

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes, which (except for paragraphs in italics) will be endorsed on the Certificates issued in respect of the Notes.

The US\$850,000,000 1.710 per cent. Notes due 2028 (the "**Notes**", which expression shall in these Terms and Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 16 (*Further Issues*) and forming a single series with the Notes) issued by EDP Finance B.V. (the "**Issuer**") are constituted by a twenty second supplemental trust deed dated on or about 24 September 2020 (the "**Supplemental Trust Deed**") supplemental to a Trust Deed dated on or about 14 March 2001 (as modified and/or supplemented and/or restated from time to time, the "**Principal Trust Deed**", and the Principal Trust Deed as supplemented by the Supplemental Trust Deed being referred to herein as the "**Trust Deed**") and each made between the Issuer, EDP—Energias de Portugal, S.A. ("**EDP**") and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include any successor as Trustee).

The Notes have the benefit of a Supplemental Issue and Paying Agency Agreement dated on or about 24 September 2020 supplemental to an Issue and Paying Agency Agreement dated 14 March 2001 (each such issue and paying agency agreement as so supplemented and as further amended and/or restated from time to time referred to together as the "**Agency Agreement**") and each made between the Issuer, EDP, Deutsche Bank AG, London Branch as issue and principal paying agent and agent bank (the "**Issue and Paying Agent**", which expression shall include any successor agent), Deutsche Bank Luxembourg S.A. as registrar and as paying agent (the "**Registrar**", which expression shall include any successor registrar and together with the Issue and Paying Agent, unless the context otherwise requires, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and the Trustee.

The Notes have the benefit of a Keep Well Agreement (the "**Keep Well Agreement**") dated 14 March 2001 between EDP and the Issuer.

The Trustee acts for the benefit of the Holders (as defined below) for the time being of the Notes (the "**Holders**", which expression shall, in relation to any Notes, mean the person in whose name such Notes are registered in the register maintained by the Registrar).

Copies of the Trust Deed, the Keep Well Agreement and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee (being at 18 September 2020 at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom) and at the specified office of each of the Paying Agents. The Holders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Keep Well Agreement and the Agency Agreement that are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed or the Agency Agreement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail.

The owners shown in the records of Euroclear, Clearstream, Luxembourg and the DTC of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Keep Well Agreement and the Agency Agreement applicable to them.

1. **Form and denomination**

The Notes are issued in registered form in denominations of US\$200,000 each (the "**Specified Denomination**") and integral multiples of US\$1,000 in excess thereof (referred to as the "principal amount" of a Note). A note certificate (each a "**Certificate**") will be issued to each Holder in respect of its registered holdings of Notes. Each Certificate will be numbered serially with an identifying number that will be recorded on the relevant Certificate and in the register, which the Issuer will procure to be kept by the Registrar.

No Notes may be issued in bearer form.

2. **Title and transfer**

2.1 **Title to Notes:** Title to Notes passes only by registration in the register, which the Issuer shall procure to be kept by the Registrar. References herein to the "Holders" of Notes are to the persons in whose names such Notes are so registered in the relevant register.

2.2 **Holder as owner:** The Holder of any Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

2.3 **Transfer of Notes:** A Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part only (**provided that** such part is, or is an integral multiple of, the Specified Denomination) upon the surrender of the Certificate to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any other Paying Agent. A new Certificate will be issued to the transferee and, in the case of a transfer of part only of a Note, a new Certificate in respect of the balance not transferred will be issued to the transferor.

For a description of certain restrictions on transfers of interests in the Notes, see the section entitled "*Transfer Restrictions*" of this Offering Memorandum.

2.4 **New Certificates:** Each new Certificate to be issued upon the transfer of a Note will, within five Relevant Banking Days of the transfer date, be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer received by the Registrar or another Paying Agent after the Record Date in respect of any payment due in respect of the Notes shall be deemed not to be effectively received by the Registrar or such other Paying Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions:

"**Relevant Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located;

"**Record Date**" means the fifteenth Luxembourg business day before the due date for any payment of amounts due in respect of the Notes; and

the "**transfer date**" shall be the Relevant Banking Day following the day on which the relevant Certificate shall have been surrendered for transfer in accordance with Condition 2.3.

2.5 **No charges upon transfer:** The issue of new Certificates on transfer will be effected without charge by or on behalf of the Issuer, the Registrar or any other Paying Agent, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Registrar or such other Paying Agent may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

3. **Status of the Notes**

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (subject as aforesaid and save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

4. **Negative pledge**

So long as any of the Notes remain outstanding (as defined in the Trust Deed), neither the Issuer nor EDP will create or, save only by operation of law, have outstanding any mortgage, lien, pledge

or other charge (each a "**Security Interest**") other than any Permitted Security (as defined below) upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital) to secure any Loan Stock of any Person or to secure any obligation of any Person under any guarantee of or indemnity or purchase of indebtedness undertaking in respect of any Loan Stock of any other Person without at the same time or prior thereto at the option of the Issuer either (i) securing the Notes or securing EDP's obligation under the Keep Well Agreement in each case equally and rateably with such Loan Stock, guarantee, indemnity or purchase of indebtedness undertaking to the satisfaction of the Trustee or (ii) providing such other security for or other arrangement in respect of the Notes or EDP's obligations under the Keep Well Agreement as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Holders or which shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders.

For the purposes of these Terms and Conditions:

"Loan Stock" means indebtedness (other than the Notes) having an original maturity of more than one year which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) which for the time being are, or are intended to be with the consent of the issuer thereof, quoted, listed, ordinarily dealt in or traded on any stock exchange and/or quotation system or by any listing authority or other established securities market other than any such indebtedness where the majority thereof is initially placed with investors domiciled in Portugal and who purchase such indebtedness in Portugal.

