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**REGULATIONS  
OF  
THE APPOINTMENTS AND REMUNERATION COMMITTEE  
OF  
EDP RENOVÁVEIS, S.A.**



**renováveis**

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## **INTRODUCTION**

### **Article 1.-Object and Purpose**

The purpose of these regulations is to regulate the basic operation and actions of the Appointments and Remuneration Committee, a committee of the Board of Directors of EDP Renováveis, S.A. (hereinafter “EDP Renováveis” or the “Company”) and to establish the norms of conduct of its members so as to ensure the greatest transparency and efficiency in the functions of representation inherent to the Committee.

### **Article 2.- Interpretation**

These Regulations shall be interpreted in accordance with the laws and Articles of Association applicable to them and in keeping with their spirit and purpose. The Appointments and Remuneration Committee and the Board of Directors shall settle any doubts regarding the interpretation of these Regulations as they arise.

### **Article 3.- Hierarchy and Predominance**

1. In the event of a discrepancy between these Regulations and the legal rules and Articles of Association and the Regulations of the Board of Directors, the latter shall prevail.
2. The Regulations of the Board shall apply to all matters not specifically regulated herein, to the extent that the provisions do not contravene the nature of the Appointments and Remuneration Committee.

### **Article 4.-Scope of Application**

These Regulations apply to the Appointments and Remuneration Committee and to its members. The persons to whom these Regulations apply are obligated to understand them, comply with them and enforce them.

### **Article 5.- Modification**

1. These Regulations may only be modified by the Board of Directors at the request of the Chairman, one-third of the directors and the Appointments and Remuneration Committee itself.
2. Proposed modifications must be accompanied by a justifying report.
3. The proposed modification and the justifying report must be attached to the announcement of the Board of Directors meeting at which the modification will be debated and it must be included on the meeting agenda.
4. An absolute majority of the directors present or represented at the meeting must vote

in favour of the change in order for it to be validly passed.

#### **Article 6.- Distribution**

These Regulations and any changes made to them shall be publicised as required by the rules applicable to them.

### **TITLE I. BASIC PRINCIPLES AND OBJECTIVES OF THE APPOINTMENTS AND REMUNERATION COMMITTEE**

#### **Article 7.- Principles of Action**

The Appointments and Remuneration Committee shall perform its functions with the best interest of the Company in mind.

#### **Article 8.- Nature and Competence**

1. The Appointments and Remuneration Committee is a standing committee of a merely informative and consultative nature whose recommendations are not binding.
2. The Appointments and Remuneration Committee performs no executive functions.
3. The main functions of the Appointments and Remuneration Committee consists of assisting and reporting to the Board of Directors regarding appointments (including by co-option), re-elections, removals and remuneration of the Board and its officers and regarding the composition of the different Board committees as well as the appointment, remuneration and removal of executive staff. The Appointments and Remuneration Committee also informs the Board of Director on the general remuneration and incentive policy for board members and executive staff. These functions include the following:
  - a. Defining the standards and principles governing the composition of the Board of Directors and the selection and appointment of its members.
  - b. Proposing the appointment and re-election of Directors in cases of appointment of co-option and in other cases for submission to the General Meeting by the Board.
  - c. Proposing to the Board of Directors who the members of the different committees should be.
  - d. Proposing to the Board, within the limits established in the Articles of Association, the remuneration system, distribution method and amounts payable to directors. Making proposals to the Board on the conditions of the contracts signed with directors.

- e. Informing and making proposals to the Board of Directors regarding the appointment and/or removal of executives, and the conditions of their contracts and generally defining the hiring and remuneration policies of executive staff.
- f. Reviewing and reporting on incentive plans, pension plans and compensation packages.
- g. Any other functions assigned to it in the Articles of Association or by the Board of Directors.

#### **Article 9.- Composition and Designation**

1. The members of the Appointments and Remuneration Committee shall be appointed by the Board of Directors.
2. The Appointments and Remuneration shall be composed of three (3) to six (6) directors, who shall be appointed by the Board of Directors.
3. At least one of the members of the Appointments and Remuneration Committee shall be an independent director and shall be the committee chairman.
4. The members of the Executive Committee may not be members of the Appointments and Remuneration Committee.
5. The members of the Appointments and Remuneration Committee shall continue to sit on the Committee for as long as they are Company directors. Unless the Board decides otherwise, the members of the Appointments and Remuneration Committee shall be re-elected to the Committee when they are re-elected as Company directors.
6. The Board may, at any time, remove the members of the Appointments and Remuneration Committee.
7. The members of the Appointments and Remuneration Committee may resign from the Committee but remain as company directors.

#### **Article 10.- The Chairman of the Appointments and Remuneration Committee**

1. The Chairman of the Appointments and Remuneration Committee must necessarily be an independent director.
2. Notwithstanding the legal or statutory powers vested in him, the powers of the Chairman of the Appointments and Remuneration Committee include:
  - a. Convening and presiding over the meetings of the Appointments and Remuneration Committee, setting the meeting agenda and overseeing the discussions and deliberations.

- b. Representing the Appointments and Remuneration Committee before other bodies and departments of the Company.

#### **Article 11.- The Secretary of the Appointments and Remuneration Committee**

1. The Secretary of the Board of Directors or, in his/her absence, the Assistant Secretary shall be the Secretary of the Appointments and Remuneration Committee. Otherwise, the Secretary shall be the person appointed to act as such by the Appointments and Remuneration Committee for each meeting.
2. The Secretary may or may not be a Director.
3. In addition to those assigned in the Articles of Association and the law, the functions of the Secretary shall include:
  - a. Assisting the Chairman in the performance of his functions.
  - b. Overseeing the operations of the Appointments and Remuneration Committee, advising and reporting to the Committee and its members.
  - c. When the Secretary of the Board and the Secretary of the Appointments and Remuneration Committee are two different people, providing the Secretary of the Board with the information and documentation relative to the Appointments and Remuneration Committee.
  - d. Documenting the sessions of the Appointments and Remuneration Committee and drafting the meeting minutes.
  - e. Supervising the legal and material formality of the actions of the Appointments and Remuneration Committee to ensure that they comply with the Articles of Association and with these Regulations.

### **TITLE II. OPERATION OF THE APPOINTMENTS AND REMUNERATION COMMITTEE**

#### **Article 12.- Applicability of the Regulations of the Board**

The provisions of the Regulations of the Board regarding its operation and in particular regarding meeting announcements and sessions, the representation of members, the universal sessions held, the passage of resolutions in writing and without a session, and the approval of meeting minutes shall also apply to the Appointments and Remuneration Committee to the extent that they do not contravene these Regulations and not incompatible with the nature of the Appointments and Remuneration Committee.

### **Article 13.- Meetings of the Appointments and Remuneration Committee**

1. The Appointments and Remuneration Committee shall meet at least once per quarter and whenever the Chairman deems it is necessary. The Appointments and Remuneration Committee shall be validly convened when one-half plus one of its members are present or represented at the meeting. The resolutions of the Appointments and Remuneration Committee shall be passed by majority vote with the Chairman casting the deciding vote in the event of a tie.
2. The Appointments and Remuneration Committee shall inform the Board of Directors of the resolutions it passes at the first meeting of the Board following the Committee meeting in which the resolution was passed.