión Nacional del Mercado de Valores – in Spain).

As regards to bonds, EDPR has no marketable bonds outstanding.

Board Member	Transactions reported in 2013				Number of Shares (31st Dec 2013)		
	Type	# Shares	Date	Price	Direct	Indirect	Total
António Mexia					3,880	320	4,200
João Manso Neto					-	-	-
Nuno Alves					5,000	-	5,000
João Marques da Cruz					1,200	-	1,200
Gabriel Alonso					26,503	-	26,503
João Paulo Costeira					3,000	-	3,000
Rui Teixeira					12,000	370	12,370
Acácio Piloto					300	-	300
António Nogueira Leite					400	-	400
Gilles August					-	-	-
João Raimundo					170	670	840
João Mello Franco					380	-	380
Jorge Santos					200	-	200
José Araújo e Silva					80	-	80
José Ferreira Machado	Acquisition	600	11-04-13	€ 3.61	630	-	630
Manuel Menéndez Menéndez					-	-	-
Rafael Caldeira Valverde					-	-	-

9. POWERS OF THE BOARD OF DIRECTORS

The Board of Directors is vested with the broadest powers to manage, supervise and govern the Company, with no other limitations besides the powers expressly granted to the exclusive jurisdiction of General Meetings in Article 13 of the Company's Articles of Association or in the applicable law. Within this context, the Board is empowered to:

- Acquire on a lucrative or onerous title basis personal and real property, rights, shares and interests that may suit the Company;
- Sell and mortgage or charge personal and real property, rights, shares and interests of the Company and cancel mortgages and other rights in rem;
- Negotiate and conclude as many loans and credit operations that it may deem appropriate;
- Enter and formalize all sorts of acts or contracts with public entities or private persons;
- Exercise civil and criminal actions and all further actions to be undertaken by the Company, representing it before governmental officers, authorities, corporations, governing, administrative, administrative-economic, administrative-litigation and judicial courts, labour courts and the labour sections ("Juzgados de lo Social e Salas de lo Social") of the Supreme Court and of the High Courts of the Autonomous Communities, with no limitations whatsoever, including before the European Court of Justice, and in general before the Government, in all its levels and hierarchies; to intervene or promote, follow and terminate, through all procedures and instances, the processes, court sections or proceedings; to accept decisions, to file any kind of appeal, including the cassation one and other extraordinary appeals, to discontinue or confess, to agree an early termination of a proceeding, to submit litigious questions to arbitration judges, and to carry out all sorts of notices and requirements and to grant a power of attorney to Court Representatives and other representatives, with the case-related powers and the powers which are usually granted to litigation cases and all the special powers applicable, and to revoke such powers;
- Agree the allotment of dividends;
- Call and convene General Meetings and submit to them the proposals that it deem appropriate;
- Direct the Company and organize its operations and exploitations by acknowledging the course of the Company businesses and operations, managing the investment of funds, making extraordinary depreciations of bonds in circulation and realizing anything that it is considered appropriate to obtain maximum gains towards the object of the Company;
- Freely appoint and dismiss Directors and all the Company's technical and administrative personnel, defining their office and their retribution;
- Agree any changes of the registered office's address within the same borough;
- Incorporate under the law all sorts of legal persons; contribute and assign all sorts of assets and rights, as well as entering merger and cooperation agreements, association, grouping and temporary union agreements between companies or businesses and joint property agreements and agreeing their alteration, transformation and termination;

- All further powers expressly granted to the Board in these Articles or in the applicable law. This list is without limitations and has a mere indicative nature.

Regarding the decisions to increase the share capital, the Board of Directors does not have this power but, subject to prior delegation from the General Shareholders' Meeting, would be able to decide the increase of the share capital. This delegation must comply with the law and the By-Laws.

On the other hand, the General Shareholders' Meeting may also delegate to the Board of Directors the power to implement an adopted decision to increase the share capital, indicating the date or dates of its implementation and establishing any other conditions that have not been specified by the General Shareholders' Meeting. The Board of Directors may use this delegation wholly or in part and may also decide not to perform it in consideration of the conditions of the Company, the market, or any particularly relevant events or circumstances that justify said decision, of which the General Shareholders' Meeting must be informed at the end of the time limit or limits for performing it.

As of today this power has never been delegated.

10. SIGNIFICANT BUSINESS RELATIONSHIPS BETWEEN THE HOLDERS OF QUALIFYING HOLDINGS AND THE COMPANY

Information on any significant business relationships between the holders of qualifying holdings and the Company is on topic 90 of this Report.

B. CORPORATE BOARDS AND COMMITTEES

I. GENERAL MEETING

A. COMPOSITION OF THE PRESIDING BOARD OF THE GENERAL MEETING

11. BOARD OF THE GENERAL SHAREHOLDERS' MEETING

The Members of the Board of the General Shareholders' Meeting are the Chairperson of the General Shareholders' Meeting, the Chairperson of the Board of Directors, or his substitute, the other Directors, and the Secretary of the Board of Directors.

The Chairperson of the General Shareholders' meeting, Rui Chancerelle de Machete, was elected on June 4th, 2008 and re-elected on April 11th, 2011 for a three-year term. However, as a result of having been appointed Foreign Affairs Minister of Portugal, the Chairperson of the General Shareholders' meeting had to resign on July 2013.

The Chairperson of the Board of Directors, António Mexia, was re-elected on June 21st, 2011 for a three-year term.

The Secretary of the General Shareholders' Meeting, Emilio García-Conde Noriega, was nominated as Secretary of the Board on December 4th, 2007. The Secretary of the Board mandate does not have a date for the end of the term according to the Spanish Companies Law since he is a non-member of the Board.

Apart from the Board of the General Shareholders' Meeting, the Chairperson of the General Shareholders' Meeting of EDPR has the appropriate human and logistical resources for his needs. Therefore in addition to the resources from the Company Secretary and the legal support provided for that purpose, the Company hires a specialized entity to collect, process and count the votes on each General Shareholders' Meeting.

B. EXERCISING THE RIGHT TO VOTE

12. RESTRICTIONS VOTING RIGHTS

Each share entitles its holder to one vote. EDPR's Articles of Association have no restrictions regarding voting rights.

13. VOTING RIGHTS

EDPR's Articles of Association has no reference to a maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship. All shareholders, irrespective of the number of shares that they own, may attend a General Shareholders' Meeting and take part in its deliberations with right to speak and vote.

In order to exercise their right to attend, the Company informs in its Summon and shareholders guide of the General Shareholders' Meeting that the shareholders must have their shares registered in their name in the Book Entry Account at least five (5) days in advance of the date of the General Shareholders' Meeting.

Any shareholder with the right to attend may be represented at the General Shareholders' Meeting by a third party, even if this person is not a shareholder. Such Power of attorney is revocable. The Board of Directors may require shareholders' power of attorney to be in the Company's possession at least two (2) days in advance, indicating the name of the representative.

Said powers of attorney shall be specific to each General Shareholders' Meeting and can be evidenced, in writing or by remote means of communication, such as post.

Shareholders may vote on chapters on the agenda, relating to any matters of the Shareholder's competence, by mail or electronic communication.

Remote votes can be revoked subsequently by the same means used to cast them within the time limit established for the purpose or by personal attendance at the General Shareholders' Meeting by the shareholder who casted the vote to his/her representative.

The Board of Directors approves a Shareholder's Guide for the General Shareholders' Meeting, detailing mail and electronic communication voting forms among other matters. It is at the shareholder's disposal at www.edprenovaveis.com.

Votes by mail shall be sent in writing to the place indicated on the summon of the meeting, accompanied by the documentation indicated in the Shareholder's Guide. Pursuant to the terms of article 15 of the Articles of Association, mail-in votes must be received by the Company before midnight (24.00 hours) on the day before the scheduled meeting date on first call.

In order to vote by electronic communication, the shareholders will receive a password for voting by electronic communication within the time limit and in the form established in the call of the General Shareholders' Meeting. Pursuant to the terms of article 15 of the Articles of Association, electronic votes must be received by the Company before midnight of the day before the scheduled meeting date on first call.

14. DECISIONS THAT CAN ONLY BE ADOPTED BY A QUALIFIED MAJORITY

According to EDPR's Articles of Association and as established on the law, both ordinary and extraordinary General Shareholders' Meetings are validly constituted when first called if the Shareholders, either present or represented by proxy, represent at least twenty five percent (25%) of the subscribed voting capital. On the second call, the General Shareholders' Meeting will be validly constituted regardless of the amount of the capital present in order to comply with the minimum established under the Spanish Companies Law.

Nonetheless, to validly approve the issuance of bonds, the increase or reduction of capital, the transformation, merger or spin-off of the Company, and in general any necessary amendment to the Articles of Association, the Ordinary or Extraordinary Shareholders' Meeting will need: on the first call, that the Shareholders, either present or represented by proxy, represent at least fifty percent (50%) subscribed voting capital and, on the second call, that the Shareholders, either present or represented by proxy, represent at least twenty five percent (25%) of the subscribed voting capital. In the event the shareholders attending represent less than fifty percent (50%) of the subscribed voting capital, the above mentioned resolutions will only be validly adopted with the favourable vote of two-thirds(2/3) of the present or represented capital in the General Shareholders' Meeting.

EDPR has not established any mechanism that may intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share and has not adopted mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.

II. MANAGEMENT AND SUPERVISION

A. COMPOSITION

15. CORPORATE GOVERNANCE MODEL

EDPR has adopted the governance structure in effect in Spain. It comprises a General Shareholders' Meeting and a Board of Directors that represents and manages the Company.

As required by law and the Articles of Association, the Company's Board of Directors has set up four committees. These are the Executive Committee, the Audit and Control Committee, the Nominations and Remunerations Committee and the Related-Party Transactions Committee.

The governance model of EDPR is designed to ensure the transparent, meticulous separation of duties and the specialization of supervision. The most important bodies in the management and supervision model at EDPR are the following:

- General Shareholders' Meeting
- Board of Directors
- Executive Committee
- Audit and Control Committee
- External auditor

The purpose of the choice of this model by EDPR is to adapt, to the extent possible, the Company's corporate governance structure to the Portuguese legislation. The governance model adopted by EDPR therefore seeks, insofar as it is compatible with its personal law, to correspond to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit and Control Committee.

The choice of this model is essentially an attempt to establish compatibility between two different systems of Company law, which can be considered applicable to this model.

The experience of institutional operating indicates that the governance model adopted by the shareholders is appropriate to the corporate organization of EDPR activity, especially because it affords transparency and a healthy balance between the management functions of the Executive Committee, the supervisory functions of the Audit and Control Committee and oversight by different Board of Directors special committees.

The institutional and functional relationship between the Executive Committee, the Audit and Control Committee and the other non-executive members of the Board of Directors has been of internal harmony conducive to the development of the Company's business.

In order to ensure a better understanding of EDPR corporate governance by its shareholders, the Company posts its updated Articles of Association as well as its Committees Regulations at www.edprenovaveis.com

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. EDP Renováveis' corporate organization is subject to its personal law and to the extent applicable, to the recommendations contained in the Portuguese Corporate Governance Code, ("Código de Governo das Sociedades") approved by the Comissão do Mercado de Valores Mobiliários (CMVM) (Portuguese Securities Market Commission) in July 2013. This governance code is available to the public at CMVM website (www.cmvm.pt).

The organization and functioning of EDPR corporate governance model is designed to achieve the highest standards of corporate governance, business conduct and ethics referenced on the best national and international practices in corporate governance.

16. RULES FOR THE NOMINATION AND REPLACEMENT OF DIRECTORS

Pursuant to Article 29, nº 5 of the Company's Articles of Association, the Nominations and Remunerations Committee is empowered by the Board of Directors to advise and inform the Board regarding nominations (including by co-optation), re-elections, dismissal and remuneration of the Board and of its office, as well as regarding the composition of the several Committees of the Board, and the appointment, remuneration and dismissal of top management officers. The Committee proposes the nomination and re-election of the Directors and of the members of the various Committees by presenting a proposal with the names of the candidates that the Committee considers having the best qualities to fulfil the role of Board Member. The Board of Directors presents the proposal at the General Shareholders' Meeting for approval, which should be, accepted by majority for an initial period of three (3) years and may re-elect these members once or more times for further periods of three (3) years. Nonetheless, pursuant to Article 23 of the Articles of Association and 243 of the Spanish Companies Law, shareholders wishing so, may group their shares until they constitute an amount of capital equal or higher than the result of dividing it by the number of Directors and nominate those that, using only whole fractions, are deducted from the corresponding proportion. Those making use of this power cannot intervene in the nomination of the other members of the Board of Directors.

In case of a vacancy, pursuant to Article 23 of the Articles of Association and 243 of the Spanish Companies Law, the Board of Directors may co-opt a shareholder, who will occupy the position until the next General Shareholders' Meeting, to which a proposal will be submitted for the ratification of said co-option. Pursuant to Article 247 of the Spanish Companies Law, the co-option of Directors, as for other Board decisions, must be approved by absolute majority of the Directors at the meeting.

17. COMPOSITION OF THE BOARD OF DIRECTORS

Pursuant to Articles 20 and 21 of the Company's Articles of Association, the Board of Directors shall consist of no less than five (5) and no more than seventeen (17) Directors. Their term of office shall be of three (3) years, and they may be re-elected once or more times for equal periods.

The number of Board Members was fixed in seventeen (17) members according to the decision of the General Shareholders' Meeting held on June 21st, 2011.

Name	Position	Date of first appointment	Date of Re-election	End of Term
António Mexia	Chairperson and Director	18/03/2008	21/06/2011	21/06/2014
João Manso Neto	Vice-Chairperson, CEO	18/03/2008	21/06/2011	21/06/2014
João Marques da Cruz	Director	16/05/2012	-	21/06/2014
Nuno Alves	Director	18/03/2008	21/06/2011	21/06/2014
Gabriel Alonso	Director	21/06/2011	-	21/06/2014
João Paulo Costeira	Director	21/06/2011	-	21/06/2014
Rui Teixeira	Director	11/04/2011	21/06/2011	21/06/2014
Acácio Piloto*	Director	26/02/2013	-	21/06/2014
António Nogueira Leite*	Director	26/02/2013	-	21/06/2014
Gilles August	Director	14/04/2009	21/06/2011	21/06/2014
João Raimundo	Director	04/06/2008	21/06/2011	21/06/2014
João Mello Franco	Director	40/06/2008	21/06/2011	21/06/2014

Jorge Santos	Director	04/06/2008	21/06/2011	21/06/2014
José Araújo e Silva	Director	04/06/2008	21/06/2011	21/06/2014
José Ferreira Machado*	Director	26/02/2013	-	21/06/2014
Manuel Menéndez Menéndez	Director	04/06/2008	21/06/2011	21/06/2014
Rafael Caldeira Valverde	Director	04/06/2008	21/06/2011	21/06/2014

*On February 26th, 2013, Mr. Acácio Piloto, Mr. António Nogueira Leite and Mr. José Ferreira Machado were elected by co-option as Members of the Board of Directors. The co-option proposal was made according to Article 23, nº 2, of EDPR's Articles of Association. On April 23rd, 2013, their election was ratified at the General Shareholders' Meeting.

18. EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

EDPR's Articles of Association, which are available for consultation on the Company's website (www.edprenovaveis.com), contains the rules on independence for the fulfilment of duties in any body of the Company. The independence of the Directors is evaluated according to the Company's personal law, the Spanish law.

Following the recommendations of CMVM, Article 12 of the Board of Directors regulations require that at least twenty-five percent (25%) of the Members of the Board have to be independent. Article 20.2 of EDPR's Articles of Association defines independent members of the Board of Directors as those that are able to perform their duties without being limited by relations with the Company, its shareholders with significant holdings, or its Directors and comply with the other legal requirements.

In addition, pursuant to Article 23 of the Articles of Association, the following may not be Directors:

- People who are Directors of or are associated with any competitor of EDPR and those who are related to the above. A Company shall be considered to be a competitor of EDPR if it is directly or indirectly involved in the generation, storage, transmission, distribution, sale, or supply of electricity or combustible gases and also those that have interests opposed to those of EDPR, a competitor or any of the companies in its Group, and Directors, employees, lawyers, consultants, or representatives of any of them. Under no circumstances shall companies belonging to the same group as EDPR, including abroad, be considered competitors;
- People who are in any other situation of incompatibility or prohibition under the law or Articles of Association. Under Spanish law, people, among others, who are i) aged under eighteen (18) years, (ii) disqualified, (iii) competitors; (iv) convicted of certain offences, or (v) hold certain management positions are not allowed to be Directors.

The Chairperson of EDPR's Board of Directors does not have executive duties.

The following table includes the executive, non-executive and independent members of the Board of Directors. The independent members mentioned below meet the independence and incompatibility criteria's required by the law and the Articles of Association.

Name	Position
António Mexia	Chairperson and Non-Executive Director
João Manso Neto	Vice-Chairperson and Executive Director
João Marques da Cruz	Non-Executive Director
Nuno Alves	Executive Director
Gabriel Alonso	Executive Director
João Paulo Costeira	Executive Director
Rui Teixeira	Executive Director
Acácio Piloto	Non-Executive and Independent Director
António Nogueira Leite	Non-Executive and Independent Director
Gilles August	Non-Executive and Independent Director
João Raimundo	Non-Executive and Independent Director
João Mello Franco	Non-Executive and Independent Director
Jorge Santos	Non-Executive and Independent Director
José Araújo e Silva	Non-Executive and Independent Director
José Ferreira Machado	Non-Executive and Independent Director
Manuel Menéndez Menéndez	Non-Executive Director
Rafael Caldeira Valverde	Non-Executive and Independent Director

19. PROFESSIONAL QUALIFICATIONS AND BIOGRAPHIES OF THE MEMBERS OF THE BOARD OF DIRECTORS

The positions held by the members of the Board of Directors in the last five (5) years, those that they currently hold, positions in Group and non-Group companies and other relevant curricular information is available on Annexes I, II, III and IV respectively.

20. FAMILY, PROFESSIONAL AND BUSINESS RELATIONSHIPS OF THE MEMBERS OF THE BOARD OF DIRECTORS WITH QUALIFYING SHAREHOLDERS

Qualifying holdings in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholder's holdings. As of December 31st 2013, and as far as the Company was informed, there are no family or business relationships of Members of the Board of Directors with qualifying shareholders but only professional relationships due to the fact that some of the Members of EDPR's Board of Directors are currently Members of the Board of Directors in other companies belonging to the same group as EDP - Energias de Portugal S.A., which are the following:

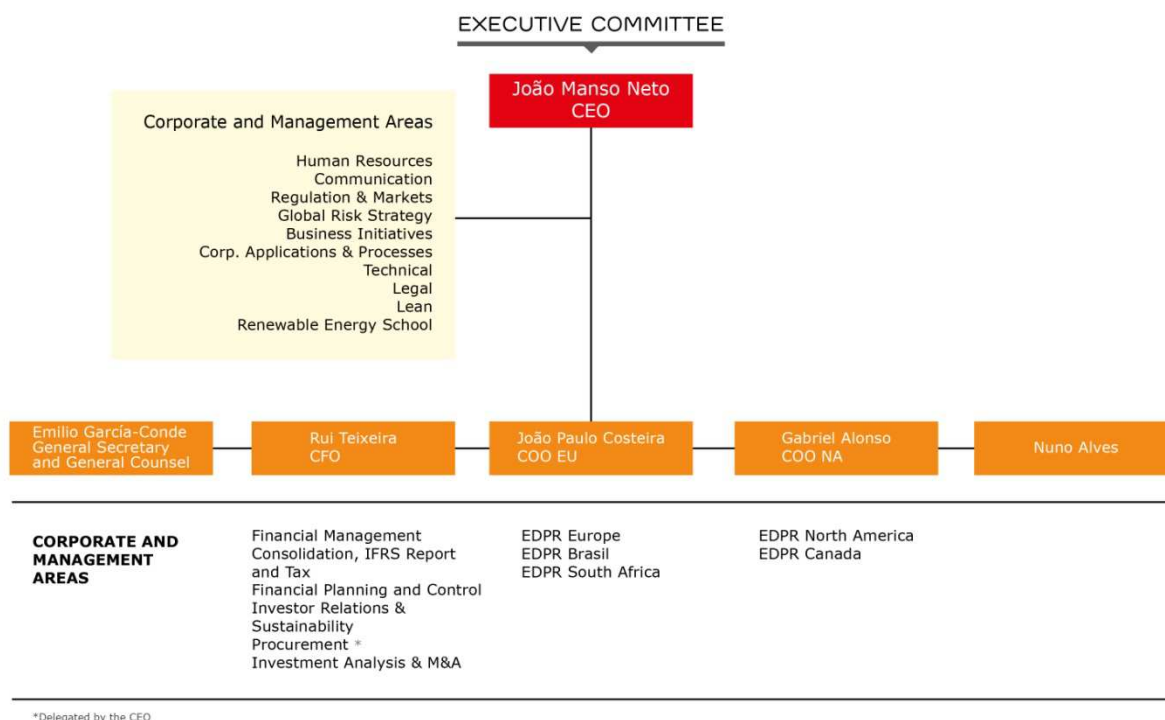
- António Mexia
- João Manso Neto
- João Marques da Cruz
- Nuno Alves
- Manuel Menéndez Menéndez

Or employees in other companies belonging to EDP's group, which are the following:

- João Costeira
- Rui Teixeira

21. MANAGEMENT STRUCTURE

10



According to the Spanish Law and the Spanish companies' practices, the daily management of the business is guaranteed by a Chief Executive Officer who is empowered to ensure the day-to-day management of the Company. This type of organization is different from what occurs on the Portuguese companies in which a "conselho de administração executivo" takes the assignment of areas of business and each executive director is responsible to and for an area of business.

