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**REGULATIONS
OF THE
AUDIT, CONTROL AND RELATED
PARTY TRANSACTIONS
COMMITTEE OF
EDP RENOVÁVEIS, S.A.**



renováveis

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INTRODUCTION

Article 1.- Definitions

For the purposes of these regulations:

- **EDP:** Refers to EDP - Energias de Portugal, S.A.
- **EDP Renováveis/ the Company:** Refers to EDP Renováveis, S.A.
- **Related Enterprises:** Refers to the companies and other entities which are directly or indirectly controlled by EDP or EDP Renováveis at any given time.

When referring to entities related to EDP, the definition excludes EDP Renováveis itself and its related entities.

- **EDP Group:** Refers to EDP-Energias de Portugal, S.A. and all of the companies directly or indirectly controlled by EDP-Energias de Portugal, S.A.
- **EDP Renováveis Group:** Refers to EDP Renováveis, S.A. and all of the companies directly or indirectly controlled by EDP Renováveis, S.A.
- **Board Member:** each of the members of the Board of Directors of EDP Renováveis.
- **“Key Employee”:** the employees of EDP Renováveis Group that in each moment the Nominations and Remunerations Committee determines.
- **Family members:** refers to the spouse or similar of the Board Member and/or “Key Employee”, as well as the descendants or ascendants of the Board Member and/or “Key Employee”.
- **Qualifying Holders:** Shareholders who hold a direct participation equal or superior to 2% of EDP Renováveis’ share capital.

Article 1.-Object and Purpose

The purpose of these regulations is to regulate the basic operation and actions of the Audit, Control and Related Party Transactions Committee, a committee of the Board of Directors of EDP Renováveis, S.A. (hereinafter “EDP Renováveis” or the “Company”) and to establish the norms of conduct of its members so as to ensure the greatest transparency and efficiency in the functions of representation inherent to the Committee.

Article 2.- Interpretation

These Regulations shall be interpreted in accordance with the laws and Articles of Association applicable to them and in keeping with their spirit and purpose. The Audit, Control and Related Party Transactions Committee and the Board of Directors shall settle any doubts regarding the interpretation of these Regulations as they arise.

Article 3.- Hierarchy and Predominance

1. In the event of a discrepancy between these Regulations and the legal rules and Articles of Association and the Regulations of the Board of Directors, the latter shall prevail.
2. The Regulations of the Board shall apply to all matters not specifically regulated herein, to the extent that the provisions do not contravene the nature of the Audit, Control and Related Party Transactions Committee.

Article 4.-Scope of Application

These Regulations apply to the Audit, Control and Related Party Transactions Committee and to its members. The persons to whom these Regulations apply are obligated to understand them, comply with them and enforce them.

Article 5.- Modification

1. These Regulations may only be modified by the Board of Directors at the request of the Chairman, one-third of the directors and the Audit, Control and Related Party Transactions Committee itself.
2. The proposed modification must be accompanied by a report justifying the change prepared by the Audit, Control and Related Party Transactions Committee.
3. The proposed modification and the report of the Audit, Control and Related Party Transactions Committee must be included with the announcement of the Board of Directors meeting at which the change will be debated and must be specifically included on the meeting agenda.
4. An absolute majority of the directors present or represented at the meeting must vote in favour of the change in order for it to be validly passed.

Article 6.- Distribution

These Regulations and any changes made to them shall be publicised as required by the rules applicable to them.

TITLE I. BASIC PRINCIPLES AND OBJECTIVES OF THE AUDIT, CONTROL AND RELATED PARTY TRANSACTIONS COMMITTEE

Article 7.- Principles of Action

The Audit, Control and Related Party Transactions Committee shall perform its functions with the best interest of the Company in mind.

Article 8.- Nature and Competence

1. The Audit, Control and Related Party Transactions Committee is a standing committee of the Board of Directors. This Committee shall perform supervisory functions of Audit and Control independently from the Board of Directors, as well as, supervisory functions of the transactions between Related Parties.

A) Audit and Control Functions

The Audit, Control and related Party Transactions Committee will perform the following supervisory functions of Audit and Control independently from the Board of Directors:

- a. Reporting, through the Chairman, at General Meeting on questions falling under its jurisdiction.
- b. Proposing the appointment of the Company's auditors to the Board of Directors for subsequent approval by the General Meeting, as well as the contractual conditions, scope of the work – specially concerning audit services, "audit related" and "non audit" – annual activity evaluation and revocation or renovation of auditor appointments.
- c. Supervising the financing reporting and the functioning of the internal risk management and control systems, as well as, evaluate those systems and propose the adequate adjustments according to the Company necessities.
- d. Supervising internal audits.
- e. Establish a permanent contact with the external auditors, to assure the conditions, including the independence, adequate to the services provided by them, acting as a the Company speaker for these subjects related to the auditing process and receiving and maintaining information on any other questions regarding accounting subjects.
- f. Preparing an annual report on its supervisory activities, including eventual constraints, and expressing an opinion on the Management Report, the accounts and the proposals presented by the Board of Directors. Receiving notices of financial and accounting irregularities presented by the Company's employees, shareholders or entity that has a direct interest and judicially protected, related with the Company social activity.

- g. Engaging the services of experts to collaborate with Committee members in the performance of their functions. When engaging the services of such experts and determining their remuneration, the importance of the matters entrusted to them and the economic situation of the company must be taken into account.
- h. Drafting reports at the request of the Board and its committees.
- i. Approve and supervise, in coordination with the Management Team, the Annual Activity Plan of the Corporate Compliance Department.
- j. Appreciate and monitor the recommendations on measures to be taken in situations of significant noncompliance.
- k. Supervise compliance with regulations and alignment of business processes with the requirements of the Compliance Management System in order to achieve a sustainable compliance culture throughout the Company.

