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DECLARATION ON THE REMUNERATION POLICY

The definition of the proposal of the remuneration policy for the members of the Board of Directors is incumbent on the Nominations and Remunerations Committee which is appointed by the Board of Directors.

This Committee defined the remuneration to be attributed to the Directors and members of the Management Team, with the purpose that it reflects the performance of each of the members in each year of their term of office (variable annual remuneration), and also their performance during their term of office establishing a variable component which is consistent with the maximisation of the Company's long term performance (variable multi-annual remuneration for a three-year period), thereby guaranteeing the alignment of the performance of the governing bodies with the interests of the shareholders.

The remuneration policy proposed by the Appointments and Remunerations Committee for the period 2011-2013, and approved by the Shareholders' Meeting last April 11, 2011, 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 and the Management Team.

The policy adopted last year, remains therefore in force and is being applied in accordance with its terms, which are again summarized in this document.

Fixed remuneration

For the period 2011-2013, fixed remuneration proposed is the same as the one set for the 2009-2010 period.

EDP Renováveis has entered into an Executive Management Services Agreement with EDP pursuant to which EDP Renováveis is due to pay EDP the corresponding amount (*management fee*) for the executive management services rendered by the members of the Executive Committee who are not members of the Management Team. This year, following the Nominations and Remunerations Committee's proposal, the above mentioned Executive Management Services Agreement will include the CEO's services, so the management fee will include his corresponding remuneration.

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.

The Retirement Savings Plan works as an effective retirement complement and corresponds (i) for members of the Executive Committee who are not members of the Management Team, 5% of the value of their respective annual remuneration and (ii) for the members of

the Management Team a percentage between 3% and 6% of their respective annual remuneration.

The Directors do not get any relevant non-monetary benefit as a form of remuneration.

Variable annual and multi-annual remuneration

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

Variable annual and multi-annual remuneration will be a percentage of fixed annual component, 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 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 and the Management Team, although with specific targets for the platforms in the case of COO's (Chief Operating Officer) of the Management Team:

- The relative performance of the Total Shareholder Return of EDP Renováveis vs. Benchmark, (PSI-20 and peers);
- EDP Renováveis growth (MW and pipeline)
- The risk – result of EDP Renováveis (ROIC Cash; market exposure, EBITDA and net result)
- Efficiency (technical availability, OPEX/MW, CAPEX/MW);
- Additional targets only applicable to the multi-annual variable (sustainability, employee satisfaction and appreciation of the Nominations and Remunerations Committee)

The relative weight assigned to each KPI to calculate the annual or multi-annual variable remuneration, the relevance associated with the achievement of such KPIs on the platform in the case of COOs (Chief Operating Officer), the three-year term considered for determining the value of variable multi-annual component of the remuneration, the use of the qualitative criteria focused on a strategic and medium term perspective of the development of the Company, the existence of a maximum limit for the variable remuneration and the relative importance of this component in the total remuneration value are determining elements in maximising that the management performance of the Company not only focuses on short term objectives but incorporates the interests of the Company and of shareholders in the medium and long term.

Lisbon, February 22, 2012,

Chairperson of the Committee

Jorge Manuel Azevedo Henriques dos Santos

Vocals

Francisco José Queiroz de Barros de Lacerda,

Rafael Caldeira de Castel-Branco Valverde