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**REPORT RELATED TO THE PROPOSAL TO AMEND ARTICLE 28 (AUDIT AND CONTROL COMMITTEE) OF THE ARTICLES OF ASSOCIATION OF EDP RENOVÁVEIS, S.A. ISSUED BY THE BOARD OF DIRECTORS ON THE MEETING DATED MAY 8, 2018
(Fourth Item of the Agenda)**

1. Purpose of the report

This report is issued by the Board of Directors of EDP Renováveis, S.A. (hereinafter “EDPR” or “the Company”), in accordance with article 286 of the Spanish Company Law (“*Ley de Sociedades de Capital*”) approved by de RDL 1/2010 of July 2nd, by which are approved the consolidated text of the Spanish Company Law and corresponding Bylaws of the Commercial Register, approved by the RD 1784/1996 of July 19th, that mandates the elaboration of a written report justifying the rationale of the amendment of the Articles of Association.

The report aims to propose to the Extraordinary General Shareholder’s Meeting expected to be held on June 27th 2018 on first call, or on 6th July 2018 on second call, the amendment of article 28 of the Articles of Association of EDPR.

2. REPORT STAYING THE RATIONALE OF THE PROPOSAL

The proposal of amendment of Article 28 of Articles of Association arises with the aim of adapting its wording to the resolution adopted by the Board of Directors on its meeting held on may 8th 2018 regarding the merge in one Committee of the Related Party Transactions Committee and the Audit and Control Committee, that hereinafter will be named Audit, Control and Related Party Transactions Committee.

This decision is founded on the determination to simplify the Corporate Governance structure of the Company, frame within which, it has been also proposed to adjust the number of the Members of the Board to fifteen. All the above has been developed in line with the latest Corporate Governance recommendations that set the advisability for the governing bodies of listed companies to have Governing Bodies with an adequate dimension to perform efficiently its functions with the appropriate depth and contrasts within their opinions.

Finally, as some inefficiencies could arise due to the overlapping of some of the functions that so far have being developed by of both Related Party Transactions Committee and Audit and Control Committee, the merge of the Committees in a single one is advisable.

3. DETAILED ANALISIS OF THE AMENDMENTS PROPOSED

Article 28 of EDPR’s Articles of Association refers to the functioning, composition and competences of the Audit and Control Committee. As consequence of the integration in this Committee of the Related Party Transactions Committee, the Audit and Control Committee assumes the competences performed until the moment by the Related Party Transactions Committee, and therefore the denomination of the Committee became to be Audit, Control and Related Party Transactions Committee. Likewise, the newly denominated Committee will became to assume the functions performed until the moment by the Related Party Transactions Committee.

In light of the above, it has been considered necessary to adapt the wording of article 28 of Articles of Association of the Company.

4. PROPOSED RESOLUTIONS

In accordance with the indications collected in this report, the entire text of the proposal of resolution that will be submitted for approval of the Extraordinary general Shareholder's Meeting is the following:

Amendment of article 28 (Audit and Control Committee) of the Articles of Association

In accordance with the supporting report issued by the Board of Directors on May 8th, 2018, that has been made available to the Shareholders in the frame of the Extraordinary general Shareholders Meeting, it is proposed to amend article 28 (Audit and Control Committee) of the Articles of Association, related to the functioning of the Audit and Control Committee with the aim to adapt its wording to the integration of functions of the Related Party Transactions Committee within the Audit and Control Committee, which hereinafter will be named Audit, Control and Related Party Transactions Committee.

The referred article, with express derogation of its current redaction, will be literally as follows:

ARTICLE 28 – AUDIT, CONTROL AND RELATED PARTY TRANSACTIONS COMMITTEE

1. The Board of Directors shall constitute a permanent Audit, Control and Related Party Transactions Committee, which will be made up of between three (3) and five (5) of its members, the majority of which should be Independent Members.
2. The Audit, Control and Related Party Transactions Committee shall carry out supervision powers independently from the Board of Directors' actions.
3. This Committee will have a Chairman and a Secretary. It will not be required that the latter be a Company Director. Both positions will be appointed by the Board.
4. The term of office of member of the Audit, Control and Related Party Transactions Committee shall coincide with the each member's quality of Director. Members of the Audit, Control and related Party Transactions Committee may be reappointed and dismissed at the Board of Directors' will.
5. The Chairman shall hold his office for a maximum term of three (3) years, after which he may be re-elected for another term of three (3) years. The outgoing Chairman may remain as members of the Audit, Control and Related Party Transactions Committee.
6. The Audit, Control and Related Party Transactions Committee's competences are the following:
 - a. To inform, through its Chairman, in the General Shareholders' Meetings, regarding all the questions that fall within its purview;
 - b. To propose to the Board of Directors to submit to the General Meeting the appointment of the Company's Auditors, as well as the conditions to contract them, the range of their work and the revocation and renewal of their office;
 - c. To supervise the activities of internal audit;
 - d. To acknowledge the financial information process and the internal control systems;
 - e. To maintain relations with the Auditors on the questions that could endanger their independence and any other questions related to the auditing process, as well as to receive and maintain information on any other questions provided in the auditing laws and in the auditing techniques in force at any given moment;
 - f. To report periodically to the Board of Directors on the commercial and legal relations between EDP or related entities and EDP Renováveis or related entities;

- g. 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;
 - h. To ratify transactions between EDP and/or related entities with EDP Renováveis and/or related entities, provided that the value of the transaction exceeds the amount determined by the Board of Directors;
 - i. 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;
 - j. Asking EDP for access to the information needed to perform its duties;
 - k. Any other competences that the Board of Directors or these Articles may grant it.
7. The Audit and Control Committee shall meet at least once (1) every quarter and whenever the Chairman deems it appropriate. The Audit and Control Committee will be valid when at least half of its members plus one attend or are represented at the Committee.
8. Thus, the resolutions of the Audit and Control Committee shall be adopted with the favourable vote of the majority of its members. In case of draw, the Chairman will have a casting vote.
9. The Audit and Control Committee's operation rules shall be developed by the Board of Directors.

Lisboa, 8th May 2018.

Board of Directors **EDP Renováveis, S.A.**

Chairman
D. António Luís Guerra Nunes Mexia

Secretary
D. Emilio García-Conde Noriega