B. FUNCTIONING

22. BOARD OF DIRECTORS REGULATIONS

EDPR's Board of Directors Regulations is available to the public on the Company's website at www.edprenovaveis.com and at the Company's headquarters at Plaza de la Gesta, 2, Oviedo, Spain.

23. NUMBER OF MEETINGS HELD BY THE BOARD OF DIRECTORS

The Board of Directors held six (6) meetings during the year ending on December 31st, 2013. Minutes of all meetings were drawn up. The table below expresses the attendance percentage of the participation of the Directors to the meetings held during 2013:

Name	Position	Attendance %
António Mexia	Chairperson and Director	100%
João Manso Neto	Vice-Chairperson, CEO	100%
João Marques da Cruz	Director	83.5%
Nuno Alves	Director	83.5%
Gabriel Alonso	Director	66.8%
João Paulo Costeira	Director	100%
Rui Teixeira	Director	66.8%
Acácio Piloto	Director (Independent)	100%
António Nogueira Leite	Director (Independent)	100%
Gilles August	Director (Independent)	50%
João Raimundo	Director (Independent)	83.5%
João Mello Franco	Director (Independent)	100%
Jorge Santos	Director (Independent)	100%
José Araújo e Silva	Director (Independent)	100%
José Ferreira Machado	Director (Independent)	100%
Manuel Menéndez Menéndez	Director	66.8%
Rafael Caldeira Valverde	Director (Independent)	83.5%

24. COMPETENT BODY FOR THE PERFORMANCE APPRAISAL OF EXECUTIVE DIRECTORS

The Nominations and Remunerations Committee is the body responsible for the evaluation of the performance of the Executive Directors.

25. PERFORMANCE EVALUATION CRITERIA

The criteria's for assessing the executive directors' performance are described on topics 70, 71 and 72 of the Report.

26. AVAILABILITY OF THE MEMBERS OF THE BOARD OF DIRECTORS

EDPR's members of the Board of Directors are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with other positions. The positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of the Board of Directors throughout the financial year are listed in Annexes I, II and III, respectively.

C. COMMITTEES WITHIN THE BOARD OF DIRECTORS OR SUPERVISORY BOARD AND BOARD DELEGATES

27. BOARD OF DIRECTORS' COMMITTEES

Pursuant to Article 10 of the Company's Articles of Association the Board of Directors may have delegated bodies. The Board of Directors has created four Committees:

- Executive Committee
- Audit and Control Committee
- Nominations and Remunerations Committee
- Related-Party Transactions Committee

The Board of Directors' Committees regulations are available to the public at the Company's website, www.edprenovaveis.com.

28. EXECUTIVE COMMITTEE COMPOSITION

Pursuant to Article 27 of the Company's Articles of Association, the Executive Committee shall consist of no less than four (4) and no more than seven (7) Directors.

Its constitution, the nomination of its members and the extension of the powers delegated must be approved by two-thirds (2/3) of the members of the Board of Directors.

The Board of Directors fixed the number of members of the Executive Committee of five (5), plus the Secretary. The current members are:

- João Manso Neto, who is the Chairperson and Chief Executive Officer
- Gabriel Alonso
- João Costeira
- Nuno Alves
- Rui Teixeira

Additionally, Emilio García-Conde Noriega is the Secretary of the Executive Committee.

29. COMMITTEES COMPETENCES

EXECUTIVE COMMITTEE

FUNCTIONING OF THE EXECUTIVE COMMITTEE

In addition to the Articles of Association, this committee is also governed by its regulations approved on June 4th, 2008. The committee regulations are available to the public at www.edprenovaveis.com.

The Executive Committee shall meet at least once a month and whenever is deemed appropriate by its Chairperson, who may also suspend or postpone meetings when he sees fit. The Executive Committee shall also meet when requested by at least two (2) of its members.

- 12 The Chairperson of the Executive Committee, who is currently also the Vice-Chairperson of the Board of Directors, shall send to the Chairperson of the Audit and Control Committee invitations to the Executive Committee meetings and the minutes of those meetings. The Chairperson of the Board of Directors also receives the minutes of the meetings of the Executive Committee.

Meetings of the Executive Committee are valid if half of its members plus one are present or represented. Decisions shall be adopted by simple majority. In the event of a tie, the Chairperson shall have the casting vote.

Executive Directors shall provide any clarifications needed by the other Directors or corporate bodies whenever requested to do so.

The composition of the Executive Committee is described on the previous topic.

The Executive Committee is a permanent body to which all the competences of the Board of Directors that are delegable under the law and the Articles of Association can be delegated, with the exception of the following:

- Election of the Chairperson of the Board of Directors;
- Nomination of Directors by co-option;
- Request to convene or convening of General Shareholders' Meetings;
- Preparation and drafting of the Annual Management Report and Accounts and submission to the General Shareholders' Meeting;
- Change of registered office; and
- Drafting and approval of the proposal for mergers, spin-off, or transformation of the Company.

2013 ACTIVITY

In 2013 the Executive Committee held 47 meetings. The Executive Committee main activity is the daily management of the Company.

AUDIT AND CONTROL COMMITTEE

Pursuant to Article 28 of the Company's Articles of Association and Articles 8 and 9 of the Committee's Regulations, the Audit and Control Committee consists of no less than three (3) and no more than five (5) members.

The Audit and Control committee consists of three (3) independent members, plus the Secretary. The current members are:

- João Mello Franco, who is the Chairperson
- João Raimundo
- Jorge Santos

Additionally, Mr. Emilio García-Conde Noriega is the Secretary of the Audit and Control Committee.

Pursuant to Article 28 of the Articles of Association, the members of the Audit and Control Committee are nominated by the Board of Directors. The term of office of the Chairperson of the Audit and Control Committee is three (3) years, after which he may only be re-elected for a new term of three (3) years. Nonetheless, chairpersons leaving the committee may continue as members of the Audit and Control Committee.

The competences of the Audit and Control Committee are as follows:

- Reporting, through the Chairperson, at General Shareholders' Meetings on questions falling under its jurisdiction;
- Proposing the nomination of the Company's auditors to the Board of Directors for subsequent approval by the General Shareholders' Meeting, as well as the contractual conditions, scope of the work – specially concerning audit services, "audit related" and "non-audit" – annual activity evaluation and revocation or renovation of the auditor nomination;
- Supervising the finance reporting and the functioning of the internal risk management and control systems, as well as, evaluate those systems and propose the adequate adjustments according to the Company necessities;
- Supervising internal audits and compliance;
- Establish a permanent contact with the external auditors to assure the conditions, including the independence, adequate to the services provided by them, acting as the Company speaker for these subjects related to the auditing process, and receiving and maintaining information on any other questions regarding accounting subjects;
- Preparing an annual report on its supervisory activities, including eventual constraints, and expressing an opinion on the Management Report, the Accounts and the proposals presented by the Board of Directors;
- Receiving notices of financial and accounting irregularities presented by the Company's employees, shareholders, or entity that has a direct interest and judicially protected, related with the Company social activity;
- Engaging the services of experts to collaborate with Committee members in the performance of their functions. When engaging the services of such experts and determining their remuneration, the importance of the matters entrusted to them and the economic situation of the Company must be taken into account;
- Drafting reports at the request of the Board and its committees;
- Reflecting on the governance system adopted by EDPR in order to identify areas for improvement;
- Any other powers entrusted to it by the Board of Directors or the Articles of Association.

FUNCTIONING OF THE AUDIT AND CONTROL COMMITTEE

In addition to the Articles of Association and the law, this committee is governed by its regulations approved on June 4th, 2008, amended on May 4th, 2010 available to the public at www.edprenovaveis.com.

The committee shall meet at least once a quarter and additionally whenever its Chairperson sees fit.

Decisions shall be adopted by simple majority. The Chairperson shall have the casting vote in the event of a tie.

2013 ACTIVITY

In 2013, the Audit and Control Committee's activities included the following: (I) monitor the closure of quarterly accounts, the first half-year and year end accounts, to familiarize itself with the preparation and disclosure of financial information, internal audit, internal control and risk management activities; (II) analysis of relevant rules to which the committee is subject in Portugal and Spain, (III) assessment of the external auditor's work, especially concerning with the scope of work in 2013 and approval of all "audit related" and "non-audit" services, (IV) supervision of the quality and integrity of the financial information in the financial statements and participation in the Executive Committee meeting at which these documents were analysed and discussed, (V) drafting of an opinion in the individual and consolidated annual reports and accounts, in a quarterly, half year and yearly basis (VI) pre-approval of the 2013 Internal Audit Action Plan, (VII) supervision of the quality, integrity and efficiency of the internal control system, risk management and internal auditing, (VIII) reflection on

the corporate governance system adopted by EDPR, (IX) analysis of the evolution of the SCIRF project, (X) information about the whistle-blowing, (XI) quarterly and annual report of its activities, (XII) The Audit and Control Committee participated on the Tender to select the External Auditor for EDP's Group for a three year term (2014-2016). The Chairperson of the Audit and Control Committee was part of the Evaluation Commission that selected the final proposal. The Audit and Control Committee will present on the next Board of Directors meeting the proposal for the appointment of the External Auditor to be submitted to approval at the next General Shareholders' Meeting according to Article 28º, nº 6, b) of the Company's Articles of Association. The Audit and Control Committee found no constraints during its control and supervision activities.

A report on the activities of the Audit and Control Committee in the year ended on December 31st, 2013 is available to shareholders at www.edprenovaveis.com.

NOMINATIONS AND REMUNERATIONS COMMITTEE

Pursuant to Article 29 of the Company's Articles of Association and Articles 8 and 9 of its Regulations, the Nominations and Remunerations Committee shall consist of no less than three (3) and no more than six (6) members. At least one of its members must be independent and shall be the Chairperson of the committee.

The members of the committee shall not be members of the Executive Committee. The Nominations and Remunerations Committee is constituted by independent members of the Board of Directors, in compliance with Recommendation 44 of the Unified Code of Good Governance approved by decision of the Board of the Spanish Securities Committee (hereinafter the Comisión Nacional del Mercado de Valores - CNMV), as amended by CNMV Circular 4/2007 of December 27th, which lays down that the Nominations and Remunerations Committee must be entirely made up of external Directors numbering no fewer than three (3). As it is made up of independent Directors (in Spain the committee may only be comprised of Directors), it complies to the extent possible with the recommendation indicated in chapter II.3.1 of the Portuguese Code of Corporate Governance.

The Nominations and Remunerations Committee consists of three (3) independent members, plus the Secretary.

The current members are:

- Jorge Santos, who is the Chairperson
- António Nogueira Leite
- Rafael Caldeira Valverde

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Additionally, Emilio García-Conde Noriega is the Secretary of the Nominations and Remunerations Committee.

None of the committee members are spouses or up to third-degree relatives in direct line of the other members of the Board of Directors.

The committee members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while still remaining Company Directors.

The Nominations and Remunerations Committee is a permanent body belonging to the Board of Directors with an informative and advisory nature and its recommendations and reports are not binding.

As such, the Nominations and Remunerations Committee has no executive functions. The main functions of the Nominations and Remunerations Committee are to assist and report to the Board of Directors about nominations (including by co-option), re-elections, dismissals, and the remuneration of the Board members and its position about the composition of the Board of Directors, as well as the nominations, remuneration, and dismissal of senior management personnel. The Nominations and Remunerations Committee shall also inform the Board of Directors on general remuneration policy and incentives to them and the senior management. These functions include the following:

- Defining the standards and principles governing the composition of the Board of Directors and the selection and nominations of its members;
- Proposing the nominations and re-election of Directors in cases of nominations by co-option and in other cases for the submission to the General Shareholders' Meeting by the Board of Directors;
- Proposing to the Board of Directors the candidates for the different committees;
- Proposing to the Board, within the limits established in the Articles of Association, the remuneration system, distribution method, and amounts payable to the Directors;
- Making proposals to the Board of Directors on the conditions of the contracts signed with Directors;
- Informing and making proposals to the Board of Directors regarding the nominations and/or removal of executives and the conditions of their contracts and generally defining the hiring and remuneration policies of executive staff;
- Reviewing and reporting on incentive plans, pension plans, and compensation packages;
- Any other functions assigned to it in the Articles of Association or by the Board of Directors.

FUNCTIONING OF THE NOMINATIONS AND REMUNERATIONS COMMITTEE

In addition to the Articles of Association, the Nominations and Remunerations Committee is governed by its Regulations approved on June 4th, 2008. The committee's regulations are available at www.edprenovaveis.com.

This committee shall meet at least once every quarter and also whenever its Chairperson sees fit. This committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board meeting held after each committee meeting. Decisions shall be adopted by simple majority. The Chairperson shall have the deciding vote in the event of a tie.

2013 ACTIVITY

In 2013 the main proposals made by the Nominations and Remunerations Committee were:

- Propose the names of the candidates for the election by co-option of new members for the Board of Directors due to the vacancies positions;
- Performance evaluation of the Board of Directors and the Executive Committee;
- Drafting update and consequent approval of the Performance Evaluation and Remuneration Model for 2011-2013;
- Drafting of the Remuneration Policy to propose to the Board of Directors and to be approved at the General Shareholders Meeting;
- Annual Report of their activities.

RELATED-PARTY TRANSACTIONS COMMITTEE

Pursuant to Article 30 of the Articles of Association, the Board of Directors may set up other committees, such as the Related-Party Transactions Committee. This committee shall consist of no fewer than three (3) members. The majority of the members of the Related Party Transactions Committee shall be independent, although in the case of this committee it has one non-independent member, Nuno Maria Pestana de Almeida Alves.

Members of the Related Party Transactions Committee shall be considered independent if they can perform their duties without being conditioned by relations with EDPR, its majority shareholders or its Directors and, if this is the case, meet the other requirements of the applicable legislation.

The Related-Party Transactions committee consists of two (2) independent members and one (1) non-independent member, as described above, plus the Secretary.

The current members are:

- José Ferreira Machado, who is the Chairperson
- João Mello Franco, Chairperson of the Audit and Control Committee
- Nuno Alves

Additionally, Emilio García-Conde Noriega is the Secretary of the Related Party Transactions Committee.

The committee members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while still remaining Company Directors.

The Related Party Transactions Committee is a permanent body belonging to the Board of Directors that performs the following duties, without prejudice, to others that the Board may assign to it:

- Periodically reporting to the Board of Directors on the commercial and legal relations between EDPR or related entities and EDP or related entities;
- In connection with the approval of the Company's annual results, reporting on the commercial and legal relations between the EDPR Group and the EDP Group and the transactions between related entities during the fiscal year in question;
- Ratifying transactions between EDPR and/or related entities with EDP and/or related entities by the stipulated deadline in each case, provided that the value of the transaction exceeds EUR 5,000,000 or represents 0.3% of the consolidated annual income of the EDPR Group for the fiscal year before;
- Ratifying any modification of the Framework Agreement signed by EDPR and EDP on May 7th, 2008;
- Making recommendations to the Board of Directors of the Company or its Executive Committee regarding the transactions between EDPR and related entities with EDP and related entities;
- Asking EDP for access to the information needed to perform its duties;
- Ratifying, in the correspondent term according to the necessities of each specific case, the transactions between Qualifying Holdings other than EDP with entities from the EDP Renováveis Group whose annual value is superior to EUR 1,000,000;
- Ratifying, in the correspondent terms according to the necessities of each specific case, the transactions between Board Members, "Key Employees" and/or Family Members with entities from EDP Renováveis Group whose annual value is superior to EUR 75,000;

If the Related Party Transactions Committee does not ratify the commercial or legal relations between EDP or its related entities and EDP Renováveis and its related entities, the validity of such relations must be approved by 2/3 of the members of the Board of Directors, provided that at least one half of the members proposed by entities other than EDP, as well as those related with Qualifying Holders other than EDP, Board Members, "Key Employees" and/or their Family Members, including independent directors, vote in favour, except when a majority of members expresses its approval prior to submitting the matter to the Related Party Transactions Committee for its approval.

The terms of part 1 above shall not apply to transactions between EDP or its related entities and EDP Renováveis or its related entities are carried out under standardized conditions and are applied equally to different related entities of EDP and EDP, even standardized price conditions.

FUNCTIONING OF THE RELATED-PARTY TRANSACTIONS COMMITTEE

In addition to the Articles of Association, the Related-Party Transactions Committee is governed by its regulations approved on June 4th, 2008 and amended on February 28th, 2012. The committee's regulations are available at www.edprenovaveis.com.

The committee shall meet at least once a quarter and additionally whenever its Chairperson sees fit.

This committee shall draft minutes of every meeting held and inform the Board of Directors of decisions that it makes at the first Board meeting held after each committee meeting.

Decisions shall be adopted by simple majority. The Chairperson shall have the casting vote in the event of a tie.

2013 ACTIVITY

In 2013, the Related Party Transactions Committee revised, approved and proposed to the Board of Directors the approval of all agreements and contracts between related parties submitted to its consideration.

Chapter E – I, topic 90, of this report includes a description of the fundamental aspects of the agreements and contracts between related parties.

III. SUPERVISION

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A. COMPOSITION

30. SUPERVISORY BOARD MODEL ADOPTED

EDPR's governance model, as long as it is compatible with its personal law, the Spanish law, corresponds to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit and Control Committee.

31. COMPOSITION OF THE AUDIT AND CONTROL COMMITTEE

Composition of Audit and Control Committee is reflected in topic 29 above. The term of office and the dates of first appointment of the members of the Audit and Control Committee are available on the chart of topic 17.

32. INDEPENDENCE OF THE MEMBERS OF THE AUDIT AND CONTROL COMMITTEE

Details of the members of the Audit and Control Committee which are considered to be independent are available on the chart of topic 18 of the report. As mentioned on the first paragraph of topic 18, the independence of the members of the Board and of its Committees is evaluated according to the Company's personal law, the Spanish law.

33. PROFESSIONAL QUALIFICATIONS AND BIOGRAPHIES OF THE MEMBERS OF THE AUDIT AND CONTROL COMMITTEE

Professional qualifications of each member of the Audit and Control Committee and other important curricular information, are available on Annex IV of this Report.

B. FUNCTIONING

34. AUDIT AND CONTROL COMMITTEE REGULATIONS

The Audit and Control Committee regulations are available to the public at the Company's website, www.edprenovaveis.com and at the Company's headquarters at Plaza de la Gesta, 2, Oviedo, Spain.