"Permitted Security" means:

- (i) in the case of a consolidation or merger of EDP with or into another company (the "**Combining Company**"), any Security Interest over assets of EDP if it is the surviving company or the company (if other than EDP) surviving or formed by such consolidation or merger **provided that:** (i) such Security Interest was created by the Combining Company over assets owned by it; (ii) such Security Interest is existing at the time of such consolidation or merger; (iii) such Security Interest was not created in contemplation of such consolidation or merger; and (iv) the amount secured by such Security Interest is not increased thereafter; or
- (ii) any Security Interest on or with respect to assets (including but not limited to receivables) of the Issuer or EDP, which is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the indebtedness secured by such Security Interest or the indebtedness in respect of any guarantee or indemnity which is secured by such Security Interest is limited to the value of such assets; or
- (iii) any Security Interest securing any indebtedness incurred in relation to any asset for the purpose of financing the whole or any part of the acquisition, creation, construction, improvement or development of such asset where the financial institutions to whom such indebtedness is owed have recourse solely to the applicable project borrower (where such project borrower is formed solely or principally for the purpose of the relevant project) and/or such asset (or any derivative asset thereof) and/ or the shares held in such project borrower.

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state, agency of a state or other entity, whether or not having separate legal personality.

5. **Interest**

Each Note bears interest from and including 24 September 2020 (the "**Issue Date**" and the "**Interest Commencement Date**") at the rate of 1.710 per cent. per annum (the "**Rate of Interest**") payable in arrear on 24 January and 24 July of each year (each an "**Interest Payment Date**"). The first payment (for the period from and including the Issue Date to but excluding 24 January 2021) and amounting to US\$5.700 per US\$1,000 in principal amount of Notes shall be made on 24 January 2021.

The amount of interest payable in respect of each Note for any period shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the Day Count Fraction and rounding the resultant figure to the nearest US\$0.01 with US\$0.005 being rounded upwards.

"**Calculation Amount**" means US\$1,000 in principal amount of the Notes.

"**Day Count Fraction**" means the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

5.1 ***Accrual of interest***

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

6. **Payments**

6.1 ***Method of payment:*** Payments of principal and interest will be made by credit or transfer to an account in U.S. dollars by the payee with a bank in New York City.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.

6.2 ***Payments on final redemption:*** Payments of amounts (including accrued interest) due on the final redemption of the Notes will be made against presentation and, save in the case of a partial redemption, surrender of the relevant Certificates at the specified office of the Registrar.

Payments of amounts (whether principal, interest or otherwise) due in respect of the Notes will be paid to the Holders thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at close of business (Luxembourg time) on the Record Date before the due date for such payment **provided that** the amounts due in respect of the Notes under Condition 10 (*Events of Default*) will be paid to the Holders thereof (or, in the case of joint Holders, the first-named) as appearing in such register as at opening of business (Luxembourg time) on the date on which such payment is made.

6.3 ***Payment Day:*** If the date for payment of any amount in respect of any Note is not a Payment Day, the Holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9 (*Prescription*)) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and New York City.

6.4 ***Interpretation of principal and interest:*** Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertakings or covenants given in addition thereto or in substitution therefore pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes (as defined in Condition 7.1 (*Redemption at maturity*));

- (iii) the Early Redemption Amount of the Notes (as defined in Condition 7.2 (*Redemption for tax reasons*) and 7.4 (*Redemption at the option of the Holders (Investor Put)*)); and
- (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any undertakings or covenants given in addition thereto or in substitution thereof pursuant to the Trust Deed.

7. Redemption and purchase

7.1 **Redemption at maturity:** Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its principal amount (the "**Final Redemption Amount**") on 24 January 2028 (the "**Maturity Date**").

7.2 **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Trustee, the Issue and Paying Agent and, in accordance with Condition 14 (*Notices*), the Holders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any political subdivision of, or any authority in, or of, the relevant Tax Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 18 September 2020; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in which event they shall be conclusive and binding on the Holders.

Notes redeemed pursuant to this Condition 7.2 (*Redemption for tax reasons*) will be redeemed at their principal amount (the "**Early Redemption Amount**") together with interest accrued to but excluding the date of redemption.

7.3 **Redemption at the option of the Issuer (Issuer Call):** The Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 14 (*Notices*); and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Issue and Paying Agent, the Registrar and the Trustee;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on such date (each an "**Optional Redemption Date**") and at a redemption price equal to the greater of (i) 100 per cent. of the nominal amount of the Notes

to be redeemed plus accrued and unpaid interest thereon, if any, to (but excluding) the date of redemption of the Notes or (ii) as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal of the Notes to be redeemed and interest thereon discounted to the date of redemption of the Notes on a semi-annual basis (using the same interest rate convention as that used in computing interest on the Notes) at the Treasury Rate plus 0.20 per cent. plus accrued and unpaid interest on such Notes (or any portion thereof) being redeemed and additional amounts, if any, to (but excluding) the date of redemption of the Notes (or any portion thereof) being redeemed.

"**H.15**" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System.

"**Independent Investment Banker**" means an independent investment banking institution of international standing in the U.S. Dollar denominated bond markets appointed by the Issuer and EDP.

