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## CORPORATE GOVERNANCE

### 0. STATEMENT OF COMPLIANCE

EDP Renováveis, S.A. (hereinafter referred to as EDP Renováveis or the Company) is a listed company that was admitted to trading on the regulated market of NYSE Euronext Lisboa (Eurolist by Euronext Lisbon) following an initial public offering in May 2008 under Spanish law. In view of its status as a company quoted on a regulated market in Portugal, EDP Renováveis is subject to the corporate governance code called "Código de Governo das Sociedades" approved by the CMVM (Portuguese Securities Market Commission) in September 2007. This governance code is available to the public on the CMVM website, [www.cmvm.pt](http://www.cmvm.pt).

EDP Renováveis states that it has adopted in full the CMVM recommendations on the governance of listed companies in the "Código de Governo das Sociedades", with the exception of Recommendations I.4.1. and II.2.2. of the code, which has not been adopted for the reasons indicated below.

The following table shows the CMVM recommendations set forth in the code and indicates whether or not they have been fully adopted by EDP Renováveis and the place in this report in which they are described in more detail.

RECOMMENDATION	ADOPTION INFORMATION	DESCRIPTION IN REPORT
<b>I. – General meeting of shareholders</b>		
<b>I.1. – Board of the general meeting</b>		
I.1.1. The chairperson of the general meeting shall have access to human and logistical resources appropriate to his/her needs, taking into account the company's financial position.	Adopted	4.6
I.1.2. The remuneration of the chairperson of the Board of the General Meeting shall be disclosed in the annual corporate governance report.	Adopted	4.6
<b>I.2. – Participation in the meeting</b>		
I.2.1. The time limit imposed by the Articles of Association for depositing or blocking shares for the purpose of participating in the meeting shall not exceed five working days.	Adopted	4.2
I.2.2. Should the general meeting be suspended, the company shall not compel share blocking during that period until the meeting is resumed and shall then apply the same time limit as for the first session.	Adopted	4.2
<b>I.3. – Voting and voting rights</b>		
I.3.1. Company's Articles of Association shall not impose any restrictions on votes by mail.	Adopted	4.4
I.3.2. The time limit imposed by the Articles of Association on receipt of votes by mail shall not exceed three working days.	Adopted	4.4
I.3.3. Company Articles of Association shall provide for one vote per share.	Adopted	4.3

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#### I.4. – Quorum and decisions

I.4.1. Companies shall not fix a constitutive or deliberative quorum higher than that prescribed by law.

Not adopted (“Under Spanish law, the constitutive quorums on first and second call to order are 25% and 0% for ordinary and extraordinary general meetings and 50% and 25% for ordinary and extraordinary general meetings in which valid decisions may be made on the issue of bonds, increases or reductions in share capital, transformation, mergers or spin off of the company and, in general, any amendments to the Articles of Association. The company’s Articles of Association establish a slightly higher constitutive quorum in order to reinforce shareholder support for approval of decisions.”)

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#### I.5. – Minutes and information on decisions

I.5.1. The minutes of general meetings shall be made available to shareholders on the company’s website within five days, even if they do not constitute privileged information under the law. A collection of attendance lists, agendas and decisions passed during meetings shall be kept on file on the company’s website for at least three years.

Adopted

4.7

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#### I.6. – Company control measures

I.6.1. Measures to prevent successful takeover bids shall respect the interests of the company and its shareholders.

Adopted

4.8

I.6.2. Company’s Articles of Association that, in compliance with the previous sub-paragraph, limit the number of votes that may be held or cast by a sole shareholder, either individually or jointly with other shareholders, shall also provide for the general meeting to decide, at least every five years, on whether this provision is to be maintained, without higher quorum requirements than those established by law, and for all votes cast to be counted in said decision without the limitation being imposed.

Not applicable

I.6.3. There shall be no defensive measures intended to automatically cause a serious depletion of the company’s assets in the event of transfer of control or a change of membership of the Board of Directors thereby affecting the free transferability of shares and free appreciation by shareholders of the Board members’ performance.