35. NUMBER OF MEETINGS HELD BY THE AUDIT AND CONTROL COMMITTEE

In 2013, the Audit and Control Committee held twelve (12) meetings, six (6) of those meetings were plenary and the other six (6) were with the different departments whose activity development was discussed with the Committee. The following table shows the attendance percentage to the meetings of the Audit and Control Committee by its members:

Members	Position	Attendance %
João Mello Franco	Chairperson	100%
João Raimundo	Vocal	83.5%
Jorge Santos	Vocal	83.5%

36. AVAILABILITY OF THE MEMBERS OF THE AUDIT AND CONTROL COMMITTEE

The members of the Audit and Control Committee are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with positions in other companies. The positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of this Committee throughout the financial year is listed in Annexes II and III, respectively.

C. POWERS AND DUTIES

37. PROCEDURES FOR HIRING ADDITIONAL SERVICES TO THE EXTERNAL AUDITOR

In EDPR there is a policy of pre-approval by the Audit and Control Committee for the selection of the External Auditor and any related entity for non-audit services, according to Recommendation IV.2 of the Portuguese Corporate Governance Code. This policy was strictly followed during 2013.

The services, other than auditing services, provided to the Company by the External Auditor and entities in a holding relationship with or incorporated in the same network as the External Auditor were previously approved by the Audit and Control Committee according to Article 8, nº 2, b) of its Regulations and upon review of each specific service, which considered the following aspects: (i) such services having no effect on the independence

of the External Auditor and any safeguards used; and (ii) the position of the External Auditor in the provision of such services, notably the External Auditor's experience and knowledge of the Company.

Furthermore, although hiring services other than auditing services to the External Auditor is admissible, it is envisaged as an exception. In 2013 such services reached only around 5% of the total amount of services provided to the Company.

38. OTHER DUTIES OF THE AUDIT AND CONTROL COMMITTEE

Apart from the competences expressly delegated on the Audit and Control Committee according to Article 8 of its Regulations and in order to safeguard the independence of the External Auditor, the following powers of the Audit Committee were exercised during the 2013 financial year and should be highlighted:

- Nominate and hire the External Auditors and responsibility for establishing their remuneration as well as pre-approval of any services to be hired from the External Auditors;
- Direct and exclusive supervision by the Audit Committee;
- Assessment of the qualifications, independence, and performance of the External Auditors, and obtaining, yearly and directly from the External Auditors, written information on all relations existing between the Company and the Auditors or associated persons, including all services rendered and all services in progress; in fact, the Audit Committee, in order to evaluate independence, obtained from the External Auditors information on their independence in light of article 62B of Decree-Law no. 224/2008 of 20 November 2008, which amends the articles of association of the Chartered Accountant Professional Association;
- Review of the transparency report, signed by the Auditor and disclosed at its website. This report covers the matters provided for under article 62A of Decree-Law no. 224/2008, including those regarding the quality control internal system of the audit firm and the quality control procedures carried out by the competent authorities;
- Definition of the Company's hiring policy concerning persons who have worked or currently work with the External Auditors;
- Review, with the External Auditors, of the scope, planning, and resources to be used in their services;
- Responsibility for the settlement of any differences between the Executive Committee and the External Auditors concerning financial information;
- Contracts signed between EDPR and its Qualified Shareholders that were analysed by the Audit and Control Committee. This information is included on the annual report of the Audit and Control Committee regarding those cases that needed a previous opinion from the committee;
- The Audit and Control Committee participated on the Tender to select the External Auditor for EDP's Group for a three year term (2014-2016). The Chairperson of the Audit and Control Committee was part

of the Evaluation Commission that selected the final proposal. The Audit and Control Committee will present on the next Board of Directors meeting the proposal for the appointment of the External Auditor to be submitted to approval at the next General Shareholders' Meeting according to Article 28º, nº 6, b) of the Company's Articles of Association.

Within this context, it should be particularly stressed that External Auditor independence was safeguarded by the implementation of the Company's policy on pre-approval of the services to be hired to External Auditors (or any entity in a holding relationship with or incorporating the same network as the External Auditors), which results from the application of the rules issued by SEC on this matter. According to such policy, the Audit Committee makes an overall pre-approval of the services proposal made by the External Auditors and a specific pre-approval of other services that will eventually be provided by the External Auditors, particularly tax consultancy services and services other than "audit and audit related" services.

IV. STATUTORY AUDITOR

39-41. According to EDPR's governance model, the information requested is in Chapter IV. of CMVM Regulation no. 4/2013 does not apply to EDPR.

V. EXTERNAL AUDITOR

42. EXTERNAL AUDITOR IDENTIFICATION

EDPR's External Auditor is, since the year 2007, KPMG Auditores S.L., a Spanish Company, whose partner in charge of EDPR's accounts auditing is Mrs. Ana Fernández Poderós. KPMG Auditores S.L. is registered at the Spanish Official Register of Auditors under number S0702 and with Tax Identification Number B-78510153.

43. NUMBER OF YEARS OF THE EXTERNAL AUDITOR

KMG Auditores S.L. and the partner in charge of EDPR's accounts auditing have carried these duties for the last seven consecutive years.

44. ROTATION POLICY

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According to CMVM's Recommendation IV.3 of its 2013 Corporate Governance Code, the companies shall support auditor rotation after two or three terms whether four or three years, respectively. According to the Spanish law, the partner responsible for the auditing and signing of the accounts has a limited term of office of seven consecutive years. As of December 31st, 2013, KPMG Auditores S.L. has ended its seventh (7th) consecutive year as EDPR's External Auditor, therefore there has been no need to rotate yet the auditor, according to Recommendation IV.3 of the Portuguese Corporate Governance Code.

45. EXTERNAL AUDITOR EVALUATION

The Audit and Control Committee is responsible for the evaluation of the External Auditor according to the competences granted by its Regulations. The evaluation of the Audit and Control Committee is made once a year. Nevertheless, the Audit and Control Committee establishes a permanent contact throughout the year with the external auditor to assure the conditions, including the independence, adequate to the services provided by them, acting as the Company speaker for these subjects related to the auditing process, and receiving and maintaining information on any other questions regarding accounting subjects. In 2013, according to the Audit and Control Committee's competences and in line with Recommendations II.2.2, it was the first and direct recipient and the corporate body in charge of the permanent contact with the external auditor on matters that may pose a risk to their independence and any other matters related to the auditing of accounts. It also receives and stores information on any other matters provided for in legislation on audits and in auditing standards in effect at any time.

46. NON-AUDIT SERVICES CARRIED OUT BY THE EXTERNAL AUDITOR

According to the rules described on topic 29 of this Report, In EDPR there is a policy of pre-approval by the Audit and Control Committee for the selection non-audit services according to Article 8, nº 2, g) of the Audit and Control Committee Regulations.

Below are the details of non-audit services provided during 2013 by the External Auditor for EDPR's business units:

- Tax and accounting due diligence services as well as tax structuring;
- Advising and structuring services in relation to the transfer to China Three Gorges of certain minority participation in determined assets in EDPR;
- KPMG's assistance in the process of IRS tax examination;
- KPMG's assistance in the process of IRS tax examination for the 2009 tax year;
- Tax services to prepare six technical memos on PTC qualification for six wind farms;
- Non-accounting consultancy related to the process of financial restructuring for the creation of EDPR Servicios Financieros;

- Technical support on the evaluation of potential accounting and tax impact due to the company restructuring of EDP Renováveis Portugal, SA.

The reasons for the engagement of the above mentioned services are mainly for i) a better knowledge of the business group and the fiscal questions related to its activity assuring an appropriate knowledge of the relevant information which favours a better flexibility and efficiency to answer to these questions, and ii) the engagement of these services didn't put in risk the independence of the External Auditor considering the measures applied to safeguard the independence of the External Auditor.

47. EXTERNAL AUDITOR REMUNERATION IN 2013

Values in €s	Portugal	Spain	Brazil	USA	Other	Total	%
Audit and statutory audit of accounts and financial statements	194	667	118	798	543	2,320	83%
Other assurance and reliability services (*)	180	68	-	104	34	386	11%
Sub-total audit related services	374	735	118	902	577	2,706	94%
Tax consultancy services	--	90	-	-	-	90	1%
Other services unrelated to statutory auditing	-	42	-	12	-	54	5%
Sub-total non-audit related services	-	132	-	12	-	144	6%
Total	374	867	118	914	577	2,850	100%

(*) The fees of Portugal regarding the inspection of the Internal Control System for Financial Reporting (SCIRF) includes the subsidiaries in Spain (EUR 95,000) and of EDPR NA (EUR 85,000), as their invoices were issued in this country.

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Amendment of the Articles of Association of the Company is of the responsibility of the General Shareholders' Meeting who has the power to decide on this matter. According to Article 17 of the Company's Articles of Association ("Constitution of the General Shareholders' Meeting, Adoption of resolutions"), to validly approve any necessary amendment to the Articles of Association, the Ordinary or Extraordinary Shareholders' Meeting will need:

- On the first call, that the Shareholders either present or represented by proxy, represent at least fifty percent (50%) subscribed voting capital.
- On the second call, that the Shareholders either present or represented by proxy, represent at least twenty five percent (25%) of the subscribed voting capital.

In the event the shareholders attending represent less than fifty percent (50%) of the subscribed voting capital, the resolutions referred to in the present paragraph will only be validly adopted with the favourable vote of two-thirds (2/3) of the present or represented capital in the General Shareholders' Meeting.

II. REPORTING OF IRREGULARITIES

49. IRREGULARITIES COMMUNICATION CHANNELS

WHISTLEBLOWING

EDPR has always carried out its activity by consistently implementing measures to ensure the good governance of its companies, including the prevention of incorrect practices, particularly in the areas of accounting and finance.

EDPR provides the Group workers with a channel enabling them to report directly and confidentially to the Audit and Control Committee any practice presumed illicit or any alleged accounting and/or financial irregularity in their Company, in compliance with the provisions of CMVM Regulation no. 4/2013.

With this channel for reporting irregular accounting and financial practices, EDPR aims:

- Guaranteeing conditions that allow workers to freely report any concerns they may have in these areas to the Audit and Control Committee;

- Facilitating the early detection of irregular situations which, if practised, might cause serious damage to the EDPR Group, its workers, customers, and shareholders.

Contact with the Company's Audit and Control Committee is only possible by email and post, and access to information received is restricted.

Any complaint addressed to the Audit and Control Committee will be kept strictly confidential and the whistle-blower will remain anonymous, provided that this does not prevent the investigation of the complaint. S/he will be assured that the Company will not take any retaliatory or disciplinary action as a result of exercising his/her right to blow the whistle on irregularities, provide information, or assist in an investigation.

The Secretary of the Audit and Control Committee receives all the communications and presents a quarterly report to the members of the Committee.

In 2013 there were no communications regarding any irregularity with material impact at EDPR.

ETHICS CHANNEL AND CODE OF ETHICS

EDPR has a Code of Ethics published on its intranet, which includes principles like transparency, honesty, integrity, non-discrimination, equal opportunity, and sustainability.

The Code of Ethics has been widely circulated among employees of the Group through internal communications mechanisms, individual shipments, delivery to new employees, and intranet publishing.

There is a strong commitment by the Company in relation to the dissemination and promotion of compliance with the Code available to all employees through training, questionnaires, and open discussions of the findings

There is also an Ethics Channel and Ethics Regulation to articulate any specific claims of the Code of Ethics and to resolve doubts on all matters relating to the Code of Ethics.

Communications regarding possible breaches of the Code of Ethics are sent to the Ethics Ombudsman, which performs a first analysis, forwarding its conclusion to the Ethics Committee of EDPR, which receives, records, processes, and reports to the Board of Directors.

In 2013 there were no communications to the Ethics Ombudsmen regarding any irregularity at EDPR.

20 III. INTERNAL CONTROL AND RISK MANAGEMENT

50. INTERNAL AUDIT

EDPR has Internal Audit Department composed by five people. The function of EDPR's Internal Audit is to carry out an objective and independent assessment of the Group's activities and of its internal control situation, in order to make recommendations to improve the internal control mechanisms over systems and management processes in accordance with the Group's objectives.

Additionally, EDPR has a Responsibilities Model and a SCIRF Manual (Internal Control System over Financial Reporting), in which individuals, governing bodies and commissions responsible for implementing and managing the internal control system are indicated.

The Responsibilities Model includes the functions and main activities in the management and maintenance of the system at all levels of the organization including monitoring activities related to the annual cycle, the implementation of controls and documentation of evidence and supervision activities.

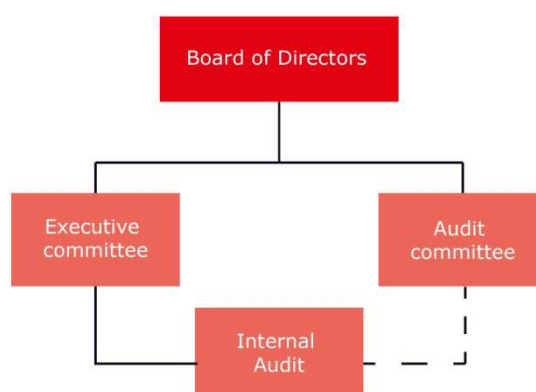
The SCIRF Manual incorporates the general principles of the Internal Control System over Financial Reporting are established, as well as the methodology used, the procedures for ensuring the effectiveness of internal control and design of models, documentation, evaluation and reporting.

In line with the general principles of the model adopted by EDPR for the management of the SCIRF, the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission), the responsibility for overseeing the Internal Control System lies in the Board of Directors and the Audit and Control Committee. The CEO is accountable before the Board, must ensure the proper functioning and effectiveness of the SCIRF, promoting its design, implementation and maintenance. The Executive Committee must support the CEO in this task, guiding the development of the Entity Level Controls of the Company and the controls in their areas of responsibility, relying when necessary on other levels of the organization. Also, the Senior Managers are responsible for evaluating any deficiencies and implementing appropriate improvement opportunities.

To fulfil these responsibilities, EDPR's Internal Audit offers support and advice to the management and development of the SCIRF.

Additionally, in 2013 the EDPR Group decided to have its SCIRF audited by the external auditor. As a result of its evaluation, the external auditor issued a report with a favourable opinion on SCIRF of the EDPR Group, according to ISAE 3000 (International Standard on Assurance Engagements 3000).

51. ORGANIZATIONAL STRUCTURE OF INTERNAL AUDIT



52. RISK MANAGEMENT

EDPR's Risk Management is as an integrating element of all organizational processes and decisions and not a stand-alone activity separated from the main activities of the Company. It includes from strategic planning to evaluation of new investments and contracts.

Risk Management at EDPR is supported by three distinct organizational functions, each one with a different role: Strategy (Risk Profiler), Management (Risk Manager) and Controlling (Risk Controller).

Market, credit and operational risks are identified and assessed and, following the result of the assessment, Risk Policies are defined and implemented across the Company. These policies are aimed to mitigate risks without compromising potential opportunities, thus, optimizing return versus risk exposure.

During 2013, EDPR defined or reviewed four new Global Risk Policies: Energy Price Hedging Policy, Counterparty Credit Risk Policy, Country Risk Policy and FX Risk Policy. These policies are already implemented or in the process to be implemented next year.

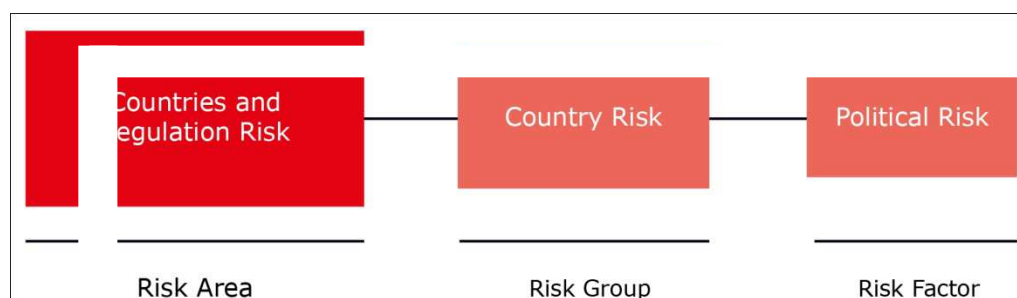
53. RISK AREAS AND RISK FACTORS

Risk Management at EDPR is focused on covering all market, credit and operational risks of the Company. In order to have a holistic view of risks, they were grouped in Risk Areas converting all the value chain of EDPR's business. The following list summarizes Risk Areas defined within EDPR:

- Countries & regulations - Changes in regulations may impact EDPR's business in a given country;
- Revenues - Revenues received by EDPR's projects may diverge from what is expected;
- Financing - EDPR may not be able to raise enough cash to finance its planned Capex or to fulfil its financial obligations due to changes in exchange rates or bankruptcy of counterparties;
- Wind turbine contracts - Changes in turbine prices may impact projects' profitability; Contracts should take into account the pipeline development risk;
- Pipeline development - EDPR may deliver an installed capacity different from its targets or suffer delays and/or anticipations in its installation;
- Operations - Projects may deliver a volume different from expected.

Within each Risk Area, risks are classified in Risk Groups and finally into Risk Factors. Risk factors are the source of the risk and the purpose of Risk Management at EDPR is to measure, control and eventually mitigate all risk factors that affect the Company.

From Risk Areas to Risk Factors



1. COUNTRIES AND REGULATIONS

I.I. COUNTRY RISK

Country Risk is defined as the probability of occurrence of a financial loss in a given country due to macroeconomics, political or natural disasters. During 2013, EDPR has defined a new Country Risk Policy that assesses country risk through an internal scoring based on publicly available data. This internal scoring is compared with external assessments from renowned parties. Each risk factor affecting country risk is evaluated independently to decide on potential mitigating actions:

Macroeconomic Risk: Risks from the country's economic evolution, affecting revenue or cost time of the investments

Political Risk: All possible damaging actions or factors for the business of foreign firms that emanate from any political authority, governmental body or social group in the host country

Natural disaster risk: Natural phenomena (seismicity, weather) that may impact negatively in the business conditions.

MANAGEMENT OF COUNTRY RISK

Before approving a new project in a new geography, EDPR analyses the risk of the new country and compares it to our existing portfolio. Mitigation measures may be decided when this risk is above a certain threshold.

I.II. REGULATORY RISK

The development and profitability of renewable energy projects are subject to policies and regulatory frameworks. The jurisdictions in which EDPR operates provide different types of incentives supporting energy generated from renewable sources.

Although the European Union and various US federal and state bodies have regularly reaffirmed their desire to continue strengthening support for renewable energy sources, remuneration schemes have become less competitive in some countries due to the financial crisis. Thus, it cannot be guaranteed that current support will be maintained in all EDPR's geographies or that the electricity produced by future renewable energy projects will benefit from purchase obligations, tax incentives or other support measures. Regulation promoting green energy has been revised or is under revision in some countries where EDPR is present.

In particular, during 2013 there were regulatory changes in Spain that reduced incentives for existing and future projects. In Romania, the number of green certificates for new wind projects was reduced.

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In the US, renewable generation was incentivized through Production Tax Credits (PTC) at a Federal level till December 2013 and is still incentivized through State RPS Programs that allow receiving RECs (Renewable Energy Credit) for each MWh of renewable generation. As a general rule, EDPR focuses on developing in states which have an RPS program in place and are undersupplied of renewable generation. As aforementioned, in December 2013, PTC scheme for wind expired and all projects that will be built in the future will not receive PTC, except for those that qualified during 2013. EDPR was able to secure around 1 GW of PPA projects with PTC qualification that will be mainly built during 2014 and 2015.

MANAGEMENT OF REGULATORY RISK

EDPR is managing its exposure to regulatory risks through diversification (being present in several countries) and by being an active member in several wind associations. Regulatory Risk in each of EDPR's countries is monitored continuously, considering current regulation, potential drafts of new laws, feedback from associations, evolution of installed renewable generation capacity and other inputs.

Additionally, a high level analysis is performed for each country considering the meaningfulness of renewable generation from a strategic and financial standpoint. Among others, EDPR analyses the following for each country: existing and future generation mix, electricity prices, remuneration incentives for renewables, renewable generation target and energy autonomy.

Finally, Regulatory Risk is also considered ex-ante at the moment of the investment, through sensitivity analyses that are performed to evaluate its impact in project profitability.

2. REVENUES

I.III. ELECTRICITY PRICE RISK

EDPR faces limited electricity price risk as it pursues a strategy of being present in countries or regions with long term visibility on revenues. In most countries where EDPR is present, prices are determined through regulated framework mechanisms. In those countries with no regulated tariffs, power purchase agreements are negotiated with different offtakers to eliminate electricity price risk.