"**Treasury Rate**" means the annual rate equal to the semi-annual yield to maturity for United States Treasury securities maturing on the stated maturity of the Notes being redeemed and trading in the public securities markets either:

- as determined by interpolation between the most recent weekly average yield to maturity for two series of United States Treasury securities trading in the public security markets,
 - one maturing as close as possible to, but earlier than, the stated maturity of the Notes being redeemed and
 - the other maturing as close as possible to, but later than, the stated maturity of the Notes being redeemed, in each case as published in the most recent H.15, or
- if the weekly average yield to maturity for United States Treasury securities maturing on the stated maturity of the Notes being redeemed is reported in the most recent H.15, this weekly average yield to maturity as published in such H.15.

Any such redemption must be of a nominal amount not less than US\$200,000 (the "**Minimum Redemption Amount**"). In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). A list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption.

- 7.4 ***Redemption at the option of the Holders (Investor Put)***: If at any time while any Notes remain outstanding there occurs a Change of Control and within the Change of Control Period a Rating Downgrade as a result of that Change of Control occurs (together, a "**Put Event**"), each Holder will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes in accordance with Condition 7.2 (*Redemption for tax reasons*) or Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*)) to require the Issuer to redeem or purchase each of the Notes held by such Holder on the Mandatory Redemption Date at its principal amount (the "**Early Redemption Amount**") together with interest accrued to but excluding the Mandatory Redemption Date.

Upon EDP becoming aware that a Put Event has occurred, EDP shall promptly notify the Issuer of such fact and the Issuer shall give notice (a "**Put Event Notice**") to the Holders in accordance with Condition 14 (*Notices*) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this Condition 7.4.

To exercise the option to require redemption or purchase of a Note under this Condition 7.4, the Holder of that Note must deliver the Certificate for such Note (or evidence satisfactory to the Paying Agent concerned that the Certificate for such Note will, following the delivery of the Put Option Notice, be held to its order or under its control), on any business day in the city of the specified office of the Registrar or the relevant Paying Agent falling within the Put Period, at the specified office of the Registrar or the relevant Paying Agent, accompanied by a duly signed and

completed notice of exercise in the form (for the time being current which may, if the Certificate for such Note is held in a clearing system, be any form acceptable to the clearing system delivered in any manner acceptable to the clearing system) obtainable from the specified office of any Paying Agent or the Registrar (a "**Put Option Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition 7.4.

The Registrar or the Paying Agent to which such Certificate and Put Option Notice are delivered will issue to the Holder concerned a non-transferable receipt (a "**Put Option Receipt**") in respect of the Certificate so delivered. The Issuer shall redeem the Notes in respect of which Put Option Receipts have been issued on the Mandatory Redemption Date, unless previously redeemed and purchased. Payment in respect of any Put Option Receipt will be made on the Mandatory Redemption Date by transfer to the bank account (if any) specified in the Put Option Notice and in every other case on or after the Optional Redemption Date, in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Registrar or Paying Agent in accordance with the provisions of this Condition 7.4.

For the purposes of this Condition 7.4:

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the management board or supervisory board of EDP) that any person (or persons) ("**Relevant Person(s)**") acting in concert or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly:

- (a) acquires or becomes entitled to exercise control over EDP; or
- (b) acquires or owns, directly or indirectly more than 50 per cent. of the issued voting share capital of EDP,

provided that the foregoing shall not include the control, or ownership of issued voting share capital, exercisable by and/or owned by the Portuguese Republic, or by the Portuguese Republic and/or by any entity or entities (together or individually) controlled by the Portuguese Republic from time to time, or in respect of which the Portuguese Republic owns directly or indirectly more than 50 per cent. of the issued voting share capital.

A Change of Control shall not be deemed to have occurred if the shareholders of the Relevant Person(s) are also, or immediately prior to the event which would otherwise constitute a Change of Control were, all of the shareholders of EDP.

"**Change of Control Period**" means the period ending 120 days after the Date of Announcement.

"**Date of Announcement**" means the date of the public announcement that a Change of Control has occurred.

"**Fitch**" means Fitch Ratings Limited.

"**Investment Grade Rating**" means a rating of at least BBB- (or equivalent thereof) in the case of S&P or a rating of at least BBB- (or equivalent thereof) in the case of Fitch or a rating of at least Baa3 (or equivalent thereof) in the case of Moody's or the equivalent in the case of any other Rating Agency.

"**Investment Grade Securities**" means Rated Securities which have an Investment Grade Rating from each Rating Agency that assigns a rating to such Rated Securities.

"**Mandatory Redemption Date**" is the seventh day after the last day of the Put Period.

"**Moody's**" means Moody's Investors Services Limited.

"**Put Period**" means the period of 45 days from and including the date on which a Put Event Notice is given.

"Rated Securities" means:

- (a) the Notes; or
- (b) such other comparable long-term debt of the Issuer or EDP selected by the Issuer from time to time for the purpose of this definition which possesses a rating by any Rating Agency.

"Rating Agency" means S&P, Fitch and Moody's or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by EDP

"Rating Downgrade" means either:

- (a) within the Change of Control Period:
 - (i) any rating assigned to the Rated Securities is withdrawn; or
 - (ii) the Rated Securities cease to be Investment Grade Securities; or
 - (iii) (if the rating assigned to the Rated Securities by any Rating Agency which is current at the Date of Announcement is below an Investment Grade Rating) that rating is lowered one full rating notch by any Rating Agency (for example from BB+ to BB by S&P or Fitch and Ba1 to Ba2 by Moody's or such similar lower of equivalent rating),

provided that no Rating Downgrade shall occur by virtue of a particular withdrawal of or reduction in rating unless the Rating Agency withdrawing or making the reduction in the rating announces or confirms that the withdrawal or reduction was the result, in whole or in part, of the relevant Change of Control; or

- (b) if at the time of the Date of Announcement, there are no Rated Securities and either:
 - (i) EDP does not use all reasonable endeavours to obtain, within 45 days of the Date of Announcement, from a Rating Agency a rating for the Rated Securities; or
 - (ii) if EDP does use such endeavours, but, as a result of such Change of Control, at the expiry of the Change of Control Period there are still no Investment Grade Securities and the Rating Agency announces or confirms in writing that its declining to assign an Investment Grade Rating was the result, in whole or in part, of the relevant Change of Control.