Adopted

4.8

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## II – Management and supervisory bodies

### II.1. – General matters

#### II.1.1. – Structure and duties

II.1.1.1. The Board of Directors shall, in its governance report, assess the model adopted, identify any constraints on its functioning and recommend appropriate measures to overcome them.

Adopted

1.1



## CORPORATE GOVERNANCE

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I.1.1.2. Companies shall set up in-house control systems for the effective detection of risks associated with their activity in order to safeguard their assets and ensure the transparency of their corporate governance.	Adopted	3.7
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II.1.1.3. Management and supervisory bodies shall have their own regulations which shall be posted on the company's website.	Adopted	3.1.3/3.3.3/7.3
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### II.1.2. – Incompatibilities and independence

II.1.2.1. The Board of Directors shall include a number of non-executive members to guarantee its effective ability to supervise, audit and assess the work of the executive members.	Adopted	1.2.2/1.2.6.1/3.1.3
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II.1.2.2. The non-executive directors must include a suitable number of independent directors, taking into account the size of the company and its shareholder structure. This number shall be no less than one quarter of the total number of directors.	Adopted	1.2.2/1.2.6.1
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### II.1.3. – Eligibility and appointment

II.1.3.1. Depending on the applicable model, the chairperson of the Audit Committee or Financial Committee shall be independent and have the necessary competences to perform his/her duties.	Adopted	1.2.2/1.3/3.3
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### II.1.4. – Whistle-blowing policy

II.1.4.1. The company shall adopt a whistle-blowing policy for reporting irregularities occurring in it, indicating the following information: i) means by which irregularities can be reported within the company, including the names of the people qualified to receive reports, ii) the treatment to be given to reports, including confidentiality if the whistle-blower so wishes.	Adopted	3.9
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II.1.4.2. The general lines of this policy shall be set forth in the corporate governance report.	Adopted	3.9
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### II.1.5. – Remuneration

II.1.5.1. The remuneration of the members of the Board of Directors shall be structured in such a way as to ensure that their interests are in line with that of the company. In this context: i) The remuneration of executive directors shall include a performance-based component and a performance evaluation conducted by the competent body shall therefore be taken into account. ii) The variable component shall be such as to maximise the company's long-term performance and shall depend on the sustainability of the performance variables adopted. iii) When not otherwise required by law, the remuneration of the non-executive members of the Board of Directors shall consist exclusively of a fixed amount.	Adopted	5.1/5.2/5.3
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<p>II.1.5.2. The Remuneration Committee and the Board of Directors shall submit to the annual general meeting a statement on pay policy of the members of the managing and supervisory bodies and other managers, as set forth in Article 248-B(3) of the Securities Code. In this context, the shareholders shall be informed of the criteria and main parameters used to evaluate performance for the purpose of calculating the variable component, whether it is in the form of rewards in shares, share options or other components.</p>	<p>Adopted</p>	<p>5.4</p>
<p>II.1.5.3. At least one representative of the Remuneration Committee shall attend annual general meetings.</p>	<p>Adopted</p>	<p>5.6</p>
<p>II.1.5.4. A proposal to approve share distribution or share option plans or plans based on variations in share price to members of the managing and supervisory bodies and other managers, as set forth in Article 248-B(3) of the Securities Code shall be submitted to the general meeting. The proposal shall contain all the necessary information for a correct evaluation of the plan. The proposal shall be accompanied by the regulations of the plan or, if they have not yet been drawn up, the general conditions with which they must comply. The main characteristics of the retirement benefit system for members of the managing and supervisory bodies and other managers, as set forth in Article 248-B(3) of the Securities Code shall be approved by the general meeting.</p>	<p>Not applicable</p>	<p>5.3/5.7</p>
<p>II.1.5.5. The remuneration of each member of the managing and supervisory bodies shall be published, distinguishing, whenever appropriate, between fixed and variable remuneration and between remuneration received from other group companies or companies controlled by shareholders owning qualifying holdings.</p>	<p>Adopted ("EDP Renováveis informs its shareholders of the remuneration of its CEO and breaks it down into fixed and variable remuneration. However, EDP Renováveis considers that the remuneration of the remaining members of the Board of Directors and Audit Committee should be disclosed to shareholders as a whole (specifying the fixed and variable remuneration), as it feels that the performance of the managing and supervisory bodies should be analysed globally and provide a collective overview.")</p>	<p>5.3</p>
<p><b>II.2. – Board of Directors</b></p>		
<p>II.2.1. Within the limits established by law for each managing and supervisory body, and unless the company is small in size, the Board of Directors shall delegate the day-to-day running of the company. The duties delegated shall be identified in the annual corporate governance report.</p>	<p>Adopted</p>	<p>3.1/3.2.1/3.3</p>
<p>II.2.2. The Board of Directors shall ensure that the company acts in accordance with its goals and shall not delegate its powers to: i) define the company's general strategy and policies; ii) define the group's corporate structure; iii) make decisions that should be considered strategic due to their amount, risk or special characteristics.</p>	<p>Not adopted ("Under Spanish law, the matters referred to in this recommendation can be delegated to the Executive Committee. It is common practice in Spanish listed companies for the delegation of powers to be far-reaching, with the exception of matters related to the preparation of accounts.")</p>	
<p>II.2.3. If the chairperson of the Board of Directors has executive functions, the Board of Directors shall find efficient mechanisms for coordinating the work of the non-executive members to ensure that they can make independent, informed decisions. These mechanisms shall be explained to the shareholders in the annual corporate governance report.</p>	<p>Adopted</p>	<p>3.1.3</p>