Despite EDPR's strategy of eliminating electricity price risk, EDPR still has some wind farms that have merchant exposure.

In Europe, EDPR operates in countries where the selling price is defined by a feed-in-tariff (Portugal, France and Italy) or in markets where, on top of the electricity price, EDPR receives either a pre-defined regulated premium or a green certificate, whose price is achieved on a regulated market (Spain, Belgium, Poland, and Romania). EDPR is also developing investment activity in the UK, where current incentive system is based on green certificates but will change to a feed in tariff.

In countries with a pre-defined regulated premium or a green certificate scheme, EDPR is exposed to electricity price fluctuations. Considering current PPAs in place, EDPR is exposed to electricity price risk in Romania, in Poland and partially in Spain.

The US market does not provide a regulated framework system for the electricity price. However, most of EDPR's capacity in the US has predefined prices determined by long-term contracts with local utilities in line with the Company's policy of avoiding electricity price risk. Despite existing long term contracts, some EDPR's wind farms in the US do not have PPA and are selling merchant with exposure to electricity price risk. Some others with existing PPAs do not sell their energy where it is produced are exposed to basis risk.

In Ontario (Canada), the selling price is defined by a long term feed-in-tariff, thus, there is no electricity price exposure.

In Brazilian operations, the selling price is defined through a public auction which is later translated into a long-term contract. Electricity price exposure is almost null, with some exposure for the production above or below the contracted production.

MANAGEMENT OF RISKS RELATED TO EXPOSURE TO MARKET ELECTRICITY PRICES

Under EDPR's global approach to minimize the exposure to market electricity prices, the Company evaluates on a permanent basis if there are any deviations to the pre-defined limits (measured through EBITDA at risk and total merchant exposure).

EDPR seeks to eliminate electricity price risk through PPAs with private offtakers. In 2013, EDPR secured long term agreements in Europe for 60 MW, in Brazil for 116MW, and in the US for 1,000 MW.

In those geographies with remaining merchant exposure, EDPR uses various financial and commodity hedging instruments in order to minimize the exposure to fluctuating electricity prices. In some cases, due to the lack of liquidity of financial derivatives, it may not be possible to successfully hedge all merchant exposure.

In 2013, EDPR financially hedged part of its generation in Poland and Romania. In Spain, hedges in place at the beginning of 2013 were unwound when new regulation eliminated the merchant exposure that included the previous legal framework (RD661).

As mentioned above, some US wind farms have exposure to electricity price risk or basis risk (difference in electricity price between locations). EDPR hedges electricity price and basis exposures through financial swaps or FTR buys (Financial Transmission Rights).

I.IV. GREEN CERTIFICATE OR REC PRICE RISK

In Europe, EDPR operates in countries where, on top of the electricity price, EDPR receives a green certificate whose price is achieved on a regulated market (Poland and Romania).

In these European countries with a green certificate scheme, EDPR is exposed to fluctuation on the price of green certificates.

In the US, renewable generation is incentivized through State RPS Programs that allow receiving RECs (Renewable Energy Credit) for each MWh of renewable generation. REC prices are very volatile and depend on the supply/demand equilibrium in the market.

MANAGEMENT OF RISKS RELATED TO EXPOSURE TO GREEN CERTIFICATES OR REC PRICES

EDPR intends to eliminate Green Certificates and REC price risk with the signing of bundled PPAs, which include the sale of the electricity and the Green Certificate or REC. In some cases, the offtaker may be interested in contracting only the Green Certificate or the REC, thus a GCPA (Green Certificate Purchase Agreement) or a RECPA (REC Purchase Agreement) is signed.

The market of GCPA or RECPA is very illiquid and no financial derivatives exist for Green Certificates or RECs. Therefore, all exposure to Green Certificates or REC prices cannot be eliminated.

I.V. ENERGY PRODUCTION RISK

The amount of electricity generated by EDPR's wind farms is dependent on weather conditions, which vary across locations, from season to season and from year to year. Variation on the amount of electricity that is generated affects EDPR's operating results and efficiency.

Wind at different locations may be independent from each other or may be correlated (positively or negatively). A negative correlation implies a natural hedge of production fluctuations of the portfolio.

Other risk factors that affect production are turbine availability and curtailment, which are considered as operation risks and are explained in the corresponding section.

MANAGEMENT OF RISKS RELATED TO VOLATILITY OF ENERGY PRODUCTION

EDPR mitigates wind resource volatility and seasonality by having a strong knowledge in the design of its wind farms and through geographical diversification of its asset base in different countries and regions. EDPR has analysed correlation between different wind farms in its portfolio and this geographical diversification enables EDPR to partially offset wind variations in each area and to keep the total energy generation relatively steady. Currently, EDPR is present in 11 countries: Spain, Portugal, France, Belgium, Poland, Romania, UK, Italy, US, Canada, and Brazil.

EDPR has analysed in detail the potential use of financial products to hedge wind risk, and this product might be used to mitigate risk in specific cases.

3. FINANCING

I.VI. RISKS RELATED TO FINANCIAL MARKET EXPOSURE

EDPR finances its wind farms through project finance or corporate debt. In both cases, a variable interest rate would imply fluctuations in interest payments.

On the other hand, EDPR's presence in several countries implies revenues denominated in different currencies. Consequently, exchange rate fluctuations may have a material adverse effect on financial results.

MANAGEMENT OF FINANCIAL RISKS

The evolution of the financial markets is analysed on an on-going basis in accordance to EDP Group's risk management policy approved by the EDPR's Executive Committee.

Taking into account risk management policy and approved exposure limits, the Finance team identifies, evaluates, and submits the financial strategy appropriate to each project/location for the Executive Committee's approval. Global Risk Area supports the Finance team in exchange rate hedging decisions.

I.VI.2. INTEREST RATE RISK

Given the policies adopted by EDPR Group, current exposure to variable interest rate is not significant and financial cash flows are substantially independent from the fluctuation of interest rates.

MANAGEMENT OF INTEREST RATE RISK

The purpose of the interest rate risk management policies is to reduce the exposure of long term debt cash flows to market fluctuations, mainly by contracting long term debt with a fixed rate. When long term debt is issued with floating rates, EDPR settles derivative financial instruments to swap from floating rate to fixed rate.

EDPR has a portfolio of interest-rate derivatives with maturities of up to 13 years. Sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations are periodically performed.

I.VI.3 EXCHANGE RATE RISK

EDPR has international operations and is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. Currently, the main currency exposure is to U.S. dollar/euro exchange rate that results from EDPR's operations in the US. With the increasing capacity in non-euro geographies, EDPR is increasing its exposure to currencies other than the euro in Poland, Romania, Brazil, United Kingdom and Canada.

MANAGEMENT OF EXCHANGE RATE RISK

EDPR's general foreign exchange policy is the natural hedging in order to match currency cash flows, minimizing the impact of fluctuations of exchange rates in the Income Statement and preserving value. The essence of this approach is to create financial foreign currency outflows to match equivalent foreign currency inflows.

EDPR hedges risk against currency fluctuations by financing in the same currency as the revenues of the project. When local financing is not available, EDPR hedges debt cash flows through cross interest rate swaps. EDPR also contracts foreign exchange forwards to hedge the risk in specific transactions (procurement, etc.)

EDPR's hedging efforts minimize exchange rate volatility, but do not eliminate completely this risk due to high costs associated to hedging FX in certain situations.

I.VI.4. COUNTERPARTY CREDIT RISK

Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. If the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default, an economic loss would occur.

During 2013, EDPR introduced a new Global Counterparty Credit Risk Policy, which has already been implemented across the Company. Basel Standards were used as a reference for EDPR'S approach to counterparty credit risk.

From a credit risk perspective, EDPR classifies its counterparties in three different groups:

- Energy off-takers: Counterparties of EDPR in PPAs (energy and green certificates purchase agreements) and energy hedges
- Suppliers: Developers, partners, WTG suppliers and O&M suppliers
- Financial institutions: Counterparties of EDPR in foreign exchange forward contracts, interest rate swaps and bank deposits

MANAGEMENT OF COUNTERPARTY CREDIT RISK

To control credit risk at EDPR, thresholds of Expected Loss and Unexpected Loss are established as defined in Basel Standards. Expected Loss and Unexpected Loss from counterparty credit exposure are re-evaluated monthly. If threshold is surpassed by any counterparty or by the Company as a whole, mitigation measures are implemented in order to remain within the pre-established limit.

I.VI.5. LIQUIDITY RISK

Liquidity risk is the risk of EDPR not meeting its financial obligations.

MANAGEMENT OF LIQUIDITY RISK

EDPR's strategy to manage liquidity risk is to ensure that its liquidity is sufficient to meet financial liabilities when due, under both normal and stressed conditions, and without incurring unacceptable losses or risking damage to EDPR's reputation.

EDPR uses a financial model to forecast liquidity risk in the medium and long term to meet strategic targets previously set (EBITDA, debt ratio and others).

4. WIND TURBINE CONTRACTS

The wind turbine generator (WTG) is a key element in the development of EDPR's wind-related energy projects, as the shortfall or an unexpected sharp increase in WTG prices can dramatically affect development of new projects and their profitability.

WTG represents on average 70 to 80% of an onshore wind farm capital expenditure

I.VI.7. WIND TURBINE SUPPLY RISK

The demand for new wind farms may offset the offer of turbines by WTG manufacturers. Currently, the local component requirement in some geographies (Ex: Brazil) creates this shortfall situation.

MANAGEMENT OF WIND TURBINE SUPPLY RISK

EDPR faces limited risk to the availability and price increase of WTG's due to the framework agreements with major global wind turbines suppliers. The Company uses a large mix of turbines suppliers in order to diversify the wind turbine supply risk.

For geographies with specific requirements of local component, EDPR does not engage in a project before securing the supply of wind turbines.

WIND TURBINE PRICE RISK

Price of wind turbines is affected, not only by market fluctuations of the materials used in the turbines, but also by the demand.

MANAGEMENT OF WIND TURBINE PRICE RISK

For every new project, EDPR secures the demand risk that might increase price of the turbines.

With regards to market risk of the materials used to manufacture wind turbines, an escalation formula is negotiated with wind turbine manufacturers. EDPR might hedge some of the market exposure of this escalation formula if exposure is above a pre-established limit and the market is liquid.

5. PIPELINE DEVELOPMENT

I.VII.1. PERMITTING RISK

Wind farms are subject to strict regulations at different authority levels (international, national, state, regional and local) relating to the development, construction, grid interconnection and operation of power plants. Among other things, these laws regulate landscape and environmental aspects, building licenses, land use and land securing and access to the grid issues.

While level of exigency might be different depending on the geographies, EDPR acknowledges a trend for legislations to align towards concentrating the most restrictive rules and development risks on the consenting (environmental and urban permissions) and interconnection (connection of the wind farm to the national grid).

In this context, EDPR's experience gathered in different countries is useful to anticipate and deal with similar situations in other countries.

MANAGEMENT OF PERMITTING RISK

During the development and design phase, EDPR focuses on the optimization of its projects. By mastering the variables, such as choice of locations, lay-out, etc., the objective is to make our projects more resilient to permitting risks.

Additionally, EDPR mitigates execution risk by generating optionality, with development activities in 11 different countries (Spain, Portugal, France, Belgium, Poland, Romania, UK, Italy, US, Canada and Brazil) and a portfolio of projects in several stages of maturity. EDPR has a large pipeline of projects that provide a "buffer" to overcome potential delays in the development of prioritized projects, ensuring growth targets and being able to compensate permitting delays in some geographies.

6. OPERATIONS

I.VII.3. WIND TURBINE PERFORMANCE RISK

Wind farm output depends upon the operating availability of the turbines and the operating performance of the equipment, mainly the components of wind turbines and transformers.

MANAGEMENT OF WIND TURBINE PERFORMANCE RISK

EDPR mitigates this risk by using a mix of turbine suppliers which minimizes technological risk, avoiding exposure to a unique manufacturer.

EDPR also engages wind turbine suppliers through medium-term full-scope maintenance agreements to ensure alignment in minimizing technology risk. Finally, EDPR has created an O&M program with adequate preventive and scheduled maintenance program.

Most recently, EDPR is externalizing non-core technical O&M activities of its wind farms, while primary and value added activities continue controlled by EDPR.

I.VII.4. CURTAILMENT RISK

Curtailment occurs when the production of a wind farm is stopped by the TSO (Transmission System Operators) for external reasons to the Company. Examples of cases of curtailment are upgrades in transmission lines, high level of renewable generation production with low demand (very exceptional).

MANAGEMENT OF WIND TURBINE PERFORMANCE RISK

Curtailment risk is managed ex-ante. For every new investment, EDPR factors the effect that expected curtailment will have on the output of the wind farm. Curtailment analysis is done considering the existing situation and potential upgrades of the transmission system in the location of the wind farm.

Curtailment of EDPR's wind farm is constantly monitored by asset managers.

I.VII.5. COUNTERPARTY OPERATIONAL RISK

Counterparty operational risk is defined as the risk that the counterparty to a transaction could default before the final settlement of the contract implying no direct economic loss to EDPR, but a replacement cost. Despite no exposure to the counterparty at the time of default, the replacement of the counterparty could imply a cost to EDPR due to potential delays, higher contract value with a new counterparty, etc.

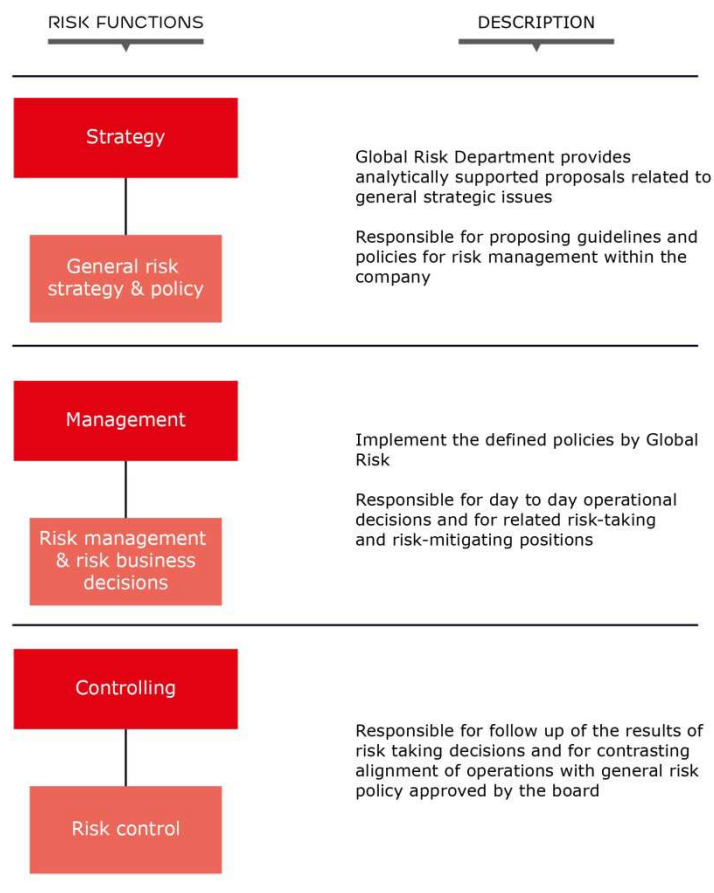
Construction and O&M subcontractors are counterparties to which EDPR is exposed from an operational point of view.

MANAGEMENT OF COUNTERPARTY OPERATIONAL RISK

To minimize the probability of incurring in potential replacement costs with counterparties, EDPR's policy concerning counterparty operational risk is managed by an analysis of the technical capacity, competitiveness, credit notation and replacement cost of the counterparty.

54. RISK FUNCTIONS AND FRAMEWORK

Risk Management at EDPR is supported by three distinct organizational functions, each one with a different role: Strategy (Risk Profiler), Management (Risk Manager) and Controlling (Risk Controller).



These three Risk Functions work together following EDPR's risk framework, through which major strategic questions of the Executive Committee are translated into specific guidelines or policies, to be used by managers in their day-to-day decisions. The Risk Committee is the forum where the different Risk Functions discuss the policies to be implemented and control the risk exposure of the Company.

RISK COMMITTEE

EDPR's Risk Committee integrates and coordinates all Risk Functions and assures the link between corporate's risk appetite and defined strategy and the operations of the Company.

In order to separate discussions on business decisions from new analyses and the definition of new policies, EDPR has created two distinct meetings of the Risk Committee with different periodicity:

- **Restricted Risk Committee:** Held every month, it covers the risk of new transactions such as new power purchase agreements, new investments, energy price and FX hedges along with pipeline status and the EBITDA at Risk. It helps to control the implementation of defined policies and the exposure to most important risk factors.
- **Risk Committee:** Held every quarter, it is the forum where new analyses are discussed and newly defined policies are proposed in order to send to the Executive Committee for approval. Additionally, EDPR's overall risk position is reviewed.



55. RISK POLICIES

With the purpose of not only controlling risks, but also managing them ex-ante, EDPR has created Global Risk policies that are enforceable at a Global Level. These policies are proposed and discussed in the Risk Committee and approved by the Executive Committee.

During 2013, EDPR defined or reviewed four Global Risk Policies, which are already implemented or in the process to be implemented throughout 2014:

- Energy Price Hedging Policy
- Counterparty Credit Risk Policy
- Country Risk Policy
- FX Risk Policy

Compliance with Global Risk policies is verified every month in the Restricted Risk Committee.

IV. INVESTOR ASSISTANCE

56. INVESTOR RELATIONS DEPARTMENT

EDPR seeks to provide to shareholders, investors, and stakeholders all the relevant information about the Company and its business environment, on a regular basis. The promotion of transparent, consistent, rigorous, easily accessible, and high-quality information is of fundamental importance to an accurate perception of the Company's strategy, financial situation, accounts, assets, prospects, risks, and significant events.

EDPR, therefore, looks to provide investors with information that can support them in making informed, clear, and concrete investment decisions.

The Investor Relations Department was created to ensure a direct and permanent contact with all market related agents and stakeholders, to guarantee the equality between shareholders and to prevent imbalances in the information access.

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The EDPR Investor Relations Department (IR) is the intermediary between EDPR and its actual and potential shareholders, the financial analysts that follow Company's activity, all investors and other members of the financial community. The main purpose of the department is to guarantee the principle of equality among shareholders, prevent asymmetries in access to information and reduce the market perception gap of the Company's strategy and intrinsic value. The department responsibility comprises developing and implementing EDPR's communication strategy and preserving an appropriate institutional and informative relationship with the financial market, the stock exchange at which EDPR shares trade and the regulatory and supervisory entities (CMVM – Comissão de Mercado de Valores Mobiliários – in Portugal and CNMV – Comisión Nacional del Mercado de Valores – in Spain).

EDPR is clearly aware of the importance of delivering on time transparent and detailed information to the market. Consequently, EDPR publishes Company's price sensitive information before the opening or following the closing of the NYSE Euronext Lisbon stock exchange through CMVM's information system and, simultaneously, make that same information available on the website investors' section and through the IR department's mailing list. IR Department also elaborates and makes available quarterly, semi-annual and annual results presentations, handouts, key data files and interim presentations.

On each earnings announcement, EDPR promotes a conference call and webcast, at which the Company's management updates the market on EDPR's activities. On each of these events shareholders, investors and analysts had the opportunity to directly submit their questions and to discuss EDPR's results as well as the Company's outlook.

EDPR IR Department is coordinated by Rui Antunes and is located at the Company's head offices in Madrid, Spain. The department structure and contacts are as follows:

IR Contacts:

Rui Antunes, Head of IR

Calle Serrano Galvache 56
Centro Empresarial Parque Norte
Edificio Olmo – 7th floor
28033 – Madrid – España
Website: www.edprenovaveis.com/investors
E-Mail: ir@edpr.com
Phone: +34 902 830 700 / Fax: +34 914 238 429

In 2013, the EDPR has promoted and participated in several events, namely road shows, presentations to investors and analysts, meetings and conference calls. During the year, EDPR management and the IR team attended to 12 broker conferences and hold 14 road shows, totalling more than 280 meetings with institutional investor in 13 of the major financial cities across Europe, US and Canada.