"S&P" means S&P Global Ratings Europe Limited (French Branch).

7.5 **Purchases:** EDP, the Issuer or any subsidiary of EDP may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

7.6 **Cancellation:** All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and Notes purchased and cancelled pursuant to Condition 7.5 (*Purchases*) cannot be reissued or resold.

8. **Taxation**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the relevant Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable by the Holders in respect of the Notes, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

- (i) for which a Certificate is presented for payment by or on behalf of a Beneficial Owner who is liable for such taxes or duties in respect of such Note by reason of his having some connection with the relevant Tax Jurisdiction other than the mere holding of such Note;
- (ii) for which a Certificate is presented for payment, in the relevant Tax Jurisdiction;
- (iii) for which a Certificate is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6 (*Payments*));
- (iv) where such withholding or deduction is required to be made pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) or any re-enactment thereof;
- (v) for which a Certificate is presented for payment by or on behalf of a Beneficial Owner of Notes who would not be liable for or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (vi) where such deduction or withholding is required pursuant to the rules of the U.S. Internal Revenue Code Section 1471 through 1474 (or any amended or successor provisions) and any intergovernmental agreement or implementing legislation adopted by another jurisdiction or any agreement with the U.S. Internal Revenue Service in connection with these provisions.

As used in these Terms and Conditions:

- (i) "**Tax Jurisdiction**" means in the case of EDP, the Portuguese Republic or any political subdivision or any authority thereof or therein having power to tax and, in the case of the Issuer, The Netherlands or any political subdivision or any authority thereof or therein having power to tax or in either case any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax in which EDP or, as the case may be, the Issuer becomes tax resident;
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Issue and Paying Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 14 (*Notices*); and
- (iii) "**Beneficial Owner**" means a Holder of Notes who is the effective beneficiary of the income attributable thereto.

9. **Prescription**

The Notes will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

10. **Events of Default**

The Trustee at its discretion may, and if so requested in writing by the Holders of at least one quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders of the Notes shall (subject in each case to being indemnified to its satisfaction), give written notice to the Issuer that the Notes are, and they shall accordingly thereupon immediately become, due and repayable at their principal amount, together with accrued interest (if any) as provided in the Trust Deed, if any one or more of the following events (each an "**Event of Default**") shall occur and is continuing:

- (i) the Issuer fails to pay any amount of principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

- (ii) the Issuer fails to perform or observe any of its other obligations under the Trust Deed or these Terms and Conditions or EDP fails to perform or observe any of its obligations under the Trust Deed or these Terms and Conditions and (A) such failure is, in the opinion of the Trustee, incapable of remedy or in respect of which, in the opinion of the Trustee, remedial action satisfactory to the Trustee cannot be taken or (B) such failure is, in the opinion of the Trustee capable of remedy or in respect of which, in the opinion of the Trustee, such remedial action can be taken and the failure continues for the period of 30 days (or such longer period as the Trustee may permit) after the Trustee has given written notice to the Issuer requiring the same to be remedied; or
- (iii) any other Indebtedness of the Issuer or EDP or any Indebtedness of any Material Subsidiary becomes due and payable prior to the stated maturity thereof as a result of a default thereunder or any such Indebtedness is not paid at the maturity thereof or any guarantee or indemnity in respect of Indebtedness or performance given by any such company is not honoured when due and called upon or any security interest, present or future, over the assets of any such company becomes enforceable **provided that** no such event in relation to such Indebtedness or any guarantee or indemnity in respect of such Indebtedness shall constitute an Event of Default unless the relative Indebtedness either alone or when aggregated with other Indebtedness relative to all (if any) other such events which shall have occurred shall amount to at least U.S.\$50,000,000 (or its equivalent in any other currency) and **provided further that**, for the purposes of this Condition 10(iii), neither the Issuer nor EDP nor any Material Subsidiary shall be deemed to be in default with respect to such Indebtedness, guarantee or security interest until expiration of the applicable grace or remedy period, if any, or if the Trustee is satisfied that it shall be contesting in good faith by appropriate means its liability to make payment thereunder; or
- (iv) any steps are taken with a view to the liquidation or dissolution of the Issuer, EDP or any Material Subsidiary, or the Issuer, EDP or any Material Subsidiary becomes insolvent or admits in writing its inability to pay its debts as and when the same fall due, or a receiver, liquidator or similar officer shall be appointed over all or any part of the Issuer's, EDP's or any Material Subsidiary's assets or an application shall be made for a moratorium or an arrangement with creditors of the Issuer, EDP or any Material Subsidiary or proceedings shall be commenced in relation to the Issuer, EDP or any Material Subsidiary under any legal reconstruction, readjustment of debts, dissolution or liquidation law or regulation, or a distress shall be levied or sued out upon all or any part of the Issuer's, EDP's or any Material Subsidiary's assets and shall remain undischarged for 60 days, or anything analogous to the foregoing shall occur under the laws of any applicable jurisdiction **provided that** no such event shall constitute an Event of Default if the Trustee is satisfied that it is being contested in good faith by appropriate means by the Issuer, EDP or the relevant Material Subsidiary, as the case may be, and the Issuer, EDP or such Material Subsidiary as the case may be, has been advised by recognised independent legal advisors of good repute that it is reasonable to do so; or
- (v) save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders, the Issuer, EDP or any Material Subsidiary or the Issuer, EDP and the Material Subsidiaries taken as a whole cease or threaten to cease to carry on the whole or a major part of the business conducted by it or them at 18 September 2020; or
- (vi) any authorisation, approval, consent, licence, decree, registration, publication, notarisation or other requirement of any governmental or public body or authority necessary to enable or permit the Issuer or EDP to comply with its obligations under the Notes, the Keep Well Agreement, the Trust Deed or, if required for the validity or enforceability of any such obligations, is revoked, withdrawn or withheld or otherwise fails to remain in full force and effect or any law, decree or directive of any competent authority of or in Portugal or the Netherlands is enacted or issued which materially impairs the ability or right of the Issuer or EDP to perform such obligations; or
- (vii) EDP shall cease to own directly or indirectly more than 50 per cent. of the issued share capital or voting rights attached thereto or similar right of ownership in any Material Subsidiary or 100 per cent. of the issued share capital or voting rights attached thereto or