## CORPORATE GOVERNANCE

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II.2.4. The company's annual report shall include a description of the work done by the non-executive directors and mention any constraints arising.	Adopted	3.1.3
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II.2.5. The Board of Directors shall rotate the financial director at least at the end of every two terms.	Not applicable ("The Board of Directors only took office in the first half of 2008.")	
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### II.3. – CEO, Executive Committee and executive Board of Directors

II.3.1. When asked to do so by other members of the corporate bodies, executive directors shall provide the appropriate information in good time.	Adopted	3.2.1.3
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II.3.2. The chairperson of the Executive Committee shall send to the chairperson of the Board of Directors and, as applicable, the chairperson of the Supervisory Board or Audit Committee invitations to and minutes of its meetings.	Adopted	3.2.1.3
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II.3.3. The chairperson of the Executive Board of Directors shall send to the chairperson of the General and Supervisory Board and the chairperson of the Financial Committee invitations to and minutes of its meetings.	Not applicable	
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### II.4. – General and supervisory board, financial committee, audit committee and supervisory board

II.4.1. In addition to its supervisory duties, the General and Supervisory Board shall advise, monitor and constantly assess the company's management by the Executive Board of Directors. The matters on which the General and Supervisory Board shall give opinions include: i) the company's general strategy e policies, ii) the group's corporate structure and iii) decisions that are considered strategic due to their amount, risk or special characteristics.	Not applicable	
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II.4.2. The annual reports on the work of the General and Supervisory Board, Financial Committee, Audit Committee and Supervisory Board shall be published on the company's website together with the financial statements.	Adopted	3.3.4./7.3
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II.4.3. The annual reports on the work of the General and Supervisory Board, Financial Committee, Audit Committee and Supervisory Board shall include a description of their supervision and mention any constraints found.	Adopted	3.3.4/7.3
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II.4.4. The Financial Committee, Audit Committee and Supervisory Board, depending on the model adopted, shall represent the company for all purposes in relations with the external auditor and shall propose an auditor to provide these services and his/her fees, ensure that the company offers all the right conditions for the provision of these services, act as an interlocutor for the company and be first recipient of the auditor's reports.	Adopted	3.3.2
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II.4.5. Every year, the Financial Committee, Audit Committee and Supervisory Board, depending on the model adopted, shall evaluate the external auditor and propose his/her discharge to the general meeting, if there is due cause.	Adopted	3.3.2/3.8
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**II.5. – Specialised committees**

