



**REGULATION**  
**OF THE EXECUTIVE BOARD OF DIRECTORS OF**  
**EDP – ENERGIAS DE PORTUGAL, S.A.**

**13<sup>th</sup> October 2015**

## **REGULATION OF THE EXECUTIVE BOARD OF DIRECTORS**

**EDP – Energias de Portugal, S.A.**

### **ARTICLE 1**

#### **(Scope)**

The rules regarding the functioning of the Executive Board of Directors and its relations with the other corporate bodies and company officers are established in these regulations, which are approved under the powers conferred through Article 17(1) o) of the Company's Articles of Association.

### **ARTICLE 2**

#### **(Composition of the Executive Board of Directors)**

The composition of the Executive Board of Directors shall be determined by resolution of the General Meeting of Shareholders pursuant to Article 16.1 and 2 of the Company's Articles of Association.

### **ARTICLE 3**

#### **(Chairman)**

1. The Executive Board of Directors is chaired and represented by its Chairman, selected among the appointed board members in the General Shareholders' Meeting, pursuant to Article 16.3 of the Company's Articles of Association.
2. The Chairman of the Executive Board of Directors, in case of absence or temporary impairment, shall be replaced by the Vice-Chairman, should he exist, or by the member of the Executive Board of Directors to whom such right has been granted in the respective election act.

### **ARTICLE 4**

#### **(Executive Board of Directors Responsibilities)**

1. The Executive Board of Directors is the corporate body responsible for the management of the company's activities, in accordance with the provisions of the

Portuguese Companies' Code and the Company's Articles of Association.

2. The Executive Board of Directors is responsible, namely, for the following, pursuant to Article 17 of the Company's Articles of Association:
  - a) Setting the objectives and management policies of the company and the EDP Group;
  - b) Preparing the annual operating and financial plans;
  - c) Managing the company's business affairs and performing all the acts and operations relating to the corporate purpose that do not fall within the duties attributed to other bodies of the Company;
  - d) Representing the company in and out of court, as plaintiff or defendant, in which capacity it may discontinue, reach a compromise or accept liability in any legal proceedings, and execute arbitration agreements;
  - e) Acquiring, selling or, by any manner, transferring or creating encumbrances over rights or real estate assets;
  - f) Incorporating companies and subscribing for, acquiring, creating encumbrances over and transferring stakes;
  - g) Adopting resolutions regarding the issuance of bonds and other securities in accordance with the law and the Company's Articles of Association, in compliance with the annual quantitative limits set by the General and Supervisory Board;
  - h) Establishing the technical and administrative organisation of the Company and the standard for internal operations, notably concerning personnel and their remuneration;
  - i) Granting powers of attorney, as deemed appropriate, including those of sub-delegation;
  - j) Engaging the external auditor appointed by the General and Supervisory Board in accordance with Article 22.1 q) of the Company's Articles of Association, and removing him from such office upon indication from the General and Supervisory Board;
  - l) Appointing the Company Secretary and respective substitute;

- m) Performing all other duties conferred on it by law or by the General Shareholders' Meeting.

## **ARTICLE 5**

### **(Competences of the Chairman of the Executive Board of Directors)**

1. The Chairman of the Executive Board of Directors is particularly responsible for:
  - a) Representing the Executive Board of Directors in and out of court;
  - b) Coordinating the activity of the Board and convening and presiding over the respective meetings;
  - c) Exercising the casting vote;
  - d) Ensuring that the Executive Board of Directors' resolutions are correctly executed.
2. The Chairman of the Executive Board of Directors has the right to attend the meetings of the General and Supervisory Board whenever he deems appropriate, except when resolutions concerning the matters established in Article 22.1 o) of the Company's Articles of Association are involved and, generally, in any situations giving rise to a conflict of interests.
3. The Chairman of the Executive Board of Directors is responsible for proposing to the General and Supervisory Board the parameters for measuring the economic or strategic value of operations that should be submitted to the latter for its prior opinion pursuant to Article 17.2 of the Company's Articles of Association, as well as propose the annual quantitative limits related to the issuance of bonds and other securities by the Executive Board of Directors.
4. The Chairman of the Executive Board of Directors shall assure the adoption of appropriate mechanisms for the annual assessment of the Executive Board of Directors functioning and for the performance of each one of its members.