similar right of ownership in the Issuer or EDP shall cease to have direct or indirect control of any Material Subsidiary or the Issuer; or

- (viii) the Keep Well Agreement is terminated or any provision of the Keep Well Agreement is amended or waived in circumstances where such amendment or waiver would have, in the opinion of the Trustee, an adverse effect on the interests of the Holders or is not enforced in a timely manner by the Issuer or is breached by EDP **provided that** in the case of such non-enforcement or breach this has, in the opinion of the Trustee, an adverse effect on the interests of the Holders,

provided that, in the case of any Event of Default other than those described in paragraphs (i), (vi) and (vii) above, the Trustee shall have certified to the Issuer that, in its opinion, such Event of Default is materially prejudicial to the interests of the Holders.

In these Terms and Conditions:

"Group" means EDP and its Subsidiaries;

"Indebtedness" means, with respect to any person, any indebtedness or obligation (whether present or future, actual or contingent) created, issued, guaranteed, incurred or assumed by such person for money borrowed or raised;

"Material Subsidiary" means a Subsidiary:

- (a) whose operations include the generation and/or distribution of electricity in Portugal; and
- (b)
 - (i) at any time whose total assets, as calculated from the then latest annual financial statements, audited if prepared, of that Subsidiary (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 5 per cent. of the total assets of the Group (as shown in the latest audited consolidated accounts of the Group); or
 - (ii) at any time whose revenues, as calculated from the then latest annual financial statements, audited if prepared, of that Subsidiary (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 5 per cent. of the consolidated revenues of the Group (as shown in the latest audited consolidated accounts of the Group).

A report by the directors of EDP that in their opinion, a Subsidiary is or is not, was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties. Such report may, if requested, be accompanied by a report from the Auditors (as defined in the Trust Deed) addressed to the directors of EDP as to the proper extraction of figures used by the directors of EDP in determining a Material Subsidiary and as to the mathematical accuracy of the calculations; and

"Subsidiary" means an entity from time to time of which EDP (a) has the right to appoint the majority of the members of the board of directors or similar board or (b) owns directly or indirectly more than 50 per cent. of the share capital or similar right of ownership.

11. **Enforcement**

The Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under the Trust Deed and the Notes or the obligations of EDP under the Keep Well Agreement, but it shall not be bound to take any such proceedings or any other action unless (a) it shall have been so directed by an Extraordinary Resolution of the Holders or so requested in writing by the Holders of at least one-quarter in nominal amount of the Notes outstanding and (b) it shall have been indemnified to its satisfaction. No Holder shall be entitled to proceed directly against the Issuer or to take proceedings to enforce the Keep Well Agreement unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure is continuing.

12. **Replacement of Certificates**

Should any Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. **Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, **provided that:**

- (a) there will at all times be an Issue and Paying Agent and a Registrar;
- (b) so long as the Notes are listed, traded and/or quoted by or on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system; and
- (c) there will at all times be a Paying Agent in a Member State of the EU other than a Tax Jurisdiction.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain limited circumstances, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Holders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

14. **Notices**

14.1 **Notices to Holders of Notes:** Notices to Holders of Notes will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

14.2 **General:** The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system on which the Notes are for the time being listed, traded and/or quoted.

14.3 **Publication not practicable:** If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

14.4 **Notices from Holders:** Notices to be given by any Holder shall be in writing and given by lodging the same, together with the relative Certificate or Certificates, with the Issue and Paying Agent, and in the case of Condition 7.4 (*Redemption at the option of the Holders (Investor Put)*), the relevant Paying Agent.

15. **Meetings of Holders, modification, waiver and substitution**

The Trust Deed contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification

of the Notes or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee or by Holders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution (as defined in the Trust Deed) is one or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution (as defined in the Trust Deed) passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting.

The Trustee may agree, without the consent of the Holders, to:

- (a) any modification of the Notes or the Trust Deed that is not, in the opinion of the Trustee, materially prejudicial to the interests of the Holders; or
- (b) any modification of the Notes or the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

The Trustee may also, without any consent as aforesaid, determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such which, in any such case, is not in the opinion of the Trustee, materially prejudicial to the interests of the Holders.

