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**EDP – ENERGIAS DE PORTUGAL, S.A.
ANNUAL GENERAL SHAREHOLDERS' MEETING**

24th April 2019

PROPOSAL OF ITEM 3 OF THE AGENDA

**Opinion of the General and Supervisory Board on the vote of confidence to the
Executive Board of Directors regarding 2018 exercise**

As per established on paragraph h) of no. 1 of Article 22 of EDP's By-Laws, **the General and Supervisory Board must “issue, at its own initiative or when requested by the chairman of the executive board of directors, its opinion about the annual vote of confidence in directors referred to in Article 455 of the Companies Code”.**

As per the above, in the exercise of its powers and without prejudice to the principle of institutional cooperation that fosters relationships with the Executive Board of Directors in the uncompromising pursuit of EDP interests, the General and Supervisory Board has also implemented a principle of the most demanding standards and full responsibilities, which has special significance in terms of evaluating the activity and performance of the Executive Board of Directors.

EDP has voluntarily established a formal and objective process for assessment of the activities of the Executive Board of Directors. This involves a distinctive process adopted by the General and Supervisory Board, directly contributing to the evaluation of the Dow Jones Sustainability Index, while recognising all ongoing efforts to achieve excellence in terms of the corporate governance practices that the General and Supervisory Board has sought to develop.

It should be noted that this entire evaluation process (content, format and conclusions of the questionnaire) was analyzed and certified by an external consultant (Mercer).



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In early 2019, the Members of the General and Supervisory Board were invited to complete a self-assessment questionnaire, which was divided into the following areas:

- Composition and Organisation;
- Performance of the Executive Board of Directors in its activity;
- Relationship of the Executive Board of Directors with the General and Supervisory Board;
- Relationship of the Executive Board of Directors with other stakeholders.

The purpose of the questionnaire was to establish objective support for subsequent consideration on the part of the General and Supervisory Board, while also taking into consideration the self-assessment report of the Executive Board of Directors, with any such actions being submitted for further analysis and voting on the part of EDP Shareholders.

Based upon answers to the questionnaire, the General and Supervisory Board joint reflected on such data and extracted the corresponding conclusions in the meeting held on 11th March 2019.

Thus, according to the respective rules, approved in line with the best practices in corporate governance, the General and Supervisory Board intends to record the following conclusions related to the self-assessment process corresponding to the Executive Board of Directors activity and performance in 2018:

1. The General and Supervisory Board considered all the aspects evaluated to be satisfactory in terms of:
 - Organization and competences of the Executive Board of Directors;
 - Fulfilment of the provisions defined by the General and Supervisory Board in relation to the issuance and waiver of prior's opinions and the handling of conflicts of interest.



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2. As a global evaluation of the activity carried out by the Executive Board of Directors in 2018, the General and Supervisory Board considered as above the expectations the performance of the first, with emphasis on the following areas of action:

- Time and availability dedicated to the requirements and responsibilities inherent to the Executive Board of Directors functions;
- Commitment to its mission and responsibilities;
- Strategy;
- Preparation of management control information;
- Interpretation of information and reports received.

Without prejudice to the evaluation obtained, the continuous improvement of the performance of the Executive Board of Directors should be implied, either in relation to its own functions, or in the relationship with other EDP corporate bodies or entities, or in defence of all Shareholders' interests.

Proposal

Considering the above referred, the General and Supervisory Board has unanimously resolved to issue this opinion on the assessment of the activity and performance of the Executive Board of Directors during 2018 exercise and to transmit to the Shareholders its favourable position to a vote of confidence and praise in the Executive Board of Directors, its Chairman, Mr. António Mexia, and each one of its Members.

Lisbon, 11th March 2019

Luís Filipe Amado

Chairman of the General and Supervisory Board