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

16th 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 2019 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, an opinion on the annual vote of confidence in administration body members referred to in Article 455 of the Companies Code"**.

As such, 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 instituted a formal and objective process for assessing the activity of the Executive Board of Directors. This is a distinctive practice adopted by the General and Supervisory Board, which is in line with the Dow Jones Sustainability Index assessment criteria, and corresponds to the acknowledgement of the ongoing efforts to achieve excellence in terms of the corporate governance practices that the General and Supervisory Board has developed.

The assessment process, which includes the content, format and conclusions of the questionnaire, individual face-to-face interviews and the preparation of its



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autonomous report for the Executive Board of Directors, was carried out, analysed and certified by Mercer, an external consultant.

In early 2020, the members of the General and Supervisory Board were interviewed in person so that two types of approach, both qualitative and quantitative, were included in the assessment of the Executive Board of Directors, which was divided into:

- Composition, organisation and operation;
- Performance of its activity;
- Relationship with the General and Supervisory Board;
- Relationship with other stakeholders.

The purpose of the questionnaire was to provide an objective support for consideration of the General and Supervisory Board, in view of the assessment opinion of the Executive Board of Directors, that this body must issue and present to EDP Shareholders for voting.

Based on the answers to the questionnaire, the General and Supervisory Board reflected as a whole upon such data and extracted the corresponding conclusions in the meeting on 20 February 2020. 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 assessment process corresponding to the Executive Board of Directors activity and performance in 2019:

1. The General and Supervisory Board considered all the aspects evaluated as adequate 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 an overall assessment of the activity carried out by the Executive Board of Directors in 2019, the General and Supervisory Board considered the performance to be “above expectations”, with particular emphasis on the following areas of action:

- Financial management
- EBD availability for GSB initiatives
- Quality of the presentations made
- Level of openness in the meetings to participate in analysis and discussion of the topics
- EBD’s reputation in the relevant markets

Without prejudice to the evaluation obtained, the continuous improvement of the performance of the Executive Board of Directors should be implied, both in terms of its own functions, in the relationship with the other EDP bodies or entities, and also in defence of Shareholders’ interests.

Proposal

Considering the referred above, 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 2019 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.

20th February 2020

Luís Filipe Amado

Chairman of the General and Supervisory Board