EDPR IR Department was in permanent contact with capital markets agents, namely financial analysts who evaluated the Company, shareholders and investors by e-mail, phone, or face-to-face meetings. In 2013, as far

as the Company is aware, sell-side analysts issued more than 200 reports evaluating EDPR's business and performance.

At the end of the 2013, as far as the Company is aware of, there were 21 institutions elaborating research reports and following actively EDPR activity. As of December 31st, 2013, the average price target of those analysts was of Euro 4.51 per share with the majority reporting "Buy" recommendations on EDPR's share: 12 Buys, 7 Neutrals, 1 Sell and 1 analyst with suspended rating.

Company	Analyst	Price Target	Recommendation
Bank of America Merrill Lynch	Pinaki Das	€ 4.65	Buy
Barclays	Monica Girardi	€ 4.90	Equalweight
BBVA	Daniel Ortea	€ 4.25	Market Perform
Berenberg	Lawson Steele	€ 3.80	Hold
BES	Felipe Echevarria	€ 5.60	Buy
BPI	Flora Trindade	€ 4.90	Buy
Caixa BI	Helena Barbosa	-	Suspended
Citigroup	Andrew Simms	€ 4.55	Buy
Deutsche Bank	Virginia Sanz de Madrid	€ 4.00	Hold
Exane BNP	Manuel Palomo	€ 4.60	Outperform
Fidentiis	Daniel Rodríguez	€ 4.60	Buy
Goldman Sachs	Manuel Losa	€ 4.80	Buy
JP Morgan	Sarah Laitung	€ 4.31	Overweight
Kepler Cheuvreux	Jose Porta	€ 3.64	Underperform
Macquarie	Shai Hill	€ 4.20	Outperform
Millennium BCP	Vanda Mesquita	€ 5.40	Buy
Morgan Stanley	Carolina Does	€ 4.50	Overweight
Natixis	Philippe Ourpatian	€ 3.91	Neutral
Santander	Bosco Mugiro	€ 5.00	Buy
Société Générale	Jorge Alonso	€ 4.00	Hold
UBS	Alberto Gandolfi	€ 4.20	Neutral

57. MARKET RELATIONS REPRESENTATIVE

EDPR representative for relations with the market is the Executive Member of the Board, Rui Manuel Rodrigues Lopes Teixeira.

58. INFORMATION REQUESTS

In 2013, 21 institutions published research reports about EDPR's activity. During the year, EDPR was present in several events with analysts and investors, such as road shows, presentations, meetings and conference calls, communicating EDPR's strategy and its operational and financial performance.

During the year, EDPR made 46 press releases. In 2013, IR Department received more than 600 information requests and was present in 280 meetings with institutional investors. On average, the information requests were replied in less than 24 hours. As of December 31st 2013 there was no pending information request.

V. WEBSITE – ONLINE INFORMATION

59-65. EDPR considers online information a powerful tool in the dissemination of material information, updating its website with all the relevant documents. Apart from all the required information by CMVM and CNMV regulations, the Company website also carries financial and operational updates of EDPR's activities ensuring an easy access to the information.

EDPR website: www.edprenovaveis.com

Information	Link
Company information	www.edprenovaveis.com/investors/corporate-governance/companys-name
Corporate by-laws and bodies/committees regulations	www.edprenovaveis.com/our-company/who-we-are
Members of the corporate bodies	www.edprenovaveis.com/investors/corporate-governance
Market relations representative, IR department	www.edprenovaveis.com/investors/corporate-governance/directors
Means of access	www.edprenovaveis.com/investors/contact-ir-team
Financial statements documents	www.edprenovaveis.com/our-company/contacts/contact-us
Corporate events Agenda	www.edprenovaveis.com/investors/reports-and-results
General Shareholders' Meeting information	www.edprenovaveis.com/investors/calendar
	www.edprenovaveis.com/investors/shareholders-meeting-2

D. REMUNERATION

I. POWER TO ESTABLISH

66. COMPETENCES TO DETERMINE THE REMUNERATION OF THE CORPORATE BODIES

The Nominations and Remunerations Committee is the body responsible for proposing to the Board of Directors the determination of the remuneration of the senior management of the Company. The Nominations and Remunerations committee is a permanent body belonging to the Board of Directors with an informative and advisory nature. Its recommendations and reports are non-binding.

As such, the Nominations and Remunerations Committee has no executive functions. The main functions of the Nominations and Remunerations Committee are to assist and inform the Board of Directors regarding the nominations (including by co-option), re-elections, dismissals, and the remuneration of the Board members and its position about the composition of the Board of Directors, as well as the nominations, remuneration, and dismissal of senior management personnel.

The Nominations and Remunerations Committee proposes each year to the Board of Directors the Remuneration Policy submitted to the approval of the Annual General Shareholders' Meeting as an independent proposal. According to the Company's Articles of Association the director's remunerations is subject to a maximum value that can only be modified by a Shareholders agreement.

II. REMUNERATION COMMITTEE

67. NOMINATIONS AND REMUNERATIONS COMMITTEE

The Composition of the Nominations and Remunerations Committee is reflected in topic 29 above.

In 2013 the company Heidrick & Struggles was hired to provide consultancy services to the committee, such as:

- Advice regarding the regulations and rules applicable to the executive board members remuneration;
- Drafting of a performance evaluation model and determination of the levels of variable remuneration applicable to the executive board members;
- Elaborate a benchmark study to analyse the performance evaluation model comparing with EDPR's peers.

68. KNOWLEDGE AND EXPERIENCE REGARDING REMUNERATION POLICY

EDPR's Nominations and Remunerations Committee has at least one member with knowledge and experience in remuneration policy. The biographies of the members of the Nominations and Remunerations Committee are in Annex IV of the report.

III. REMUNERATION STRUCTURE

69. REMUNERATION POLICY

Pursuant to Article 26 of the Company's Articles of Association the Directors shall be entitled to a remuneration which consists of (i) a fixed amount to be determined annually by the General Shareholders' Meeting for the whole Board of Directors and of (ii) attendance fees regarding the Board Meetings.

The above mentioned article also establishes the possibility of the Directors being remunerated with Company shares, share options, or other securities granting the right to obtain shares or by means of share-indexed remuneration systems. In any case, the system chosen must be approved by the General Shareholders' Meeting and comply with current legal provisions.

The total amount of the remunerations that the Company will pay to its Directors under the terms provided in the previous paragraphs shall not exceed the amount determined for that effect by the General Shareholders' Meeting. The maximum remuneration approved by the General Shareholders' Meeting, for all the members of the Board of Directors was EUR 2,500,000 per year.

Pursuant to Article 26.4 of the Company's Articles of Association, 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.

The maximum remuneration approved by the General Shareholders Meeting for the variable remuneration for all the executive members of the Board of Directors was EUR 600,000 per year.

EDPR, in line with EDP Group corporate governance practice, has signed an Executive Management Services Agreement with EDP, under which the Company bears the cost for such services to some of the members of the Board of Directors to the extent their services are devoted to EDPR.

The non-executive Directors only receive a fixed remuneration, which is calculated on the basis of their work exclusively as Directors or with their membership on the Nominations and Remunerations Committee, Related Party Transactions Committee, and the Audit and Control Committee. Those members who are seated in two different Committees don't accumulate two remunerations. In these cases, the remuneration to be received is the one that corresponds to the highest value.

EDPR has not incorporated any share remuneration or share purchase options plans as components of the remuneration of its Directors.

No Director has entered into any contract with the Company or third parties that have the effect of mitigating the risk inherent in the variability of the remuneration established by the Company.

In EDPR there aren't any payments for the dismissal or termination of Director's duties.

The remuneration policy for the Directors of the Company is submitted each year to the General Shareholders Meeting for approval.

70. REMUNERATION STRUCTURE

The remuneration policy proposed by the Nominations and Remuneration Committee and approved by the General Shareholders' Meeting on April 23rd, 2013 (the Remuneration Policy), defines a structure with a fixed remuneration for all members of the Board of Directors and a variable remuneration, with an annual component and a multi-annual component for the members of the Executive Committee.

For the period 2011-2013, it was decided to maintain the remuneration structure in terms of its components, as well as to keep the same nominal value of fixed annual component as the one in force during the 2009-2010 period, revising the KPI's (Key Performance Indicators) for variable multi-annual and annual components.

71. VARIABLE REMUNERATION

Variable annual and multi-annual remuneration applies to the members of the Executive Committee.

Variable annual and multi-annual remuneration will be a percentage of fixed annual components, with a superior weight for multiannual vs. annual component (120% vs. 80%). That is, the value of the variable remuneration may range between 0% and 85% of the 80% of the annual gross fixed remuneration, in the case of the annual variable, and between 0% and 85% of the 120% of the annual gross fixed remuneration, in the case of the multi-annual variable.

The KPIs (Key Performance Indicators) used to determine the amounts of the annual and multi-annual variable regarding to each year of the term are aligned with the strategic grounds of the Company: growth, risk control and efficiency. These are the same for all members of the Executive Committee, although with specific targets for the platforms in the case of COO's:

- The relative performance of the Total Shareholder Return of EDP Renováveis vs. Benchmark, (TSR vs. Wind peers & PSI 20);
- EDP Renováveis growth (Incremental MW and profitable ready to build pipeline)
- The risk – result of EDP Renováveis (ROIC Cash; EBITDA and net profit)
- Efficiency (technical availability, OPEX/MW, CAPEX/MW).
- Environmental and social perspectives (i- the performance of the Sustainability Index applied to EDPR (DJSI method), ii- Employee satisfaction survey, iii- Appreciation of the Remuneration Committee).

According to the Remuneration Policy approved by the General Shareholders' Meeting, the maximum variable remuneration (annual and multi-annual) is applicable if all the above mentioned KPI's were achieved and the performance evaluation is equal or above 110%.

72. MULTI-ANNUAL REMUNERATION

According to the Spanish law, the multi-annual variable remuneration is only payable if the predefined goals are achieved and is paid the year after the end of the term of office to which it applies.

73. VARIABLE REMUNERATION BASED ON SHARES

EDPR has not allocated variable remuneration on shares and does not maintain Company shares that the Executive Directors have had access to.

74. VARIABLE REMUNERATION BASED ON OPTIONS

EDPR has not allocated variable remuneration on options.

75. ANNUAL BONUS AND NON-MONETARY BENEFITS

The key factors and grounds for any annual bonus scheme are described on topics 71 and 72. Additionally, the Officers, with the exception of the CEO received the following non-monetary benefits: Company car and those who are expatriated receive housing allowance. In 2013, the non-monetary benefits corresponded to EUR 162,315.86.

The Directors do not receive any relevant non-monetary benefits as remuneration.

76. RETIREMENT SAVINGS PLAN

The retirement savings plan for the members of the Executive Committee that are also Officers, acts as an effective retirement supplement with a range between 3% to 6% of their annual salary. The percentage is defined according with the retirement savings plan applicable in their home country. The retirement savings plan has been approved by the General Shareholders' Meeting on April 23rd, 2013 (the Remuneration Policy included the retirement Plan).

IV. REMUNERATION DISCLOSURE

77. BOARD OF DIRECTORS REMUNERATION

The remuneration of the members of the Board of Directors for the year ended on December 31st 2013 was as follows:

Remuneration	Euros			Total
	Fixed	Variable		
		Annual	Multi-annual	
Executive Directors				
João Manso Neto (CEO) ^{A)}	0	0	0	0
Nuno Alves ^{A)}	0	0	0	0
Gabriel Alonso ^{B)}	0	0	0	0
João Paulo Costeira ^{B)}	5,150	0	0	5,150
Rui Teixeira ^{B)}	10,301	0	0	10,301
Non-Executive Directors				
António Mexia ^{C)}	0	0	0	0
Acácio Piloto ^{D)}	37,500	0	0	37,500
António Nogueira Leite ^{D)}	45,833	0	0	45,833
Gilles August	45,000	0	0	45,000
João Raimundo	60,000	0	0	60,000
João Mello Franco	80,000	0	0	80,000
João Marques da Cruz ^{C)}	0	0	0	0
Jorge Santos	60,000	0	0	60,000
José Araújo e Silva	45,000	0	0	50,000
José Ferreira Machado ^{D)}	50,000	0	0	45,000
Manuel Menéndez Menéndez	45,000	0	0	45,000
Rafael Caldeira Valverde	55,000	0	0	55,000
Total	538,784	0	0	538,784

^{A)} João Manso Neto and Nuno Alves receive their remuneration through the Executive Management Services Agreement.

^{B)} Gabriel Alonso, João Paulo Costeira and Rui Teixeira, as Officers and members of the Executive Committee receive their remuneration as Directors and/or EDP Group employees, as described on the table below.

^{C)} António Mexia and João Marques da Cruz receive their remuneration through the Executive Management Services Agreement.

^{D)} Acácio Piloto, António Nogueira Leite and José Ferreira Machado were elected Members of the Board of Directors on February 26th, 2013 and their nomination was ratified at the General Shareholders' Meeting that took place on April 11th, 2013. The remuneration reflects the months of the year from their nomination onwards.

According to the Executive Management Services Agreement signed with EDP, EDP is due to pay an amount to EDP, for the services rendered by the Executive Managers and the Non-executive Managers. The amount due to pay under said Agreement for the management services rendered by EDP in 2013 is EUR 994.335,61, corresponding, i) to the fixed remuneration of the Executive Managers, plus the variable component according to the Remuneration Policy, plus the PPR percentage, and ii) EUR 90,000, corresponding to the fixed remuneration of the Non-Executive Managers. The retirement savings plan for the members of the Executive Committee, excluding the Officers, acts as an effective retirement supplement and corresponds to 5% of their annual salary.

The non-executive directors may opt between a fixed remuneration or attendance fees per meeting, in a value equivalent to the fixed remuneration proposed for a director, taking into consideration the duties carried out.

In 2013, the remuneration of the Officers, as EDPR employees, excluding the Chief Executive Officer till, was the following:

Remuneration	Euros		Total
	Fixed	Variable*	
		Annual Multi-annual	
Gabriel Alonso	-	-	-
João Paulo Costeira ^{A)}	232,143	85,000	317,143
Rui Teixeira ^{A)}	208,366	85,000	293,366
TOTAL	440,509	170,000	610,509

*Corresponds to the 2013 annual variable.

^{A)} João Paulo Costeira and Rui Teixeira received their remuneration as employees of EDPR till November 30th, 2013 and October 31st, 2013, respectively, as further explained in topic 78.

78. REMUNERATION FROM OTHER GROUP COMPANIES

Due to the termination of the expatriation conditions of three Officers (CFO, COO EU and COO NA), new employment contracts were signed with other group companies, as follows:

- Gabriel Alonso with EDP Renewables North America LLC on December 31st, 2012;
- João Paulo Costeira with EDP Energias de Portugal, S.A. Sucursal en España on November 30th, 2013; and
- Rui Teixeira with EDP Energias de Portugal, S.A. Sucursal en España on October 31st, 2013.

In 2013, the remuneration of said Officers from the moment they became employees of the above referred companies, was the following:

REMUNERATION	FIXED (EUROS)	BONUS (EUROS)	TOTAL
Gabriel Alonso	276,261	85,000	361,261
João Paulo Costeira	16,041.86	0	16,041.86
Rui Teixeira	37,997.82	0	37,997.82
TOTAL	330,300.68	85,000	415,300.68

79. REMUNERATION PAID IN FORM OF PROFIT SHARING AND/OR BONUS PAYMENTS

In EDPR there is no payment of remuneration in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

80. COMPENSATION FOR RESIGNED BOARD MEMBERS

In EDPR there is no Compensation paid or owed to former executive directors concerning contract termination during the financial year.

81. AUDIT AND CONTROL COMMITTEE REMUNERATION

Member	Position	Remuneration*
João Mello Franco	Chairperson	80,000
João Raimundo	Vocal	60,000
Jorge Santos	Vocal	60,000

* The non-executive directors only receive a fixed remuneration, which is calculated on the basis of their work exclusively as directors or with their membership on the Nominations and Remunerations Committee, Related-Party Transactions Committee, and the Audit and Control Committee.

82. REMUNERATION OF THE CHAIRPERSON OF THE GENERAL SHAREHOLDERS' MEETING

In 2013, the remuneration of the Chairperson of the General Shareholders' Meeting of EDPR was EUR 15,000.

V. AGREEMENTS WITH REMUNERATION IMPLICATION

83-84. EDPR has no agreements with Remuneration implication.

VI. SHARE-ALLOCATION AND/OR STOCK OPTION PLANS

85-88. EDPR does not have any Share-Allocation and/or Stock Option Plans.

E. RELATED-PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. RELATED-PARTY TRANSACTIONS CONTROLLING MECHANISMS

In order to supervise the transactions between the Group Companies' and its qualified shareholders, the Board of Directors as created the Related-Party Transactions Committee, a permanent body with delegated functions. The Related-Party Transactions Committee duties are described on topic 29 of the Report. The Audit and Control Committee also supervises the transactions with qualified shareholders that need a previous opinion. This information is included on the annual report of the Audit and Control. The mechanisms established on both committees regulation and also the fact that one of the members of the Related-Party Transactions Committee is the Chairperson of the Audit and Control Committee constitutes a relevant element for an adequate evaluation of the relations established between EDPR and third entities.

90. TRANSACTIONS SUBJECT TO CONTROL DURING 2013

During 2013, EDPR has not signed any contracts with the members of its corporate bodies or with holders of qualifying holdings, excluding EDP, as mentioned below.

However, EDPR closed a transaction with China Three Gorges (CTG), qualified shareholder of EDP, but not of EDPR, for the acquisition of 49% of the share capital of EDP Renewables Portugal (EDPR subsidiary). The transaction was approved by the correspondent regulatory authorities. For this transaction EDPR's Audit and Control Committee issued a favourable opinion as referred on Recommendation IV.1.2 of CMVM.

Regarding related-party transactions, EDPR and/or its subsidiaries have signed the contracts detailed below with EDP – Energias de Portugal, S.A. (hereinafter, EDP) or other members of its group not belonging to the EDPR subgroup.

The contracts signed between EDPR and its related parties have been analysed by the Related-Party Transactions Committee according to its competences, as mentioned on the previous topic, and have been concluded according to the market conditions.

The Related Party Transactions Committee was informed that in 2013, the average value and the maximum value regarding the transactions analysed by the Committee was EUR 1,041,256,60 and EUR 2,893,060, respectively.

The total amount of supplies and services in 2013 incurred with or charged by the EDP Group was EUR 16.1 million, corresponding to 6.1% of the total value of Supplies & Services for the year (EUR 263 million).

THE CONTRACTS IN FORCE DURING 2013 ARE THE FOLLOWING:

FRAMEWORK AGREEMENT

The framework agreement was signed by EDP and EDPR on May 7th, 2008 and came into effect when the latter was admitted to trading. The purpose of the framework agreement is to set out the principles and rules governing the legal and business relations existing when it came into effect and those entered into subsequently.

The framework agreement establishes that neither EDP nor the EDP Group companies other than EDPR and its subsidiaries can engage in activities in the field of renewable energies without the consent of EDPR. EDPR shall have worldwide exclusivity, with the exception of Brazil, where it shall engage its activities through a joint venture with EDP – Energias do Brasil, S.A., for the development, construction, operation, and maintenance of facilities or activities related to wind, solar, wave and/or tidal power, and other renewable energy generation technologies that may be developed in the future. Nonetheless, the agreement excludes technologies being developed in hydroelectric power, biomass, cogeneration, and waste in Portugal and Spain.

It lays down the obligation to provide EDP with any information that it may request from EDPR to fulfil its legal obligations and prepare the EDP Group's consolidated accounts.

The framework agreement shall remain in effect for as long as EDP directly or indirectly owns more than 50% of the share capital of EDPR or nominates more than 50% of its Directors.

EXECUTIVE MANAGEMENT SERVICES AGREEMENT

On November 4th, 2008 EDP and EDPR signed an Executive Management Services Agreement that was renewed on May 4th, 2011 and effective from March 18th, 2011 and renewed again on May 10th, 2012.