Any such modification, waiver, authorisation or determination shall be binding on the Holders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Holders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The Trustee may, without the consent of the Holders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes and the Trust Deed of another company, being a Subsidiary of the Issuer, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer or having the benefit of a Keep Well Agreement by EDP on the same basis as that on which they had such benefit immediately prior to the substitution or the substitute Issuer being EDP, (b) the Trustee being satisfied that the interests of the Holders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

16. **Further issues**

The Issuer shall be at liberty from time to time without the consent of the Holders to create and issue further Notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be

consolidated and form a single series with the outstanding Notes. The Trust Deed contains provisions for convening a single meeting of the Holders and the holders of instruments of other series in certain circumstances where the Trustee so decides.

17. **Indemnification of Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee may enter into business transactions with the Issuer or any person or corporate body associated with the Issuer without accounting for any profit made or benefit received.

18. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999.

19. **Governing law and submission to jurisdiction**

19.1 **Governing law:** The Trust Deed, the Agency Agreement, the Keep Well Agreement, the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement and the Notes are governed by, and shall be construed in accordance with, English law.

19.2 **Submission to jurisdiction:** Each of the Issuer and EDP has in the Trust Deed irrevocably and unconditionally agreed, for the exclusive benefit of the Trustee and the Holders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Notes (including any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Trust Deed and the Notes (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes) may be brought in such courts.

Each of the Issuer and EDP has in the Trust Deed irrevocably and unconditionally waived any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition 19.2 shall limit any right to take Proceedings against the Issuer or EDP in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

19.3 **Appointment of Process Agent:** Each of the Issuer and EDP has in the Trust Deed appointed The Law Debenture Corporate Services Limited at its registered office for the time being (being as at 17 September 2020 at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom) as its agent for service of process, and undertaken that, in the event of The Law Debenture Corporate Services Limited ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

19.4 **Other documents:** Each of the Issuer and EDP has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

BOOK ENTRY; DELIVERY AND FORM

The following is a summary of the provisions to be contained in the Trust Deed to constitute the Notes and in the Global Notes, which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.

20. The Global Notes

The Regulation S Notes will be evidenced on issue by a Regulation S Global Note deposited with, and registered in the name of a common depository for Euroclear and Clearstream, Luxembourg. Beneficial interests in the Regulation S Global Note may be held only through Euroclear or Clearstream, Luxembourg at any time. See "*Book-Entry Procedures for the Global Notes*" below. By acquisition of a beneficial interest in the Regulation S Global Note, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. person, and that, if it determines to transfer such beneficial interest prior to the expiration of the 40 day distribution compliance period, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (b) to be a person who is eligible to take delivery in the form of an interest in a Rule 144A Global Note. See "*Transfer Restrictions*".

The Rule 144A Notes will be evidenced on issue by one or more Rule 144A Global Notes deposited with a custodian for, and registered in the name of a nominee of, DTC. Beneficial interests in the Rule 144A Global Notes may only be held through DTC at any time. See "*Book-Entry Procedures for the Global Notes*" below. By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in a Global Note will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and the relevant Global Note will bear the applicable legends regarding the restrictions set forth under "*Transfer Restrictions*". A beneficial interest in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note only in denominations greater than or equal to the minimum denominations applicable to interests in a Rule 144A Global Note and only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) from the transferor to the effect that the transfer is being made to a non-U.S. Person and in accordance with Regulation S.

Any beneficial interest in the Regulation S Global Note that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note will, upon transfer, cease to be an interest in the Regulation S Global Note and become an interest in a Rule 144A Global Note, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Note for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Note that is transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note will, upon transfer, cease to be an interest in a Rule 144A Global Note and become an interest in the Regulation S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Note for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except in the limited circumstances described below, owners of beneficial interests in a Global Note will not be entitled to receive physical delivery of Certificates. The Notes are not issuable in bearer form.

In addition, each Global Note will contain a provision which modifies the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Note. The following is a summary of this provision:

"So long as any Notes are represented by a Global Note and the Global Note is held on behalf of a clearing system:

- (a) notices to the Holders may be given by delivery of the relevant notice to the clearing system for communication by it to Accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of this Global Note except that, so long as the Notes are admitted to trading on Euronext Dublin, notice must also be published in a manner which complies with the rules and regulations of Euronext Dublin"; and
- (b) notices to be given by any Accountholder may be given to the Issue and Paying Agent through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Issue and Paying Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose".

Payments of principal, interest and any other amount in respect of the Global Notes will, in the absence of provision to the contrary, be made to the person shown on the register kept by the Registrar as the registered holder of the Global Notes at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

21. **Exchange for Certificates**

(a) ***Exchange***

Each Global Note will be exchangeable, in whole but not in part only and at the request of the Holder of such Global Note, for Certificates, (a) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (b) an Event of Default (as defined in Condition 10 (*Events of Default*)) occurs or (c) DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The circumstances described in (a), (b) and (c) are each herein referred to as an "Exchange Event". Upon the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in the Global Note) or the Trustee may give notice to the Issue and Paying Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Issue and Paying Agent.

(b) ***Delivery***

In such circumstances, the Global Note shall be exchanged in full for Certificates and the Issuer will cause sufficient Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the Holders. A person having an interest in a Global Note must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Notes and (b) in the case of a Rule 144A Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A to a QIB. Certificates issued in exchange for a beneficial

interest in a Rule 144A Global Note shall bear the legend applicable to transfer pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

(c) ***Legends***

The holder of a Certificate may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Paying Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Rule 144A Certificate bearing the legend referred to under "*Transfer Restrictions*", or upon specific request for removal of the legend on a Rule 144A Certificate, the Issuer will deliver only Rule 144A Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act of 1940, as amended.

