



**Annual General
Shareholders' Meeting**

April 15th, 2009

POINT 4 OF THE AGENDA

**Opinion of the General Supervisory Board on the vote of confidence to the
Executive Board of Directors for their work in 2008**

Dear shareholders,

1. As established on the article 22º nº 1 h) of the Articles of Association of EDP, the General Supervisory Board must:

'Issue an opinion, by its own initiative, or when so requested by the Chairman of the Executive Board of Directors, on the annual vote of confidence which is referred in the article 455º of the Portuguese Code of Commercial Societies'.

It is an usual statutory competence of the corporate body whose main function is to supervise the acts of the Executive Board of Directors, which must be exercised objectively and adequately based.

In doing so, the General Supervisory Board, gives continuity to a practice that it deems adequate to the full development of a very demanding model of governance, based upon the fairest principles and practices of entrepreneurial management, after which, the performance of management bodies must be assessed.

The mentioned assessment differs from the one issued by the Remunerations Committee concerning the definition of the variable remuneration of the Members of the Executive Board of Directors.

2. Therefore, the General Supervisory Board, in its meeting on March 5th, 2009 performed an assessment of the Executive Board of Directors, as a social body, and of its Members, namely of its Chairman.

This assessment was based upon the effective exercise of General Supervisory Board's competences of advising, monitoring and supervising the Executive Board of Directors during the year of 2008, following the same orientation of previous year. The Annual Report of 2008 makes available to the shareholders a detailed description of the activities performed in doing so.

Main conclusions can be summarized as follows:

- 2.1. Globally, the work done by the Executive Board of Directors was



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considered excellent, emphasizing the leadership of its Chairman, Dr. António Mexia, regarding both the strategic orientation and its implementation. This evaluation is supported on the competence he showed, soundly reflected on the qualitative and quantitative results disclosed on the Annual Report and Accounts.

2.2. Specifically, the following aspects were highlighted:

- a) EBITDA and Net Income of 2008 exceeded budget commitments.
- b) A careful and attentive relation with shareholders and other stakeholders, particularly emphasizing the government and market regulators.
- c) The good relations with employees and trade unions, notably the prospection and development of human talent, as well as the improvement of corporate climate.
- d) The noteworthy improvement on the procedures and practices to manage the matters related with conflicts of interests, namely those related to relevant shareholders.
- e) The excellent and fair relation with the General Supervisory Board and its Specialized Committees, as evidenced on:
 - The availability and quality of the information given access to;
 - The answers to the questions raised, providing all the appropriate clarifications;
 - The attendance and effective participation of the Chairman and Members of the Executive Board of Directors in the General Supervisory Board's and on its Specialized Committees' meetings, whenever it was appropriate and necessary.
- f) The professional entwine between the Chairman of the Executive Board of Directors and the Chairman of the General Supervisory Board, allowing for a continuous follow-up of the more relevant files, and, hence, giving confidence on the governance model adopted, maintaining an appropriate level of management flexibility and complying with the supervisory function.
- g) The noticeable improvement of EDP's image, both internal and external, remarkably reflected on the leadership standpoint achieved in the renewable energies' segment.



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3. Conclusion

Following the performed analysis and the conclusions reached on the referred meeting on March 5th, the General and Supervisory Board unanimously decided to issue and transmit to the shareholders its favorable opinion on the vote of confidence and praise to the Executive Board of Directors, to its Chairman, Dr. António Mexia, and to each of its Members.

Lisbon, 5 March 2008

**António de Almeida
Chairman of the General Supervisory Board**