Through this contract, EDP provides management services to EDP Renováveis, including matters related to the day-to-day running of the Company. Under this agreement EDP nominates four people from EDP to be part of EDPR's Management: i) two Executive Managers which are members of the EDPR Executive Committee and (ii) two Non-Executive Managers, for which EDP Renováveis pays EDP an amount defined by the Related Party Committee, and approved by the Board of Directors and the Shareholders Meeting.

Under this contract, EDPR incurred an amount of EUR 994.335,61 corresponding to the fixed and variable remuneration, for the management services rendered in 2013. The term of the contract is on June 21st 2014.

FINANCE AGREEMENTS AND GUARANTEES

The finance agreements between EDP Group companies and EDPR Group companies were established under the above described Framework Agreement and currently include the following:

LOAN AGREEMENTS

EDPR (as the borrower) has loan agreements with EDP Finance BV (as the lender), a Company 100% owned by EDP – Energias de Portugal, S.A. Such loan agreements can be established both in EUR and USD, usually have a 10-year tenor and are remunerated at rates set at an arm's length basis. As at December 31st, 2013, such loan agreements totalled EUR 1,451,042,386 and USD 1,836,699,611.

COUNTER-GUARANTEE AGREEMENT

A counter-guarantee agreement was signed, under which EDP or EDP Energias de Portugal Sociedade Anónima, sucursal en España (hereinafter guarantor or EDP Sucursal) undertakes on behalf of EDPR, EDP Renewables Europe SLU (hereinafter EDPR EU), and EDPR North America LLC (hereinafter EDPR NA) to provide corporate guarantees or request the issue of any guarantees, on the terms and conditions requested by the subsidiaries, which have been approved on a case by case basis by the EDP executive board.

EDPR will be jointly liable for compliance by EDPR EU and EDPR NA. The subsidiaries of EDPR undertake to indemnify the guarantor for any losses or liabilities resulting from the guarantees provided under the agreement and to pay a fee established in arm's length basis. Nonetheless, certain guarantees issued prior to the date of approval of these agreements may have different conditions. As of December 31st, 2013, such counter-guarantee agreements totalled EUR 34,181,464 and USD 171,500,000.

There is another counter-guarantee agreement signed, under which EDP Energias do Brasil, SA or EDPR undertakes on behalf of EDPR Brasil, to provide corporate guarantees or request the issue of any guarantees, on the terms and conditions requested by the subsidiaries, which have been approved on a case by case basis by the EDPR executive board. Each party undertakes to indemnify the other pro-rata to its stake of any losses or liabilities resulting from the guarantees provided under the agreement and to pay a fee established in arm's length basis. As of December 31st 2013, such counter-guarantee agreements totalled in terms of fees from EDPR to EDP – Energias do Brasil of BRL 200,738,411.

CURRENT ACCOUNT AGREEMENT

EDP Servicios Financieros España SLU and EDPR signed an agreement through which EDP Servicios Financieros España manages EDPR's cash accounts. The agreement also regulates a current account between both companies, remunerated on arm's length basis. As of December 31st 2013, there are two different current accounts with the following balance and counterparties:

- in USD, EDPR SF with EDP SF España for a total amount of USD 47,250,188.09 in favour of EDP SF España;
- in EUR, EDPR SF with EDP SF España for a total amount of EUR 63,775,266.28 in favour of EDPR SF;

The agreements in place are valid for one year as of date of signing and are automatically renewable for equal periods.

CROSS CURRENCY INTEREST RATE SWAPS

Due to the net investment in EDPR NA, EDPR Brazil, and Polish companies, EDPR's accounts were exposed to the foreign exchange risk. With the purpose of hedging this foreign exchange risk, EDPR settled the following Cross Currency Interest Rate Swap (CIRS):

- in USD and EUR, with EDP Sucursal for a total amount of USD 2,632,613,000;
- in BRL and EUR, with EDP Energias de Portugal, S.A. for a total amount of BRL 118,000,000;
- in PLN and EUR, with EDP Energias de Portugal, S.A. for a total amount of PLN 597,357,663.

HEDGE AGREEMENTS – EXCHANGE RATE

EDP Energias de Portugal, S.A., EDPR and EDP Servicios Financieros España SLU entered into several hedge agreements with the purpose of managing the transaction exposure related with the short term positions in the North American, Polish, and Romanian subsidiaries, fixing the exchange rate for EUR/USD, EUR/PLN and

EUR/RON in accordance to the prices in the forward market in each contract date. As of December 31st 2013, the following amounts remained outstanding.

- Polish operations, for EUR/PLN, a total amount of PLN 1,168,793,373;
- Romanian operations, for EUR/RON a total amount of RON 52,158,079;
- US operations, for EUR/USD a total amount of USD 329,000,000;
- Canadian operations, For CAD/DKK a total amount of DKK 54,784,168, for CAD/USD a total amount of USD 9,894,148 and for EUR/CAD a total amount CAD 45,661,600 (which is supposed to be converted into a CIRS as soon as the first project starts its operation).

HEDGE AGREEMENTS – COMMODITIES

EDP and EDPR EU entered into hedge agreements for 2013 for a total volume of 3,259,620MWh (sell position) and 2,848,095MWh (buy position) at the forward market price at the time of execution related with the expected sales of energy in the Spanish market.

CONSULTANCY SERVICE AGREEMENT

On June 4th, 2008, EDP and EDPR signed a consultancy service agreement. Through this agreement, and upon request by EDPR, EDP (or through EDP Sucursal) shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

The price of the agreement is calculated as the cost incurred by EDP plus a margin. For the first year, it was fixed at 8% based on an independent expert on the basis of market research. For 2013 the estimated cost of these services is EUR 2.893.060. This was the total cost of services provided for EDPR, EDPR EU, and EDPR NA.

The duration of the agreement is one (1) year tacitly renewable for equal periods.

RESEARCH AND DEVELOPMENT AGREEMENT

On May 13th, 2008, EDP Inovação, S.A. (hereinafter EDP Inovação), an EDP Group Company, and EDPR signed an agreement regulating relations between the two companies regarding projects in the field of renewable energies (hereinafter the R&D Agreement).

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The object of the R&D Agreement is to prevent conflicts of interest and foster the exchange of knowledge between companies and the establishment of legal and business relationships. The agreement forbids EDP Group companies other than EDP Inovação to undertake or invest in companies that undertake the renewable energy projects described in the agreement.

The R&D Agreement establishes an exclusive right on the part of EDP Inovação to project and develop new renewable energy technologies that are already in the pilot or economic and/or commercial feasibility study phase, whenever EDPR exercises its option to undertake them.

The agreement shall remain in effect for as long as EDP directly or indirectly maintains control of more than 50% of both companies or nominate the majority of the members of the Board and Executive Committee of the parties to the agreement.

MANAGEMENT SUPPORT SERVICES AGREEMENT BETWEEN EDP RENOVÁVEIS PORTUGAL S.A., AND EDP VALOR – GESTÃO INTEGRADA DE RECURSOS, S.A.

On January 1st, 2003, EDP Renováveis Portugal, S.A., holding Company of the EDPR subgroup in Portugal, and EDP Valor – Gestão Integrada de Recursos, S.A. (hereinafter EDP Valor), an EDP Group Company, signed a management support service agreement.

The object of the agreement is the provision to EDP Renováveis Portugal by EDP Valor of services in the areas of procurement, economic and financial management, fleet management, property management and maintenance, insurance, occupational health and safety, and human resource management and training.

The remuneration paid to EDP Valor by EDP Renováveis Portugal and its subsidiaries for the services provided in 2013 totalled EUR 799.736,92.

The initial duration of the agreement was five (5) years from date of signing and it was tacitly renewed for a new period of five (5) years on January 1st, 2008.

Either party may renounce the contract with one (1) year's notice.

INFORMATION TECHNOLOGY MANAGEMENT SERVICES AGREEMENT BETWEEN EDP RENOVÁVEIS S.A. AND EDP – ENERGIAS DE PORTUGAL, S.A.

On January 1st, 2010 EDPR and EDP signed an IT management services agreement.

The object of the agreement is to provide to EDPR the information technology services described on the contract and its attachments by EDP.

The amount incurred for the services provided in 2013 totalled EUR 196.827,74.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year.

Either party may renounce the contract with one (1) month notice.

REPRESENTATION AGREEMENT WITH HIDROELÉTRICA DEL CANTÁBRICO S.A. FOR THE EDP RENOVÁVEIS, S.A. PORTFOLIO IN SPAIN

On October 27th, 2011 EDPR and Hidroeletrica del Cantábrico S.A. signed an Agreement for Representation services.

The object of this agreement was to provide EDPR representation services in the market and risk management for a fix tariff based in volume (0.12€/MWh) in the electricity market.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year.

CONSULTANCY AGREEMENT BETWEEN EDP RENOVÁVEIS BRASIL S.A., AND EDP ENERGIAS DO BRASIL S.A.

The object of the agreement is to provide to EDP Renováveis Brasil S.A. (hereinafter EDPR Brasil) the consultancy services described on the contract and its attachments by EDP – Energias do Brasil S.A. (hereinafter EDP Brasil). Through this agreement, and upon request by EDPR Brasil, EDP Brasil shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

The amount incurred to EDP Brasil for the services provided in 2013 totalled BRL 322,322.89.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year.

SUPPLY SERVICES AND INFRA-STRUCTURES AGREEMENT BETWEEN EDP RENEWABLES EUROPE S.L.U, HIDROCANTÁBRICO DISTRIBUCIÓN ELÉCTRICA S.A.U AND HIDROELÉCTRICA DEL CANTÁBRICO S.A.

On January 10th, 2012 EDPR Europe S.L.U, Hidrocantábrico Distribución Eléctrica S.A.U (HCDE) and Hidroeléctrica del Cantábrico S.A. signed a supply services and infra-structures agreement.

The object of this agreement is the provision to EDPR Europe S.L.U of communication services and technical assistance related to the infra-structures of energy production.

The amount incurred to HCDE for the services provided in 2013 totalled EUR 51,560,26.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year.

91. DESCRIPTION OF THE PROCEDURES APPLICABLE TO THE SUPERVISORY BODY FOR THE ASSESSMENT OF THE BUSINESS DEALS

The contracts signed between EDPR and its Qualified Shareholders are analysed by the Related-Party Transactions Committee according to its competences, as mentioned topic 89 of the report and by the Audit and Control Committee. According with Article 9º nº 1 c) of the Related-Party Transactions Committee Regulation, the committee analyses and supervises, in the correspondent term according to the necessities of each specific case, the transactions between Qualifying Holdings other than EDP with entities from the EDP Renováveis Group whose annual value is superior to 1.000.000€. This information is included on the annual report of the Audit and Control Committee regarding those cases that needed a previous opinion from the committee. The mechanisms established on both committees regulation and also the fact that one of the members of the Related-Party Transactions Committee is the Chairperson of the Audit and Control Committee, as stated on topic 39 of the report, constitutes a relevant element for an adequate evaluation of the relations established between EDPR and third entities.

II. DATA ON BUSINESS DEALS

92. DETAILS OF THE PLACE WHERE THE FINANCIAL STATEMENTS ARE AVAILABLE

The financial statements of EDPR, including the information on business dealings with related parties, are available to the public at the Company's website, www.edprenovaveis.com and at its headquarters in Plaza de la Gesta, 2, 33007 Oviedo, Spain.

PART II – CORPORATE GOVERNANCE ASSESSMENT

1. DETAILS OF THE CORPORATE GOVERNANCE CODE IMPLEMENTED

According to article 2º of CMVM Regulation nº 4/2013, EDPR informs that the present Report has been drafted under the Recommendations of CMVM'S Corporate Governance Code published on July, 2013. The CMVM Corporate Governance Code and its Regulations are available at CMVM website, www.cmvm.pt.

2. ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE IMPLEMENTED

The following table shows the CMVM recommendations set forth in the code and indicates whether or not they have been fully adopted by EDPR and the place in this report in which they are described in more detail.

During 2013, EDPR has continued its consolidation task as to the Company's governance principles and practices. The high level of compliance with the best governance practices by EDPR was recognised by an independent study developed in 2013 by the Universidade Católica Portuguesa (Portuguese Catholic University) at the request of AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado (Portuguese Listed Companies Association), within which the Company was given the maximum rating – AAA – based on the Company's 2012 Governance Report and compliance with the abovementioned CMVM Recommendations.

Also in order to comply with the Recommendation II.2.5 of the Portuguese Corporate Governance Code, and according to the results of the reflection made by the Audit and Control Committee, the governance model that was adopted has been ensuring an effective performance and articulation of EDPR Social Bodies and proved to be adequate to the Company's governance structure without any constraints to the performance of its checks and balances system adopted to justify the changes made in the Governance practices of EDPR.

The explanation of CMVM's recommendations that EDPR does not adopt or that the Company deems not applicable, reasoning and other relevant comments as well as reference to the part of the report where the description may be found, are in the table below.

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In this context, EDPR states that it has adopted the CMVM recommendations on the governance of listed companies provided in the Portuguese Corporate Governance Code, with the exceptions indicated below.

STATEMENT OF COMPLIANCE (CMVM RECOMMENDATIONS)

RECOMMENDATION	ADOPTION INFORMATION	DESCRIPTION IN THE REPORT
I. VOTING AND CORPORATE CONTROL		
I.1 Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically.	Adopted	Chapter B – I, b), topics 12 and 13
I.2 Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.	Adopted	Chapter B – I, b), topic 14
I.3 Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders.	Adopted	Chapter B – I, b) topic 14
I.4 The Company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction.	Not Applicable	Chapter A – I, topic 5
I.5. Measures that require payment or assumption of fees by the Company in the event of change of control or change in the composition of the Board and that which appear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members, shall not be adopted.	Adopted	Chapter A – I, Topics 2 and 4
II. SUPERVISION, MANAGEMENT AND OVERSIGHT		
II.1 Supervision And Management		
II.1.1 Within the limits established by law, and except for the small size of the Company, the board of directors shall delegate the daily management of the Company and said delegated powers shall be identified in the Annual Report on Corporate Governance.	Adopted	Chapter B – II, Topics 21, 28
II.1.2. The Board of Directors shall ensure that the Company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the strategy and general policies of the Company, ii) define business structure of the group iii) decisions considered strategic due to the amount, risk and particular characteristics involved.	Not Applicable ("Under Spanish Law, the matters referred to in this recommendation can be delegated by the Board of Directors on the Executive Committee. It is common practice in Spanish listed companies for the delegation of powers to be far-reaching, with the exception of matters related to the preparation of accounts. Nevertheless, the Executive Committee always informs the Board of Directors of all the strategic decisions or relevant structure changes".)	
II.1.3. The General and Supervisory Board, in addition to its supervisory duties supervision, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall enshrine the requirement for this body to decide on the strategy and major policies of the Company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the Company.	Not Applicable (The governance model adopted by EDPR, as it is compatible with its personal law, corresponds to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit and Control Committee.)	
II.1.4. Except for small-sized companies, the Board of Directors and the General and Supervisory Board, depending on the model adopted, shall create the necessary committees in order to: a) Ensure a competent and independent assessment of the performance of the executive directors and its own overall performance, as well as of other committees; b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.	Adopted	Chapter B – II, C), Topics 27, 28, 29,
II.1.5. The Board of Directors or the General and Supervisory Board, depending on the applicable model, should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.	Adopted	Chapter B – III, C), III – Topics 52, 53, 54 and 55
II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the		

remaining members of the board.

II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the Company, its shareholder structure and the relevant free float. The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as per the law in force. The other members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the Company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to:

- Having been an employee at the Company or at a Company holding a controlling or group relationship within the last three years;
- Having, in the past three years, provided services or established commercial relationship with the Company or Company with which it is in a control or group relationship, either directly or as a partner, board member, manager or director of a legal person;
- Being paid by the Company or by a Company with which it is in a control or group relationship besides the remuneration arising from the exercise of the functions of a board member;
- Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are direct and indirectly holders of qualifying holdings;
- Being a qualifying shareholder or representative of a qualifying shareholder.

II.1.8. When board members that carry out executive duties are requested by other board members, said shall provide the information requested, in a timely and appropriate manner to the request.

II.1.9. The Chair of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chair of the Board of Directors, the Chair of the Supervisory Board, the Chair of the Audit Committee, the Chair of the General and Supervisory Board and the Chairperson of the Financial Matters Board, the convening notices and minutes of the relevant meetings.

II.1.10. If the chair of the board of directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that said can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.

Adopted

Chapter B – II, Topic 18 and Topic 29

Adopted

Chapter B – II, Topic 18

Adopted

Chapter B – II, C) - Topic 28

Adopted

Chapter B – II, C) - Topic 28

Not Applicable

(The Chairperson of EDPR's Board of Directors does not have executive duties.)

Chapter B – II, A) – Topic 18

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II.2. SUPERVISION

II.2.1. Depending on the applicable model, the Chair of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties.

II.2.2. The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the Company

II.2.3. The supervisory board shall assess the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.

II.2.4. The supervisory board shall assess the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.

II.2.5. The Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the Company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential improprieties.

Adopted

Chapter B – II – Topic 18;
Chapter B – II, C) - Topic 29;
Chapter B – III, A) – Topic 32

Adopted

Chapter B – C), Topic 29;
Chapter B – V, Topic 45

Adopted

Chapter B – II, Topic 29;
Chapter B – III, C) – Topic 38;
Chapter B – III – V, Topic 45

Adopted

Chapter B – II, Topic 29;
Chapter B – III, C) – III, Topic 50 and 51

Adopted

Chapter B – II, Topic 29;

II.3. REMUNERATION SETTING

II.3.1. All members of the Remuneration Committee or equivalent should be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy.

II.3.2. Any natural or legal person that provides or has provided services in the past three years, to any structure under the board of directors, the board of directors of the Company itself or who has a current relationship with the

Adopted

Chapter D – II – Topic 67 and 68

Adopted

Chapter D – II – Topic 67

<p>Company or consultant of the Company, shall not be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related by employment contract or provision of services with the above.</p> <p>II.3.3. A statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following:</p> <p>a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies ;</p> <p>b) Information regarding the maximum potential, in individual terms, and the maximum potential, in aggregate form, incurred to members of corporate bodies, and identify the circumstances whereby these maximum amounts may be payable;</p> <p>d) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.</p> <p>II.3.4. Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said plan.</p> <p>II.3.5. Approval of any retirement benefit scheme established for members of corporate members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said system.</p>	<p>Adopted</p> <p>Adopted</p> <p>Adopted</p>	<p>Chapter D – III – Topic 69</p> <p>Chapter V – III, Topic 69</p> <p>Chapter D – III, Topic 76</p>
III. REMUNERATION		
<p>III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk-taking.</p> <p>III.2. The remuneration of non-executive board members and the remuneration of the members of the supervisory board shall not include any component whose value depends on the performance of the Company or of its value.</p> <p>III.3. The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and maximum limits should be set for all components.</p> <p>III.4. A significant part of the variable remuneration should be deferred for a period not less than three years, and the right of way payment shall depend on the continued positive performance of the Company during that period.</p> <p>III.5. Members of the Board of Directors shall not enter into contracts with the Company or with third parties which intend to mitigate the risk inherent to remuneration variability set by the Company.</p> <p>III.6. Executive board members shall maintain the Company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares, until the end of their mandate.</p> <p>III.7. When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years.</p> <p>III.8. When the removal of board member is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet due on inadequate performance, the Company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable.</p>	<p>Adopted</p> <p>Adopted</p> <p>Adopted</p> <p>Not Applicable</p> <p>Adopted</p> <p>Not Applicable</p> <p>Not Applicable</p> <p>Adopted</p>	<p>Chapter D – III, Topic 69, 70, 71 and 72</p> <p>Chapter D – III, Topic 69: Chapter D – IV, Topic 77</p> <p>Chapter D – III, Topics 71 and 72</p> <p>Chapter D – III, Topic 72</p> <p>Chapter D – III, Topic 72</p> <p>Chapter D – III, Topic 73</p> <p>Chapter D – III, Topic 74</p> <p>Chapter D – III, Topic 69 and 72</p>
IV. AUDITING		
<p>IV.1. The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the supervisory body of the Company.</p> <p>IV.2. The Company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for hiring such services - which must be approved by the supervisory board and explained in its Annual Report on Corporate Governance - said should not exceed more than 30% of the total value of services rendered to the Company.</p> <p>IV.3. Companies shall support auditor rotation after two or three terms whether four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the supervisory board that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.</p>	<p>Adopted</p> <p>Adopted</p> <p>Adopted</p>	<p>Chapter B – III – V, Topic 46</p> <p>Chapter B – III – V, Topic 46</p> <p>Chapter B – III – V, Topic 44</p>
V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS		
<p>V.1. The Company's business with holders of qualifying holdings or entities, with which they are in any type of relationship pursuant to article 20 of the Portuguese Securities Code, shall be conducted during normal market conditions.</p> <p>V.2. The supervisory or oversight board shall establish procedures and criteria that are required to define the relevant level of significance of business with</p>	<p>Adopted</p>	<p>Chapter B – C), Topic 90</p> <p>Chapter B – C), Topic 89</p>

holders of qualifying holdings - or entities with which they are in any of the relationships described in article 20/1 of the Portuguese Securities Code – thus significant relevant business is dependent upon prior opinion of that body.