22. **Book-entry procedures for the Global Notes**

(a) ***Euroclear, Clearstream, Luxembourg and DTC***

Custodial and depository links have been established between Euroclear, Clearstream, Luxembourg and DTC to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. See "*Book Entry Ownership—Settlement and Transfer of Notes*".

(b) ***Euroclear and Clearstream, Luxembourg***

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Notes directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**") and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

(c) ***DTC***

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organization" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Rule 144A Global Notes directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the relevant Rule 144A Global Notes as to which such participant or participants has or have given such direction. However, in the circumstances described under "*Exchange for Certificates*", DTC will surrender the relevant Rule 144A Global Notes for exchange for individual Rule 144A Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

23. **Book-entry ownership**

(a) ***Euroclear and Clearstream, Luxembourg***

The Regulation S Global Note will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depository on behalf of, Euroclear and Clearstream, Luxembourg.

(b) ***DTC***

The Rule 144A Global Notes will have an ISIN and a CUSIP number and will be deposited with a custodian (the "**Custodian**") for, and registered in the name of a nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC System.

(c) ***Relationship of participants with clearing systems***

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the Holder of a Note evidenced by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC (as the case may be) for his share of each payment made by or on behalf of the Issuer to the holder of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or DTC (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Note, the common depository by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Note held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

(d) ***Settlement and transfer of Notes***

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are

expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the clearing system will be affected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Notes held within a clearing system, are exchanged for Certificates.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Because DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Rule 144A Global Note to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

(e) ***Trading between Euroclear and/or Clearstream, Luxembourg Participants***

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

(f) ***Trading between DTC Participants***

Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

(g) ***Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser***

When book-entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Rule 144A Global Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Regulation S Global Note (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12.00 p.m., New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of a Rule 144A Global Note will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by a Rule 144A Global Note of the relevant class and (ii) increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Note. Book-entry interests will be delivered free of payment to Euroclear or

Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

(h) ***Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser***

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in a Rule 144A Global Note (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case maybe, will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of a Rule 144A Global Note who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Notes; and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by a Rule 144A Global Note.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interest in Global Notes among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedure, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Registrar or any Paying Agent will have the responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

KEEP WELL AGREEMENT

The Keep Well Agreement is not, and should not be regarded as equivalent to, a guarantee by EDP of any payment in respect of the Instruments. However, following an Event of Default, the Trustee will be entitled, on behalf of the Holders, to enforce EDP B.V.'s rights under the Keep Well Agreement against EDP in accordance with the terms of the Trust Deed. Enforcement in the English courts will be subject, among other things, to the powers of such courts to stay proceedings and other principles of law and equity of general application.

EDP has entered into a Keep Well Agreement dated 14 March 2001 with EDP B.V. (the "**Keep Well Agreement**") governed by English law. The following is the text of the Keep Well Agreement:

"Keep Well Agreement

This Keep Well Agreement is made on 14 March 2001 by and between:

- (1) **EDP—ELECTRICIDADE DE PORTUGAL, S.A. ("EDP");** and
- (2) **EDP FINANCE B.V. ("EDP B.V.");**

WHEREAS:

- (A) EDP B.V. is a direct wholly-owned subsidiary of EDP;
- (B) Bankers Trustee Company Limited (the "**Trustee**", which expression shall wherever the context so admits include any successor as trustee for holders of the Instruments as defined below), EDP and EDP B.V. (each an "Issuer" and together the "**Issuers**") have entered into a trust deed dated 14 March 2001 (the "**Trust Deed**") relating to the €5,000,000,000 Programme for the Issuance of Debt Instruments (the "**Programme**");
- (C) The Issuers may issue Instruments after the date hereof pursuant to the Programme (the "Instruments", which expression as used herein shall include Instruments whether in global or definitive form and any receipts, coupons or talons appertaining to such Instruments) which will be constituted by the Trust Deed as modified and/or supplemented and/or restated from time to time;
- (D) EDP B.V. may also hereafter assume from time to time obligations under swap agreements which will be related to the Instruments issued by EDP B.V. (any obligation of EDP B.V. in respect of each swap agreement entered into by EDP B.V. and any Instrument issued by EDP B.V. under the Programme being herein referred to as a "**Debt Obligation**" and the obligations together being herein referred to as "**Debt Obligations**"); and
- (E) EDP B.V. entered into the Programme as Issuer for its own benefit and also for the benefit of EDP.

NOW, THEREFORE, EDP and EDP B.V. hereby covenant and agree as follows:

1. In consideration of the sum of £1 paid by EDP B.V. to EDP (receipt of which EDP hereby acknowledges), EDP shall own, directly or indirectly, all of the issued and outstanding share capital of EDP B.V. and will control the composition of the board of directors of EDP B.V. so long as any Debt Obligation is outstanding and shall not pledge, grant a security interest in, encumber or alienate any of such share capital.
2. For so long as EDP B.V. has outstanding Instruments under the Programme, EDP shall, with effect on and from the date of this Agreement, cause EDP B.V. to maintain a Tangible Net Worth (as hereinafter defined), as determined in accordance with generally accepted accounting principles in The Netherlands applied on a consistent basis as shown on EDP B.V.'s most recent audited balance sheet (commencing with EDP B.V.'s audited balance sheet at 31 December 2001), of at least one euro.

"**Tangible Net Worth**" shall mean the total assets of EDP B.V. less the sum of intangible assets and total liabilities of EDP B.V. A certificate of the auditors of EDP B.V. as to the amount of Tangible Net Worth shall, in the absence of manifest error, be final and conclusive.