## **ARTICLE 5.º-A**

### **(Accumulation of functions)**

1. The members of the Executive Board of Directors may not exercise executive functions in more than two companies not integrating EDP Group.
2. The exercise of the executive duties referred to in the previous paragraph shall be subject

to prior appraisal by the Executive Board of Directors.

## **ARTICLE 6**

### **(Operating procedures of the Executive Board of Directors)**

1. The Executive Board of Directors will ordinarily meet at least once a month on dates determined by the members thereof. It will extraordinarily meet whenever so convened by its Chairman, by two directors or at the request of the General and Supervisory Board.
2. The members of the Executive Board of Directors must be notified of extraordinary meetings of the Board on the business day prior to the date set for the extraordinary meeting.
3. In an emergency situation or in the event of *force majeure*, the Chairman of the Executive Board of Directors may convene a meeting of the Executive Board of Directors without complying with the prior notice rule established in the previous paragraph.
4. The definitive agenda for the meeting, containing details of the items to be discussed and identifying the respective proponent, including documentation forming the basis for the resolution, will be made available to the directors:
  - a) two business days prior to each ordinary meeting;
  - b) one business day beforehand in regard to an extraordinary meeting, excepting the situations envisaged in paragraph no. 3 of this article.
5. The directors shall notify the Chairman of the Executive Board of Directors of any items to be included in the agenda, appropriately in advance of the meeting or immediately subsequent to the notice of the meeting. The same directors must supply the proposed resolution and the documentation to be appraised.
6. The Company Secretary is responsible for preparing and distributing the agenda and respective preparatory documentation, in accordance with the matters that may have been approved to that end by the Chairman.

## **ARTICLE 7**

### **(Quorum and Resolutions)**

1. The Executive Board of Directors may not pass resolutions without the presence or representation of the majority of its members.
2. Without prejudice to the provision of the foregoing paragraph and provided that at the beginning of each meeting the following means of communication are approved by a majority of two-thirds of the participants, directors may be present or intervene through telecommunication means that ensure real-time transmission and simultaneous receipt of voice, or voice and image.
3. Any director can be represented in a meeting by any other director, provided that the Chairman of the Executive Board of Directors is notified by means of standard letter. Each director is not, however, permitted to represent more than one other director at each meeting.
4. The members of the Executive Board of Directors who cannot attend a meeting may, in case of a resolution that the Chairman considers to be urgent, express their vote by way of letter addressed to him.
5. The members of the Executive Board of Directors must ensure its attendance at, at least, eighty percent of the meetings held on each exercise.
6. The resolutions of the Executive Board of Directors shall be approved by a simple majority of the votes cast, except when legal provisions require a qualified majority
7. The Chairman of the Executive Board of Directors has a casting vote in the event of tied voting.
8. If the Board is composed of an even number of members, in case of absence or temporary impairment of the Chairman, it shall have a casting vote the Vice-Chairman, should he exist, or, the member of the Executive Board of Directors to whom such right has been granted in the respective election act.
9. When a member of the Executive Board of Directors is in a conflict of interest situation regarding a Board's resolution, it shall previously inform the Executive Board of Directors on the facts that may constitute or give rise to the conflict of its interests and the interests of the company.
10. In the situation referred to on the previous number, the member of the Executive Board of Directors shall abstain from participating and voting on the meeting in which the theme is discussed and voted, without prejudice to the duty of providing the information and clarifications required by the Board or by the respective members.

11. The Chairman of the General and Supervisory Board or, in case of its impediment or absence, a member of the referred Board designated for this purpose, may whenever he deems appropriate and without voting right, attend to the Executive Board of Directors meetings and participate in the discussion of issues to be submitted to the General and Supervisory Board.
12. The implementation of resolutions approved at the Executive Board of Directors meetings shall be overseen by the Director responsible for the respective management area.

#### **ARTICLE 8**

##### **(Minutes)**

The Company Secretary shall draft the minutes of each meeting. These minutes must be submitted to the Executive Board of Directors for approval in the subsequent ordinary meeting.

#### **ARTICLE 9**

##### **Publication and Validity**

1. This regulation is published on the company's site on the internet.
2. This regulation was approved in the Executive Board of Directors' meeting held on the 13<sup>th</sup> October, 2015, immediately coming into force for the 2015-2017 term of office.