Adopted

and 91

VI. INFORMATION

VI.1. Companies shall provide, via their websites in both the Portuguese and English languages, access to information on their progress as regards the economic, financial and governance state of play.

Adopted

Chapter B – C) – V

VI.2. Companies shall ensure the existence of an investor support and market liaison office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing, shall be kept.

Adopted

Chapter B – C) – IV

ANNEX I

MAIN POSITIONS HELD BY MEMBERS OF BOARD OF DIRECTORS IN THE LAST FIVE YEARS

Name	Position
ANTÓNIO MEXIA	Member of the Executive Board of Directors of EDP - Energias de Portugal, S.A. (CEO) Member of the General Supervisory Board of Banco Comercial Portugues S.A.
JOÃO MANSO NETO	Member of the Executive Board of Directors of EDP - Energias de Portugal, S.A. Chairperson of EDP - Gestão da Produção de Energia, S.A. Vice-Chairperson of Hidroeléctrica del Cantábrico, S.A. Vice-Chairperson of Naturgás Energia Grupo, S.A. Member of the Board of the Operador del Mercado Ibérico de Energía, Polo Español (OMEL) Member of the Board of OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.
NUNO ALVES	Member of the Executive Board of Directors of EDP - Energias de Portugal, S.A. (CFO)
JOÃO MARQUES DA CRUZ	Member of the Board of EDP Internacional, S.A. Chairperson of the Board of Directors of CEM – Macao Electrical Company Member of the Executive Board of Directors of EDP - Energias de Portugal, S.A.
RUI TEIXEIRA	Chief Financial Officer of EDP Renováveis, S.A. Member of the Executive Committee of EDP Renováveis, S.A.
JOÃO PAULO COSTEIRA	Chief Operating Officer for Europe and Brazil of EDP Renováveis, S.A. Member of the Executive Committee of EDP Renováveis, S.A.
GABRIEL ALONSO	Chief Operating Officer for North America of EDP Renováveis, S.A. Member of the Executive Committee of EDP Renováveis, S.A.
ACÁCIO PILOTO	Member of the Board of Directors of Banco Millennium BCP Investimento, S.A. Member of Board of Directors and CEO of Millennium Gestão de Activos, SGFI, S.A. Chairperson of the Board of Directors of BII International, Luxemburgo Chairperson of the Board of Directors of Millennium SICAV, Luxemburgo Member of the Board of Directors of INAPA, IPG, S.A. Member of the Audit Committee of INAPA, IPG, S.
ANTÓNIO NOGUEIRA LEITE	Vice-Chairperson of the Executive Committee of Caixa Geral de Depósitos, SA. Chairperson of the Board of Directors Caixa Banco de Investimento, SA. Chairperson of the Board of Directors of Caixa Capital, SCR, SGPS, SA Chairperson of the Board of Directors of Caixa Leasing e Factoring, SA, Chairperson of the Board of Directors of Partang, SGPS, SA, Member of the Board of Directors of Reditus, SGPS, SA. Member of the Board of Directors of José de Mello Investimentos e General Manager of (Planeamento Estratégico, Desenvolvimento e Controlo de Gestão), José de Mello, SGPS, SA. Member of the Board of Directors of Companhia União Fabril CUF, SGPS, SA. Member of the Board of Directors of Quimigal, SA (2002-2006) e CUF-Químicos Industriais, SA. Member of the Board of Directors of Brisa, SA. Member of the Board of Directors of Efaced Capital, SGPS, SA. Member of the Board of Directors of Comitur, SGPS, SA. Member of the Board of Directors of Comitur Imobiliária, SA. Member of the Board of Directors of Expocomitur-Promoções e Gestão Imobiliária, SA. Member of the Board of Directors of Herdade do Vale da Fonte-Sociedade Agrícola, Turística e Imobiliária, SA. Member of the Board of Directors of Sociedade Imobiliária e Turística do Cojo, SA. Member of the Board of Directors of José de Mello Saúde, SGPS, SA. Administrador, EDP Renováveis SA. Vice-Chairperson and vocal afterwards of the Consultive Board of Banif Investment Bank.

Name	Position
GILLES AUGUST	Co-founder of August & Debouzy. Manages the firm's corporate department.
JOÃO RAIMUNDO	Member of the Board of Directors of OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A. (OMIP SGPS) Chairperson of the Board of Directors of Banque BCP Luxembourg Chairperson of the Board of Directors of Banque BCP France Member of the Board of Directors of Banque Privée BCP Switzerland Managing Director of Banco Comercial Português Vice-Chairperson of the Board of Millennium Angola Member of the Board of Directors of Banco Millennium BCP de Investimento Vice-Chairperson of the Board of Directors of Millennium Bank, NA (USA) Member of the Board of Directors of CIMPOR - Cimentos de Portugal SGPS, S.A. Chairperson of the Board of Directors of BCP Holdings USA, Inc
JOÃO MELLO FRANCO	Director of Portugal Telecom SGPS, SA Chairperson of the Audit Committee of Portugal Telecom SGPS, S.A. Member of the Remunerations Committee of Portugal Telecom SGPS, S.A. Member of the Evaluation Committee of Portugal Telecom SGPS, S.A. Member of the Corporate Governance Committee of Portugal Telecom SGPS, S.A. Chairperson of the Audit Committee of Sporting Clube de Portugal S.A.D.
JORGE SANTOS	Full Professor of Economics at Instituto Superior de Economia e Gestão (ISEG) da Universidade Técnica de Lisboa President of the Economics Department (ISEG) Member of the Scientific Council of ISEG Coordinator of the MSc course in Economics at ISEG Member of the Board of "Fundação Económicas" President of the General Assembly of IDEFE.
JOSÉ ARAÚJO E SILVA	Director of Corticeira Amorim, SGPS, SA Member of the Executive Committee of Corticeira, SGPS, SA Director of Caixa Geral de Depósitos Member of the Board of RTP, Rádio Televisão de Portugal, S.A.
JOSÉ FERREIRA MACHADO	Dean at Nova School of Business & Economics
MANUEL MENÉNDEZ MENÉNDEZ	Chairperson and CEO of Liberbank S.A. Chairperson of Banco de Castilla-La Mancha Chairperson of Cajastur Chairperson of Hidroeléctrica del Cantábrico, S.A. Chairperson of Naturgas Energía, S.A. Member of the Board of EDP Renewables Europe, SL Member of the Board of Directors of EDP Renováveis, S.A. Member of the Board of Confederación Española de Cajas de Ahorro Member of the Board of CECABANK Member of the Board of UNESA
RAFAEL CALDEIRA VALVERDE	Vice-Chairperson and Member of the Executive Committee of Banco Espírito Santo de Investimento, SA Member of the Board of Directors of BES Investimento do Brasil S.A. - Banco de Investimento Member of the Board of Directors of ESSI S.G.P.S., S.A. Member of the Board of Directors of ESSI Comunicações, S.G.P.S., S.A. Member of the Board of Directors of ESSI Investimentos, S.G.P.S., S.A. Member of the Board of Directors of Espírito Santo Investment Holdings Limited Member of the Board of Directors of EDP Renováveis S.A. Member of the Supervisory Board of Academia de Música de Sta. Cecília Vice-Chairperson of Federação Portuguesa de Rugby Member of the Supervisory Board TRANS-POR

ANNEX II

CURRENT MAIN POSITIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

IN COMPANIES NOT BELONGING TO THE SAME GROUP AS EDP RENOVÁVEIS, S.A. OR EDP – ENERGIAS DE PORTUGAL, S.A.

Name	Position
ANTÓNIO MEXIA	Member of the General Supervisory Board of Banco Comercial Portugues S.A.
JOÃO MANSO NETO	Member of the Board of the Operador del Mercado Ibérico de Energía, Polo Español(OMEL) Member of the Board of OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.
NUNO ALVES	N/A
JOÃO MARQUES DA CRUZ	Chairperson of the Board of Directors of Companhia de Electricidade de Macau - CEM, S.A.
RUI TEIXEIRA	N/A
JOÃO PAULO COSTEIRA	N/A
GABRIEL ALONSO	N/A
ACÁCIO PILOTO	N/A
ANTÓNIO NOGUEIRA LEITE	Administrador, HipogesIberia, SA Administrador, MP-Microprocessador, SA Administrador, Reditus SGPS, SA
GILLES AUGUST	Co-founder of August & Debouzy. Manages the firm's corporate department.
JOÃO RAIMUNDO	Member of the Board of Directors of OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A. (OMIP SGPS) Chairperson of the Board of Directors of BCP Holdings USA, Inc. Managing Director of Banco Comercial Português
JOÃO MELLO FRANCO	Member of the Board of Portugal Telecom SGPS, SA Chairperson of the Audit Committee of Portugal Telecom SGPS, S.A. Member of the Evaluation Committee of Portugal Telecom SGPS, S.A. Member of the Corporate Governance Committee of Portugal Telecom SGPS, S.A.
JORGE SANTOS	Full Professor of Economics at Instituto Superior de Economia e Gestão (ISEG) da Universidade Técnica de Lisboa President of the Economics Department (ISEG) Member of the Scientific Council of ISEG Coordinator of the MSc course in Economics at ISEG Member of the Board of "Fundação Económicas" President of the General Assembly of IDEFE.
JOSÉ ARAÚJO E SILVA	Consultant
JOSÉ FERREIRA MACHADO	Dean at Nova School of Business & Economics
MANUEL MENÉNDEZ MENÉNDEZ	Chairperson and CEO of Liberbank, S.A. Chairperson of Cajastur Member of the Board of Confederación Española de Cajas de Ahorro Member of the Board of UNESA
RAFAEL CALDEIRA VALVERDE	Vice-Chairperson and Member of the Executive Committee of Banco Espírito Santo de Investimento, SA Member of the Board of Directors of BES Investimento do Brasil S.A. - Banco de Investimento Member of the Board of Directors of ESSI S.G.P.S., S.A. Member of the Board of Directors of ESSI Investimentos, S.G.P.S., S.A. Member of the Board of Directors of Espírito Santo Investment Holdings Limited Member of the Supervisory Board of Academia de Música de Sta. Cecília

ANNEX III

CURRENT POSITIONS OF MEMBERS OF THE BOARD OF DIRECTORS IN COMPANIES BELONGING TO THE SAME GROUP AS EDP - ENERGIAS DE PORTUGAL S.A.

	António Mexia	João Manso Neto	João Marques da Cruz	Manuel Mênendez Menéndez	Nuno Alves	Gabriel Alonso	João Paulo Costeira	Rui Teixeira
Balwerk - Consultadoria Económica e Participações, Sociedade Unipessoal, Lda.	-	-	-	-	M	-	-	-
Companhia de Electricidade de Macau – CEM, S.A.	-	-	CBD	-	-	-	-	-
EDP – Ásia Investimentos e Consultoria, Lda.	-	-	CBD	-	-	-	-	-
EDP – Ásia Soluções Energéticas Lda.	-	-	CBD	-	-	-	-	-
EDP - Energias de Portugal Sociedade Anónima, Sucursal en España	PR	PR	PR	-	PR	-	-	-
EDP Energia Gas SL	-	D	-	-	-	-	-	-
EDP Energia Ibérica S.A.	-	D	-	-	-	-	-	-
EDP Finance BV	R	R	R	-	R	-	-	-
EDP Gás.com - Comércio de Gás Natural, S.A.	-	CBD	-	-	-	-	-	-
EDP Inovação, S.A.	-	-	-	-	-	-	-	-
EDP Valor—Gestão Integrada de Serviços, S.A.	-	-	CBD	-	-	-	-	-
EDP—Energias de Portugal, S.A.	CEBD	D	D	-	D	-	-	-
EDP—Energias do Brasil, S.A.	CBD	-	-	-	D	-	-	-
EDP—Estudos e Consultoria, S.A.	-	-	-	-	CBD	-	-	-
EDP—Imobiliária e Participações, S.A.	-	-	-	-	CBD	-	-	-
ENEOP – Eólicas de Portugal S.A.	-	CBD	-	-	-	-	-	-
Energia RE, S.A.	-	-	-	-	CBD	-	-	-
Hidroeléctrica del Cantábrico, S.A.	-	D	-	CBD	D	-	-	-
Naturgás Energia Grupo, S.A.	-	D	-	CBD	-	-	-	-
Sávida—Medicina Apoiada, S.A.	-	-	-	-	CBD	-	-	-
SCS—Serviços Complementares de Saúde, S.A.	-	-	-	-	CBD	-	-	-

CEBD – Chairperson Executive Board of Directors

CBD – Chairperson of the Board of Directors/ CEO – Chief Executive Officer

D - Director

M - Manager

R – Representative

PR - Permanent Representative

CURRENT MAIN POSITIONS OF MEMBERS OF THE BOARD OF DIRECTORS IN COMPANIES BELONGING TO THE SAME GROUP AS EDP RENOVÁVEIS S.A.

	António Mexia	João Manso Neto	João Marques da Cruz	Manuel Mênendez Menéndez	Nuno Alves	Gabriel Alonso	João Paulo Costeira	Rui Teixeira
EDP Renewables								
Italia, SRL	-	-	-	-	-	-	CBD	-
EDP Renewables Canada, Ltd	-	-	-	-	-	CEO	-	D
EDP Renewables Europe, S.L.	-	CBD	-	D	-	-	D	D
EDP Renewables France SA	-	-	-	-	-	-	CBD	-
EDP Renewables North America LLC	-	-	-	-	-	CEO	-	-
EDP Renewables Polska, SP, z.o.o.	-	-	-	-	-	-	D	D
EDP Renewables Romania SRL	-	-	-	-	-	-	D	-
EDP Renewables SGPS, S.A.	-	-	-	-	-	-	CBD	D
EDP Renewables South Africa Proprietary Limited	-	-	-	-	-	-	CBD	-
EDP Renewables UK Ltd	-	-	-	-	-	-	D	D
EDP Renováveis Brasil, S.A.	-	CBD	-	-	-	-	D	D
EDP Renováveis Portugal, SA	-	-	-	-	-	-	CBD	D
ENEOP 2 S.A.	-	-	-	-	-	-	CBD	-
Greenwind, S.A.	-	-	-	-	-	-	CBD	-
EDPR PT – Promoção e Operação, S.A.	-	-	-	-	-	-	CBD	D
South Africa Wind & Solar Power SLU	-	-	-	-	-	-	CBD	-

CBD – Chairperson of the Board of Directors

CEO – Chief Executive Officer

D - Director

MSB – Member of the Supervisory Board

PGMS – President of the General Shareholders' Meeting

M – Manager

NOTE: This Annex contains information regarding all the main companies of the EDPR Group. The information regarding all other affiliate companies where the members of the Board of Directors hold a position is available in the Annual Accounts on Note 38.

ANNEX IV

BOARD OF DIRECTORS

ANTÓNIO MEXIA (CHAIRPERSON)

Born in 1957, he received a degree in Economics from Université de Genève (Switzerland) in 1980, where he was also Assistant Lecturer in the Department of Economics. He was a postgraduate lecturer in European Studies at Universidade Católica. He was also a member of the governing boards of Universidade Nova de Lisboa and of Universidade Católica, where he was Director from 1982 to 1995. Served as Assistant to the Secretary of State for Foreign Trade from 1986 until 1988. From 1988 to 1990, Antonio served as Vice-Chairperson of the Board of Directors of ICEP (Portuguese Institute for Foreign Trade). From 1990 to 1998, he was Director of Banco Espírito Santo de Investimentos and, in 1998 was nominated Chairperson of the Board of Directors of Gás de Portugal and Transgás. In 2000, he joined Galp Energia as Vice-Chairperson of the Board of Directors. From 2001 to 2004, he was the Executive Chairperson of Galp Energia and Chairperson of the Board of Directors of Petrogal, Gás de Portugal, Transgás and Transgás-Atlântico. In 2004, was nominated Minister of Public Works, Transport and Communication for Portugal's 16th Constitutional Government. He also served as Chairperson of the Portuguese Energy Association (APE) from 1999 to 2002, member of the Trilateral Commission from 1992 to 1998, Vice-Chairperson of the Portuguese Industrial Association (AIP), and Chairperson of the General Supervisory Board of Ambelis. He was also a Government representative to the EU working group for the trans-European network development. In January 2008, he was nominated member of the General Supervisory Board of Banco Comercial Português, S.A. having before integrated the Superior Board of this Bank. On 30th March 2006, was nominated Chairperson of EDP's Executive Board of Directors to start the term of office on 30th June 2006. He was re-elected on 15th April 2009 and 20th February 2012.

JOÃO MANSO NETO (VICE-CHAIRPERSON)

Born in 1958, he graduated in Economics from Instituto Superior de Economia (1981) and received a post-graduate degree in European Economics from Universidade Católica Portuguesa (1982). He also completed a professional education course through the American Bankers Association (1982), the academic component of the Master's Degree program in Economics at the Faculty of Economics, Universidade Nova de Lisboa and, in 1985, the "Advanced Management Program for Overseas Bankers" at the Wharton School in Philadelphia. From 1981 to 1995 he worked at Banco Português do Atlântico, occupying several positions, mainly as Head of the International Credit Division, and General Manager responsible for Financial and South Retail areas. From 1995 to 2002 he worked at the Banco Comercial Português, where he held the posts of General Manager of Financial Management, General Manager of Large Corporate and Institutional Businesses, General Manager of the Treasury, member of the Board of Directors of BCP Banco de Investimento and Vice-Chairperson of BIG Bank Gdansk in Poland. From 2002 to 2003, he was a member of the Board of Banco Português de Negócios. From 2003 to 2005 he worked at EDP as General Manager and Member of the Board of EDP Produção. In 2005 he was elected CEO at HC Energía, Chairperson of Genesa and Member of the Board of Naturgas Energia and OMEL. He was appointed on 30th March 2006 as member of the Executive Board of Directors, which office began on 30th June 2006, and reappointed on 15th April 2009 and 20th February 2012. On February 28th, 2012, he was nominated Vice-Chairperson of the Board of Directors and CEO of EDP Renováveis, S.A. Presently he is the Iberian Responsible for the Energy Management Regulation (Gas and Electricity).

JOÃO MARQUES DA CRUZ

Born in 1961, he holds a degree in Management (1984) from Lisbon's ISE at the Technical University of Lisbon - Instituto Superior de Economia da Universidade Técnica de Lisboa, an MBA (1989) from the Technical University of Lisbon - Universidade Técnica de Lisboa, and a Post-Graduation in Marketing and Management of Airlines (1992) from the Bath University /International Air Travel Association, UK. He began his career at the TAP Group in 1984 (Transportes Aéreos de Portugal) having had several positions until becoming General Director. Between 1997 and 1999 he was a Board Member of TAPGER. Between 2000 and 2002, he was a member of the Board of several companies within CP - Portuguese Railways, namely EMEF. From 2002 and 2005, he became CEO of Air Luxor, an airline Company, and from 2005 to 2007 he was Chairperson and CEO of ICEP - Instituto do Comércio Externo de Portugal, a Portuguese state owned agency for international trade and promotion. Since March 2007, he has been a board member of EDP Internacional S.A. and in 2009 he was nominated Chairperson of the Board of Directors of CEM - Macao Electrical Company. He was nominated as a member of the Executive Board of Directors on 20th February 2012. On May 8th, 2012, he was nominated Member of the Board of EDP Renováveis, S.A. by co-option.