3. For so long as EDP B.V. has outstanding Instruments under the Programme, if EDP B.V. at any time shall have insufficient funds or other liquid assets to meet its payment obligations (including in respect of any Debt Obligations) or to repay borrowings then maturing or subsequently to mature, upon receipt of notice from EDP B.V. to such effect, EDP shall make, or have made, available to EDP B.V., before the due date of such payment obligations or borrowings, funds sufficient to enable EDP B.V. to meet such payment obligations or to repay such borrowings, as the case may be, in full as they fall due. EDP B.V. shall use the funds made available to it by EDP hereunder solely for the fulfilment of its payment obligations and the repayment at maturity of its borrowings.
4. Any and all funds from time to time provided by EDP to EDP B.V. pursuant to Clause 3 above shall, at the option of EDP, be either (1) by way of subscription for and payment of share capital (other than redeemable share capital) of EDP B.V., or (2) by way of subordinated loan, that is to say, a loan which, and interest on which, is not permitted to be, and is not capable of being, repaid or paid unless all other debt of EDP B.V. has been fully satisfied and is subordinated on a winding-up of EDP B.V. to all of the unsecured and unpreferred creditors of EDP B.V. other than EDP.
5. EDP warrants and agrees that its payment obligations which may arise hereunder constitute unsecured and unsubordinated obligations of EDP and rank *pari passu* with all other unsecured and unsubordinated obligations of EDP other than those obligations which are preferred by law.
6. This Agreement is not, and nothing herein contained and nothing done by EDP pursuant hereto shall be deemed to constitute, a guarantee, direct or indirect, by EDP of any Debt Obligation or any other debt of EDP B.V. (or of any subsidiary of EDP B.V.) or of any instrument issued by EDP B.V. or of any subsidiary of EDP B.V.
7. If EDP B.V. shall be in liquidation, administration or receivership or other analogous proceedings (including if EDP B.V. is declared bankrupt ("*faillissement*") or is granted a moratorium of payment ("*surse' anse van betaling*") or enters into winding-up proceedings ("*ontbinding*")) and EDP shall be in default of its obligations hereunder, EDP shall be liable to EDP B.V. by way of liquidated damages for such default in an amount equal to the sum that EDP would have paid had it performed in full all of its obligations hereunder, and EDP B.V. and any liquidator, administrator or receiver of EDP B.V. or other analogous officer or official shall be entitled to claim accordingly.
8. This Agreement may be modified, amended or terminated only by the written agreement of EDP and EDP B.V. provided, however, that no such modification, amendment or termination shall be made which may have any adverse effect upon the holders of the Instruments issued by EDP B.V. or the holders of any other Debt Obligation taken as a whole while any such Instrument or Debt Obligation is outstanding.
9. EDP and EDP B.V. each hereby covenant and agree as follows:
 - (i) it will not consent, either orally or in writing, to any modification, amendment or termination of this Agreement which may have any adverse effect upon the holders of the Instruments issued by EDP B.V. or the holders of any other Debt Obligation taken as a whole while any Instrument or other Debt Obligation remains outstanding;
 - (ii) it will give written notice to the Trustee on behalf of the holders of Instruments issued by EDP B.V. and to the holders of any other Debt Obligation at least 30 days prior to any proposed modification, amendment or termination of this Agreement;
 - (iii) it will fully and promptly perform its obligations and exercise its rights under this Agreement and, in the case of EDP B.V., (without limitation to the foregoing) exercise its right to enforce performance of the terms of this Agreement by EDP; and
 - (iv) it will consent to the giving of an order of specific performance or similar relief by any court of competent jurisdiction in the event that any action is brought in respect of this Agreement.
10. (i) This Agreement shall take effect for the benefit of the Trustee on behalf of the holders of Instruments issued by EDP B.V. and the holder of any other Debt Obligation. Apart from the parties to this Agreement and the Trustee, no other person, firm, company or

association (unincorporated or incorporated) shall be entitled to any benefit under this Agreement whatsoever.

- (ii) This Agreement shall be deposited with and held by the Trustee for so long as the Trust Deed is in force and, if thereafter, any other Debt Obligation remains outstanding it will be deposited with and held by a reputable financial institution on behalf of the holder(s) of such other Debt Obligation. Both parties hereby acknowledge the right of the holder of any Instrument issued by EDP B.V. and any other Debt Obligation to obtain from either party a copy of this Agreement.
- (iii) The term "holder" herein has the same meaning in relation to each Instrument as the term "**Holder**" in the Terms and Conditions of such Instrument.

- 11. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.
- 12. Each of EDP and EDP B.V. hereby irrevocably agrees that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceedings (together "Proceedings") arising out of or in connection with this Agreement may be brought in such courts. Each of EDP and EDP B.V. hereby irrevocably waives any objection which it may have to the laying of the venue of any Proceedings in any such courts and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agree that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon EDP and EDP B.V. and may be enforced in the courts of any other jurisdiction. Nothing contained herein shall limit any right to take Proceedings against EDP or EDP B.V. in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not. Each of EDP and EDP B.V. hereby appoints The Law Debenture Trust Corporation p.l.c. at its registered office for the time being (being at the date hereof at Fifth Floor, 100 Wood Street, London EC2V 7EX) as its agent for service of process and agrees that, in the event of The Law Debenture Trust Corporation p.l.c. ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings.
- 13. This Agreement shall be governed by, and construed in accordance with, the laws of England".