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MEMORANDUM STATING THE REASONS OF THE PROPOSAL REGARDING THE FIFTH ITEM OF THE AGENDA

The limit of 600.000 euros was calculated considering the impact of the incorporation of the members of the Management Team in the Board of Directors and Executive Committee. This value represents the maximum annual variable remuneration due to the members of the Executive Committee if they comply with 100% of the annual objectives define in the Retribution Policy for the period 2011-2013, approved by the shareholders in the Annual meeting of April 11th.

It does not imply any incremental cost for EDP Renováveis, S.A., since the remuneration policy that applies to the Management Team members was already approved and was in line with the policy for the Executive Committee.