NUNO ALVES

Born in 1958, he holds a degree in Naval Architecture and Marine Engineering (1980) and a Master in Business Administration (1985) by the University of Michigan. In 1988, he joins the Planning and Strategy Department of Millennium BCP and in 1990 becomes an associate director of the bank's Financial Investments Division. In 1991, Mr. Nuno Alves is appointed as the Investor Relations Officer for the group and in 1994 he joins the Retail network as Coordinating Manager. In 1996, he becomes Head of the Capital Markets Division of Banco CISF,

currently Millennium BCP Investimento, and, in 1997, Co-Head of the bank's Investment Banking Division. In 1999, Mr. Nuno Alves is appointed as Chairperson and CEO of CISF Dealer, the brokerage arm of Banco CISF. Since 2000, before his appointment as EDP's Chief Financial Officer in March 2006, Mr. Nuno Alves acted as an Executive Board Member of Millennium BCP Investimento, responsible for BCP Group Treasury and Capital Markets. He was appointed on 30th March 2006 as member of the Executive Board of Directors, which office began on 30th June 2006, and reappointed on 15th April 2009 and 20th February 2012.

GABRIEL ALONSO

Born in 1973, he has been working in the global wind energy industry for more than 15 years in several countries across Europe, North America, and North Africa. He joined EDP in early 2007 as Managing Director for North America, where he led EDP's entrance into the United States' renewables arena through EDP's acquisition of Horizon Wind Energy from Goldman Sachs, the largest renewable energy transaction to date. He was instrumental in the creation, launch, and implementation of the initial public offering (IPO) of EDPR in June of 2008. He served in EDPR NA as Chief Development Officer (CDO) and Chief Operating Officer (COO), responsible for overseeing development, engineering, construction, energy management, procurement, and operations and maintenance. He is currently Chief Executive Officer for EDP Renewables North America LLC (EDPR NA), member of the Executive Committee, and Member of the Board of Directors of EDP Renováveis S.A. (EDPR). He is also member of the Executive Committee and currently holds the role of Chair-Elect of the Board of Directors of the American Wind Energy Association (AWEA). He holds a Law Degree and a Master of Science Degree in Economics, each from the University of Deusto in Spain, and has completed the Advanced Management Program at The University of Chicago Booth School of Business.

JOÃO PAULO COSTEIRA

Born in 1965, he was the Commercial Director of Portgás from 1992 to 1998. In 1998 he entered Galpenergia Group (Portugal's National Oil & Gas Company), where he held several positions such as General Manager of LisboaGás (Lisbon's Natural gas LDC), Managing Director of Transgás Industria (Liberalized wholesale customers), and Managing Director of Lusitaniagás (Natural gas LDC). He also was a member of the Management Team of GalpEmpresas and Galpgás. In 2006 he became an Executive Board Member for Natural Gas Distribution and Marketing (Portugal and Spain). In 2007 he joined EDP Renováveis S.A., where he serves currently as Chief Operating Officer for Europe, Brazil and South Africa, he's a member of the Executive Committee and member of the Board of Directors of EDP Renováveis S.A. He holds a degree in Electrical Engineering by the Faculdade Engenharia da Universidade do Porto, and a Master in Business Administration by IEP/ESADE (Oporto and Barcelona). He also studied the Executive Development Program at École des HEC (Université de Lausanne, 1997), the Strategic Leadership Development Program at INSEAD (Fontainebleau, 2002) and the Advanced Management Program of IESE (Barcelona, 2004).

RUI TEIXEIRA

Born in 1972, he is a member of the Board of Directors of EDP Renováveis, S.A., a member of the Executive Committee, and is the Chief Financial Officer of the Company. From 1996 to 1997, he was assistant director of the commercial naval department of Gellweiler— Sociedade Equipamentos Marítimos e Industriais, Lda. From 1997 to 2001, he worked as a project manager and ship surveyor for Det Norske Veritas, with responsibilities for offshore structures, shipbuilding, and ship repair. Between 2001 and 2004, he was a consultant at McKinsey & Company, focussing on energy, shipping, and retail banking. From 2004 to 2007, he headed the corporate planning and control division within the EDP Group. In 2007 also served as Chief Financial Officer of EDP Renewables Europe SL (former NEO). He was nominated Chief Financial Officer of the Company in 2008. He is also Member of the Board of Directors of several subsidiaries of the Company's Group. He holds a Master of Science degree in Naval Architecture and Marine Engineering from the Instituto Superior Técnico de Lisboa, a Master in Business and Administration from the Universidade Nova de Lisboa and an Advance Management Program from Harvard Business School.

ACÁCIO PILOTO

Born in 1957, Acácio Piloto holds a Law degree by the Law School of Lisbon University (1983). During 1984 and 1985 he was a scholar from the Hanns Seidel Foundation, Munich where he obtained a Post- Graduation in Economic Law by Ludwig Maximilian University and a Post- Graduation in European Community Competition Law by Max Planck Institut. He was a trainee at the International Division of Bayerische Hypotheken und Wechsel Bank. He also completed several professional education courses, mostly in banking and financial management, namely the International Banking School (Dublin, 1989), the Asset and Liability Management Seminar (Merrill Lynch International, 1991) and the Insead Executive Program (Fontainebleau, 1999). In 1986 he joined the International Division of Banco Pinto e Sotto Mayor. In 1988 Acácio Piloto joins the International and Treasury Division of Banco Comercial Português. In 1989 is appointed Head of International Corporate Banking. From 1991 to 1996 he became Head of Treasury and Capital Markets Division at CISF- Banco de Investimento (BCP investment bank). In 1996 he is seconded to the Groups Subsidiary in charge of Asset Management, AF- Investimentos, joining its Executive Committee and acting as Chairperson of the following group companies: AF Investimentos, Fundos Mobiliários; AF Investimentos, Fundos Imobiliários; BPA Gestão de Patrimónios; BCP Investimentos International; AF Investimentos International and Prime International. In 1988 we returns to investment banking, first as member of the Executive Committee and in 2000 as an Executive

Board Member of BCP- Banco de Investimento, in charge of Investment Banking, and from 2006 onwards in charge of Treasury and Capital Markets. In 2010 he is appointed as Millennium bcp General Manager responsible for the Asset Management business and was nominated CEO of Millennium Gestão de Activos, SGFIM, Chairperson of Millennium SICAV and Chairperson of BII International.

During 2010/2013 Acácio Piloto also served as Member of the Board of Directors and Member of the Audit Committee of INAPA, IPG, S.A. Currently he serves as a Non- Executive Director of EDP Renováveis, S.A.

ANTÓNIO NOGUEIRA LEITE

Born in 1962. Between 1988 and 1996, he was a consultant to various national and international institutions, among which was the Bank of Portugal, the OCDE and the European Commission. Between 1995 and 1998, he was Secretary General of the APRITEL and between 2000 and 2002, he was a member of the Board of Directors of APRITEL. He was manager of Soporcel, S.A., from 1997 to 1999, manager of Papercel, S.A., from 1998 to 1999 and the director of MC Corretagem, S.A., also in 1999. The same year, he was appointed the Chairperson of the Board of Directors of the Lisbon Stock Exchange and a member of the Executive Committee of the Association of Ibero-American Scholarship. António Nogueira Leite is, since 2000, the member of the Advisory Board of the Portuguese Association for the Development of Communications. He was a consultant to Vodafone-Telecom Personal S.A. between 2000 and 2002, and GE Capital, between 2001 and 2002. In 2002, he was a member of the Advisory Board of the IGCP. Since 2002, has held various positions within Grupo José de Mello, and held management position in various organizations, including the Reditus, SGPS, S.A., Quimigal, S.A., Brisa, S.A., ADP, S.A., Comitur, SGPS, S.A., Comitur Imobiliária, S.A., Expocomitur- Deals & Real Estate Management, S.A., Valley Farm Supply - Sociedade Agrícola, Turística e Imobiliária, S.A., SGPS, S.A., Efacec Capital, SGPS, S.A. and Cuf - Químicos Industriais, S.A. He was director of the Society of Civil Explosives, SEC, S.A., from 2007 to March 2008. From October 1999 to August 2000 he was Secretary of the Department of Treasury and Finance and deputy governor of the European Investment Bank. He took the position at the European Bank for Reconstruction and Development and the International Monetary Fund and was also a member of the Economic and Financial Council of the European Union. He also held the position of Vice-President of the Advisory Board of Banif- Banco de Investimentos S.A. and the Chairperson of the General and Supervisory Board of OPEX, S.A. Between 2009 and 2011 he was President of the Association Ocean XXI (cluster do Mar). Between 2011 and 2013 he was Director and Deputy Chief Executive Officer of CGD, S.A. and a Director of the Caixa Investment Banking, Caixa Capital, Housing Development, Caixa Leasing & Factoring & Partang, SGPS, S.A. Since 2008, he is a non-executive Director of the Board of Directors of EDPR and a member of the Related Party Transactions. António Nogueira Leite has an undergraduate degree in Economics from Universidade Católica Portuguesa. He also has a master of economics and PhD of economics from the University of Illinois

GILLES AUGUST

Born in 1957. Between 1984 and 1986, he practiced law at Finley, Kumble, Wagner, Heine, Underberg, Manley & Casey Law Office in Washington DC. Between 1986 and 1991 he was an Associate and later became Partner at Baudel, Salès, Vincent & Georges Law Firm in Paris. In 1991 he became a Partner at Salès Vincent Georges, where he stayed until 1994. In 1995 he co-founded August & Debouzy Law firm where he is presently working as the manager of the firm's corporate department. He has been a Lecturer at École Supérieure des Sciences Economiques et Commerciales and at Collège de Polytechnique and is currently giving lectures at CNAM (Conservatoire National des Arts et Métiers). He is Knight of the Légion d'Honneur. Since 2009, he has been a Non-Executive Director of EDPR's Board of Directors. He has a Master in Law from Georgetown University Law Center in Washington DC (1986); a Post-graduate degree in Corporate Law from University of Paris II Phantéon, DEA (1984) and a Master in Private Law from the same University (1981). He graduated from the École Supérieure des Sciences Economiques et Commerciales (ESSEC).

JOÃO RAIMUNDO

Born in 1960. Between 1982 to 1985 was a senior auditor of BDO—Binder Dijker Otte Co. Between 1987 to 1990, was a director of Banco Manufactures Hanover (Portugal), S.A. and between 1990 to 1993 was a Member of the Boards of TOTTAfactor, S.A. (Grupo Banco Totta e Açores) and Valores Ibéricos, SGPS, S.A. In 1993, held directorships with Nacional Factoring, da CISF—Imóveis e CISF Equipamentos. Between 1995 and 1997 was a director of CISF—Banco de Investimento and a Member of the Board of Directors of Nacional Factoring. In 1998, was appointed to the Board of Directors of several financial companies, including Leasing Atlântico, Comercial Leasing, Factoring Atlântico, Nacional Leasing and Nacional Factoring. From 1999 to 2000, was a Member of the Board of Directors of BCP Leasing, BCP Factoring and Leasefactor SGPS. From 2000 to 2003, was appointed Chairman of the Board of Directors of Banque BCP (Luxemburg) and Chairman of the Executive Committee of Banque BCP (France). Between 2003 and 2006 he was a Member of the Board of Banque Prive BCP (Switzerland) and was General Manager of BCP's Private Banking Division. From 2006 to 2009, was a Member of the Board of Directors of Banco Millennium BCP de Investimento, S.A. and General Manager of Banco Comercial Português, S.A.. Also held a position until 2010 as vice-chairman of the General Assembly Board of Millennium Angola. From 2009 to 2010 was appointed Vice Chairman and CEO of Millenniumbcp bank, NA (USA). From 2009 to 2012 was a Member of the Board of Directors of CIMPOR - Cimentos de Portugal, SGPS, S.A. Currently is the Chairman of the Board of BCP Holdings (USA), Inc., General Manager of Investment Banking of Banco Comercial Português, Member of the Board of Directors of EDP Renováveis, S.A. and Member of the Board of Directors of OMIP - Operador do Mercado Ibérico (Portugal) SGPS, S.A. Has an undergraduate degree in Business and

Administration from Universidade Católica Portuguesa of Lisbon and a MBA degree from INSEAD (Fontainebleau, France).

JOÃO MELLO FRANCO

He was born in 1946. Between 1986 and 1989, he was a member of the board of directors of Tecnologia das Comunicações, Lda. Between 1989 to 1994, he was chairperson of the board of directors of Telefones de Lisboa e Porto, S.A., and between 1993 to 1995 he was chairperson of Associação Portuguesa para o Desenvolvimento das Comunicações. From 1994 to 1995, he was chairperson of the board of directors of Companhia Portuguesa Rádio Marconi and additionally was chairperson of the board of directors of Companhia Santomense de Telecomunicações e da Guiné Telecom. From 1995 to 1997, he was vice-chairperson of the board of directors and CEO of Lisnave (Estaleiros Navais) S.A. Between 1997 and 2001, he was CEO and in the last year chairperson of the board of directors of Soponata and was a director and member of the audit committee of International Shipowners Reinsurance, Co S.A. Between 2001 and 2004, he was vice-chairperson of José de Mello Imobiliária SGPS, S.A. Since 1998, he has been a director of Portugal Telecom SGPS, S.A., chairperson of the audit committee since 2007, member of the corporate governance committee since 2006 and member of the evaluation committee since 2008. He is member of the board of Villas Boas ACP – Corretores de Seguros, Lda. since 2012. He was member of the remuneration committee of Portugal telecom, SGPS, SA between 2003 and 2008. Between 2011 and 2013 he was chairperson of the audit committee of Sporting Clube de Portugal S.A.D. He has an undergraduate degree in mechanical engineering from Instituto Superior Técnico. He additionally holds a certificate in strategic management and Company boards and is the holder of a grant of Junta de Energia Nuclear.

JORGE SANTOS

He was born in 1951. From 1997 to 1998, coordinated the committee for evaluation of the EC Support Framework II and was a member of the committee for the elaboration of the ex-ante EC Support Framework III. From 1998 to 2000, he was Chairperson of the Unidade de Estudos sobre a Complexidade na Economia and from 1998 to 2002 was Chairperson of the scientific council of Instituto Superior de Economia e Gestão of the Universidade Técnica de Lisboa. From 2001 to 2002, he coordinated the committee for the elaboration of the Strategic Programme of Economic and Social Development for the Peninsula of Setúbal. Since 2007, he has been coordinator of the masters program in economics. Since 2009, he has been President of the Economics Department of Instituto Superior de Economia e Gestão of the Universidade de Lisboa (ISEG). In December 2011 was elected president of the general assembly of IDEFE, and is now administrator of “Fundação Económicas”. He has an undergraduate degree in economics from Instituto Superior de Economia e Gestão, a master degree in economics from the University of Bristol and a Ph.D. in Economics from the University of Kent. He additionally has a doctorate degree in economics from the Instituto Superior de Economia e Gestão of Universidade Técnica de Lisboa, and has consequently held the positions of Professor Auxiliar and Professor Associado with Universidade Técnica de Lisboa. He has been appointed as university full professor (catedrático) of Universidade Técnica de Lisboa and is the President of the Department of Economics at ISEG.

JOSÉ ARAÚJO E SILVA

Born in 1951, he began his professional career as an assistant lecturer at Faculdade de Economia do Porto and in 1987 and 1988 he was responsible for the “Gestão Financeira Internacional” degree at the same University. From 1980 to 1983 he held a part-time position as technician for Comissão de Coordenação da Região Norte., and from 1991 he was invited to be a lecturer at Universidade Católica do Porto. He has since held the position of director of several companies, including of Banco Espírito Santo e Comercial de Lisboa and Soserfin— Sociedade Internacional de Serviços Financeiros—Oporto group. He has been involved in the finance and management coordination of Sonae Investimentos SGPS, was executive director of Sonae Participações Financeiras, SGPS, S.A. and was vice-Chairperson of Sonae Indústria, SGPS, S.A. He has additionally held directorships with Tafisa, S.A., Spread SGPS, S.A. and Corticeira Amorim, SGPS. He presently serves on the board of directors of Caixa Geral de Depósitos, S.A. and is President of Caixa Seguros e Saúde, Caixa Leasing and Factoring, and Locarent, as well as Non-Executive Director in several other companies. Since 2008 he has been a Non-Executive Director of EDPR's Board of Directors. He has an undergraduate degree in economics from the Faculdade de Economia do Porto and has obtained certificates from Universidade de Paris IX, Dauphine and the Midland Bank International banker's course in London.

JOSÉ FERREIRA MACHADO

Born in 1957. he holds a PhD in Economics by the University of Illinois at Urbana-Champaign, U.S.A. and an Agregação (Habilitation) in Statistics and Econometrics by Universidade NOVA de Lisboa. He is a member of the Editorial Boards of Empirical Economics and the Portuguese Economic Journal and has published his scientific research in some of the top journals of his field namely, Journal of the American Statistical Society, Journal of Econometrics, Journal of Economic Letters. He is consultant of the Bank of Portugal since 1992.

He is the Dean of Nova School of Business and Economics, Lisbon-Portugal, since 2005 and of Angola Business School, Luanda-Angola, since 2010.

MANUEL MENÉNDEZ MENÉNDEZ

Born in 1960, he is Chairperson and CEO of Liberbank, S.A., a financial institution formed by the integration of the financial businesses of Cajastur, Caja de Extremadura, Caja Cantabria y Banco Castilla-La Mancha, as well as Chairperson of Cajastur. He is a member of the board of directors of CECA, on behalf of Liberbank Group. He is also Chairperson of Hidroeléctrica del Cantábrico and Naturgas Energía and member of the board of directors of EDP RENOVAVEIS and of UNESA (the Spanish association of the electricity industry). He was President of Banco de Castilla-La Mancha, which is part of Liberbank group, and was a member of the Board of Directors of CECABANK, Enagas and EDP Renewables Europa.

He is a university professor in the Department of Business Administration and Accounting at the University of Oviedo; he has a PhD in Economic Sciences and a degree in Economics and in Business Administration, both from the University of Oviedo. He has supervised several doctoral thesis', developing research work and has participated as a speaker in many courses and seminars. His main research areas are the efficiency in credit institutions, management control in decentralized companies and those in sectors with regulated economies. He is also author of several books and technical articles about the aforementioned matters.

RAFAEL CALDEIRA VALVERDE

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Born in 1953. In 1987, he joined Banco Espírito Santo de Investimento, S.A. and was the Director responsible for financial services management, client management, structured financing management, capital markets management, and for the department for origination and information; between 1991 and 2005 he was also Director and Member of the Executive Committee. In March 2005, he was nominated as vice-chairperson of the board of Directors of Banco Espírito Santo de Investimento, S.A. and formed part of the executive committee of the Company. He is Vice-Chairperson of the Board of Directors and Member of the Executive Committee of Banco Espírito Santo de Investimento, S.A. Director of BES Investimento do Brasil, S.A.; ESSI, SGPS, S.A.; ESSI COMUNICAÇÕES, SGPS, S.A.; ESSI INVESTIMENTOS, S.A. and Espírito Santo Investment Holdings Limited. Since 2008 he has been a Non-Executive Director of EDPR's Board of Directors and member of the Nominations and Remunerations Committee.

He has an undergraduate degree in economics from the Instituto de Economia da Faculdade Técnica de Lisboa.

SECRETARY OF THE BOARD OF DIRECTORS**EMILIO GARCÍA-CONDE NORIEGA**

Born in 1955, he joined Soto de Ribera Power Plant, which was owned by a consortium comprising Electra de Viesgo, Iberdrola and Hidrocantábrico, as legal counsel in 1981. In 1995, he was nominated general counsel of Soto de Ribera Power Plant and also chief of administration and human resources of the consortium. In 1999, he was nominated as legal counsel at Hidrocantábrico and in 2003 was nominated general counsel of Hidrocantábrico and also a member of its management committee. Presently serves as general counsel of the Company, as secretary of the Board, and is also Chairperson, Director and/or secretary on Boards of Directors of a number the Company's subsidiaries in Europe. Holds a Law Degree from the University of Oviedo.