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

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## INTRODUCTION

### 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 Party:** it refers to (i) any company of the EDP Group, (ii) any company in which both EDPR SA and a Related Party have a stake, (iii) any shareholder holding a 10% or more of the voting rights or with representation at the Board of the Company, and (iv) any party deemed as Related Party under the International Accounting Standards, including without limitation, Board members, key Employees and Relatives.
- **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., excluding EDP Renováveis Group.
- **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”:** (i) the members of the Management Team of EDP Renováveis, S.A., (ii) the General Secretary of the Company, (iii) the Directors of Internal Audit, Compliance and Internal Control, Global Risk, Finance, ACT, Planning and Control, Investor Relations, Legal, IT, as well as (iv) any other that the Audit, Control, and Related Party Transactions Committee may designate.
- **Family members:** refers to the spouse or assimilated partners of a Board Member and or/ of a Key Employee, the children of a Board Member and/or of a Key Employee, or of his/her spouse or assimilated partner, as well as the dependent individuals of the Board Member and/or Key Employee or of his/her spouses or assimilated partners.

### **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 changed 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 son 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:

1. By delegation of the Board of Directors:
  - i. Analyse and, where appropriate, approve the (i) (a) intragroup transactions or (b) transactions performed between EDPR Group and EDP Group when their amount is below 10% of the total assets at the last annual balance sheet approved by the company, as long as they are in the ordinary management of the company and under market conditions; (ii) transactions executed under contracts with standardized terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, and which amount does not exceed the 0,5% of the net annual company turnover, and
  - ii. Periodically inform the Board of Directors about the transactions approved by this Committee in the exercise of the above referred delegation, stating the fairness and transparency of such transactions, and as the case may be, the compliance with the applicable legal criteria.

2. Analyse and inform about any modification of the Framework Agreement signed by EDP and EDP Renováveis on 7 May 2008.
3. Submit a report to the Board of Directors of the Company regarding the Related Party Transactions that shall be approved by the Board of Directors of EDPR SA or by its Shareholder's Meeting in accordance with the law, and that shall include: (i) the information regarding the nature of the operation and the relation with the Related Party, (ii) the identity of the Related Party, (iii) the date and value or amount of the compensation of the transaction, and (iv) any other information necessary to appraise if the operation is fair and reasonable for the company and for the non-Related Party shareholders.
4. Asking EDP for access to the information needed to perform its duties.

#### **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.