B) Functions of Related Party Transactions:

The Audit, Control and Related Party Transactions Committee shall perform the following tasks entrusted to it by the Board of Directors, which may assign other tasks as well:

- a. Periodically reporting to the Board of Directors on the commercial and legal relations between EDP or related entities and EDP Renováveis or related entities.
- b. In connection with the approval of the Company's annual results, reporting on the commercial and legal relations between the EDP Group and the EDP Renováveis Group, and the transactions between related entities during the fiscal year in question.
- c. Ratifying transactions between EDP and/or related entities with EDP Renováveis and/or related entities by the stipulated deadline in each case, provided that the value of the transaction exceeds €5.000,000 or represents 0.3% of the consolidated annual income of the EDP Renováveis Group for the fiscal year before.
- d. Ratifying any modification of the Framework Agreement signed by EDP and EDP Renováveis on 7 May 2008.
- e. Making recommendations to the Board of Directors of the Company or its Executive Committee regarding the transactions between EDP Renováveis and related entities with EDP and related entities.
- f. Asking EDP for access to the information needed to perform its duties.

- g. Ratifying, in the correspondent term according to the necessities of each specific case, the transactions between Qualifying Holdings other than EDP with entities from the EDP Renováveis Group whose annual value is superior to 1.000.000€.
- h. Ratifying, in the correspondent terms according to the necessities of each specific case, the transactions between Board Members, "Key Employess" and/or Family Members with entitied from EDP Renováveis Group whose annual value is superior to 75.000€.

If the Related Party Transactions Committee does not ratify the commercial or legal relations between EDP or its related entities and EDP Renováveis and its related entities, the validity of such relations must be approved by 2/3 of the members of the Board of Directors, provided that at least one half of the members proposed by entities other than EDP, as well as those related with Qualifying Holders other than EDP, Board Members, "Key Employess" and/or there Famili Members, including independent directors, vote in favour, except when a majority of members expresses its approval prior to submitting the matter to the Related Party Transactions Committee for its approval.

The terms of part 1 above shall not apply to transactions between EDP or its related entities and EDP Renováveis or its related entities are carried out under standardised conditions and are applied equally to different related entities of EDP and EDP, even standardised price conditions.

Article 9.- Composition and Designation

1. The Audit, Control and Related Party Transactions Committee shall be composed of three (3) to five (5) members, a majority of whom must be independent directors.
2. The term of office of the members of the Audit, Control and Related Party Transactions Committee shall coincide with each Director's term of office. The members of the Audit, Control and Related Party Transactions Committee may be re-elected and removed at the will of the Board of Directors.
3. The members of the Audit, Control and Related Party Transactions Committee may resign from the Committee but remain as company directors.

Article 10.- The Chairman of the Audit, Control and Related Party Transactions Committee

1. The term of office of the Chairman of the Audit, Control and Related Party Transactions Committee is three (3) years, after which he/she may only be re-elected to one addition term of three (3) years. The Chairman of this Committee must necessarily be an independent director.
2. Outgoing Chairmen may continue to be members of the Audit, Control and Related Party Transactions Committee.

3. Notwithstanding the legal or statutory powers vested in him, the powers of the Chairman of the Audit, Control and Related Party Transactions Committee include:
 - a. Convening and presiding over the meetings of the Audit, Control and Related Party Transactions Committee, setting the meeting agenda and overseeing the discussions and deliberations.
 - b. Representing the Audit, Control and Related Party Transactions Committee before other bodies and departments of the Company.

Article 11.- The Secretary of the Audit, Control and Related Party Transactions Committee

1. The Secretary of the Board of Directors or, in his/her absence, the Assistant Secretary shall be the Secretary of the Audit, Control and Related Party Transactions Committee. In the absence of both, the Secretary for each meeting shall be designated by the Audit, Control and Related Party Transactions Committee.
2. The Secretary may or may not be a Director.
3. In addition to those assigned in the Articles of Association and the law, the functions of the Secretary shall include:
 - a. Assisting the Chairman in the performance of his functions.
 - b. Overseeing the operations of the Audit, Control and Related Party Transactions Committee, advising and reporting to the Committee and its members.
 - c. Providing the Secretary of the Board with information and documentation relative to the Audit, Control and Related Party Transactions Committee.
 - d. Documenting the sessions of the Audit, Control and Related Party Transactions Committee and drafting the meeting minutes.
 - e. Supervising the legal and material formality of the actions of the Audit, Control and Related Party Transactions Committee to ensure that they comply with the Articles of Association and with these Regulations.

TITLE II. OPERATION OF THE AUDIT, CONTROL AND RELATED PARTY TRANSACTIONS COMMITTEE

Article 12.- Applicability of the Regulations of the Board

The provisions of the Regulations of the Board regarding its operation and in particular regarding meeting announcements and sessions, the representation of members, the universal sessions held, the passage of resolutions in writing and without a session, and the approval of meeting minutes shall also apply to the Audit, Control and Related Party

Transactions Committee to the extent that they do not contravene these Regulations and not incompatible with the nature of the Audit, Control and Related Party Transactions Committee.

Article 13.- Meetings of the Audit, Control and Related Party Transactions Committee

1. The Audit, Control and Related Party Transactions Committee shall meet at least once per quarter and whenever the Chairman deems it is necessary. The Audit, Control and Related Party Transactions Committee shall be validly convened when one-half plus one of its members are present or represented at the meeting.
2. The resolutions of the Audit, Control and Related Party Transactions Committee shall be passed by majority vote with the Chairman casting the deciding vote in the event of a tie. The Executive Committee shall inform the Board of Directors of the resolutions it passes at the first meeting of the Board following the Committee meeting in which the resolution was passed.