



Non-binding translation
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EDP – ENERGIAS DE PORTUGAL, S.A.

ANNUAL GENERAL SHAREHOLDERS' MEETING

5th April 2018

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 2017 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 guides relationships with the Executive Board of Directors in the uncompromising pursuit of EDP's interest, the General and Supervisory Board implemented a principle of the most exacting standards and full responsibility, 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 assessing the activity of the Executive Board of Directors. This pertains to a distinctive process adopted by the General and Supervisory Board that contributes directly to the evaluation of the Dow Jones Sustainability Index, recognising the ongoing efforts to achieve excellence in corporate governance practice that the General and Supervisory Board has sought to develop.

To note that all the assessment process (content, questionnaire format and the respective conclusions) were analyzed and certified by an external consultant (Mercer).



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In early 2018, the Members of the General and Supervisory Board were invited to complete an assessment questionnaire, which was divided into the following areas:

- Composition and organization
- Executive Board of Directors performance 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 counterparties
- Executive Board of Directors Overall Assessment

The questionnaire's purpose was to establish an objective support for reflection by the General and Supervisory Board, accounting for the assessment opinion on the Executive Board of Directors that the first must issue and submit to a vote by EDP Shareholders.

Based upon responses to the questionnaire, the General and Supervisory Board reflected as a whole upon such data and extracted the corresponding conclusions. Thus, according to the respective rules, approved in line with the best practices in corporate governance, the General and Supervisory Board intends to register the following conclusions related to the assessment process corresponding to the Executive Board of Directors activity and performance in 2017:



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1. The General and Supervisory Board considered all of the aspects evaluated to be satisfactory in terms of:
 - Organization and competences of the Executive Board of Directors
 - Compliance with the provisions defined by the General and Supervisory Board in matters of issuing and waiving prior opinions and handling conflicts of interest

2. As a global evaluation of the activity carried out by the Executive Board of Directors in 2017, the General and Supervisory Board considered as proper the performance of the former, with particular emphasis on the following areas of action:
 - Strategy
 - Investments/divestments
 - Financial management
 - Risk management
 - Preparation of financial information
 - Preparation of control management information
 - Sustainability and environment
 - Conflicts of interest



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Without prejudice to the completed evaluation, the activity of the Executive Board of Directors shall be underlined by the continuous improvement of the respective performance in terms of its own functions, relationships with other corporate bodies of EDP and defense of Shareholders' interests.

Proposal

Considering the above referred, the General and Supervisory has resolved unanimously to issue this opinion on the assessment of the activity and performance of the Executive Board of Directors during 2017 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, 1st March 2018

Eduardo de Almeida Catroga

Chairman of the General and Supervisory Board