



Non-binding translation  
For information purposes only

## **ANNUAL GENERAL SHAREHOLDERS' MEETING**

12<sup>th</sup> May, 2014

### **PROPOSAL OF POINT 3 OF THE AGENDA**

#### **Opinion of the General and Supervisory Board on the vote of confidence to the Executive Board of Directors regarding 2013 exercise**

As established on the article 22º nº 1 h) of the Articles of Association of EDP, the General and Supervisory Board (GSB) must “Issue an opinion, by its own initiative, or when so requested by the Chairman of the Executive Board of Directors (EBD), on the annual vote of confidence which is referred in the article 455º of the Portuguese Code of Commercial Companies”.

The GSB, in the uncompromising pursuit of the interests of the EDP and in the exercise of its powers and without prejudice to the principle of institutional cooperation that steers the relationship with the EBD, believes and has also put into practice a principle of maximum exigency and accountability, which has special significance in terms of the assessment of the work and performance of the EBD.

EDP remains one of the few listed companies in Portugal and abroad that has voluntarily established a formal and impartial process to assess the work of the EBD. This distinctive practice adopted by the GSB directly contributes to the Dow Jones Sustainability Index evaluation, and it acknowledges the continued endeavor for excellence in corporate governance practices that the GSB has sought to develop.

At the beginning of 2014, the members of the GSB were invited to complete a questionnaire to assess the EBD, which was divided into two major areas:

- Assessment of the adequacy of aspects of a formal and organizational nature
- Material assessment of the work of the EBD

The purpose of the questionnaire was to be an impartial support document for the GSB's appraisal with a view to the assessment of the EBD that it has to issue and present to EDP's shareholders to vote on.

Based on the answers to the questionnaires, the GSB jointly analysed these data at the meeting of 27 February 2014, and drew its conclusions. Hence, pursuant to its rules, which were approved in line with best corporate governance practices, the GSB wishes to record the following conclusions on the assessment of the work and performance of the EBD in 2013.



Non-binding translation  
For information purposes only

## **ANNUAL GENERAL SHAREHOLDERS' MEETING**

12<sup>th</sup> May, 2014

The GSB assessed all aspects under evaluation as satisfactory. These being:

- Organization and powers of the EBD (Internal rules of procedure and composition)
- Compliance with the provisions defined by the GSB concerning:
  - The issue and waiving of prior opinions
  - Handling conflicts of interest
  - Additional audit services.

The GSB considered the overall performance of the EBD in 2013 to be excellent, with particular emphasis on the following areas of activity:

- Strategy
- Financing
- Investment
- Preparation of financial and accounting information

Regardless of the assessment results obtained, the work of the EBD is underpinned by the continual improvement of its performance, both in terms of carrying out its duties and the relationship with the other bodies and corporate bodies of EDP, and also in the best interests of the shareholders.

### **Proposal**

On the basis of this analysis, at the aforementioned meeting the GSB decided to classify the overall work of the EBD during the business year 2013 as excellent.

Therefore, the GSB unanimously decided to issue its favorable opinion on the activity and performance of the EBD during 2013 and to transmit to the Shareholders its support to the vote of confidence and praise to the EBD, to its Chairman, Mr. António Mexia, and to each of its Members.

Lisbon, 27<sup>th</sup> February 2014

**Eduardo de Almeida Catroga**  
**Chairman of the General and Supervisory Board**