<p>II.5.1. Unless the company is small in size, the Board of Directors and the General and Supervisory Board, depending on the model adopted, shall set up any necessary committees to: i) conduct a competent, independent evaluation of the performance of the executive directors and assess their own overall performance and that of the different committees, ii) reflect on the company's governance system, check its effectiveness and suggest measures for improving it to the competent bodies.</p>	<p>Adopted</p>	<p>1.1/2.2.2/3.3.2</p>
<p>II.5.2. The members of the Remuneration Committee or equivalent shall be independent from the members of the Board of Directors.</p>	<p>Not applicable ("The members of the Nomination and Remuneration Committee are members of the Board of Directors. However, its members are considered independent members and do not therefore belong to the Executive Committee. In accordance with Articles 9 and 130 of the Spanish Public Company Law, the remuneration scheme for directors should be fixed in the articles of association. It is normal practice in Spanish companies for this remuneration to be decided upon by the General Meeting of Shareholders and for its allocation to the different members of the Board of Directors to be decided on by the Board itself)."</p>	<p>1.2.6.2/3.2.2.1</p>
<p>II.5.3. All committees shall draft minutes of their meetings.</p>	<p>Adopted</p>	<p>3.2.1.3/3.2.2.3/ 3.2.3.3/3.3.3</p>

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**III. – Disclosure and audits**


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**III.1. – General disclosure obligations**

<p>III.1.2. Companies shall ensure permanent contact with the capital market, abide by the principle of equality between shareholders and prevent asymmetries in access to information by investors. The company shall maintain an investor relations office for the purpose.</p>	<p>Adopted</p>	<p>7.1 / 7.2</p>
<p>III.1.3. The following information shall be posted on the company's website in English:</p> <ul style="list-style-type: none"> <li>a. Its name, status as a listed company, registered office and other information mentioned in Article 171 of the Company Code;</li> <li>b. Its Articles of Association;</li> <li>c. The names of the members of the corporate bodies and market liaison officer;</li> <li>d. Investor relations office, its functions and contact information;</li> <li>e. Financial statements;</li> <li>f. Half-yearly calendar of company events;</li> <li>g. Proposals submitted for discussion and voting at general meetings;</li> <li>h. Invitations to general meetings.</li> </ul>	<p>Adopted</p>	<p>7.3</p>

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## CORPORATE GOVERNANCE

### Statement on compliance with independence criteria

Article 20.2 of the EDP Renováveis Articles of Association qualifies as independent directors who can perform their jobs without being limited by relations with the company, its shareholders with significant holdings or its directors and meet the other legal requirements.

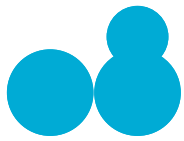
For the purpose of this statement of compliance with independence criteria and for the sake of comparison

between EDP Renováveis and the other companies quoted on Eurolist by Euronext Lisbon in matters of compliance with corporate governance recommendations, we have also considered the criteria for appraising independence and incompatibilities set forth in Article 414(5), both of the Código das Sociedades Comerciais, and so the Board of Directors of EDP Renováveis considers that the following directors meet these criteria of independence required by law and the Articles of Association:

Name	Position	Age	Date of appointment	End of term
José Silva Lopes	Director (independent) Member of Audit Committee	76	04/06/2008	04/06/2011
António Nogueira Leite	Director (independent)	46	04/06/2008	04/06/2011
Rafael Caldeira Valverde	Director (independent)	55	04/06/2008	04/06/2011
José Araújo e Silva	Director (independent)	57	04/06/2008	04/06/2011
Jorge Santos	Director (independent)	57	04/06/2008	04/06/2011
Francisco José Queiroz de Barros de Lacerda	Director (independent) Member of Audit Committee	48	04/06/2008	04/06/2011
João Manuel de Mello Franco	Director (independent) Chairperson of Audit Committee	62	04/06/2008	04/06/2011
João Lopes Raimundo	Director (independent)	48	04/06/2008	04/06/2011
Daniel M. Kammen	Director (independent)	46	04/06/2008	04/06/2011

With regard to the situations set forth in Article 414-A(1) of the Company Code, the director António Nogueira Leite holds the position of director with more than five companies.





## CORPORATE GOVERNANCE

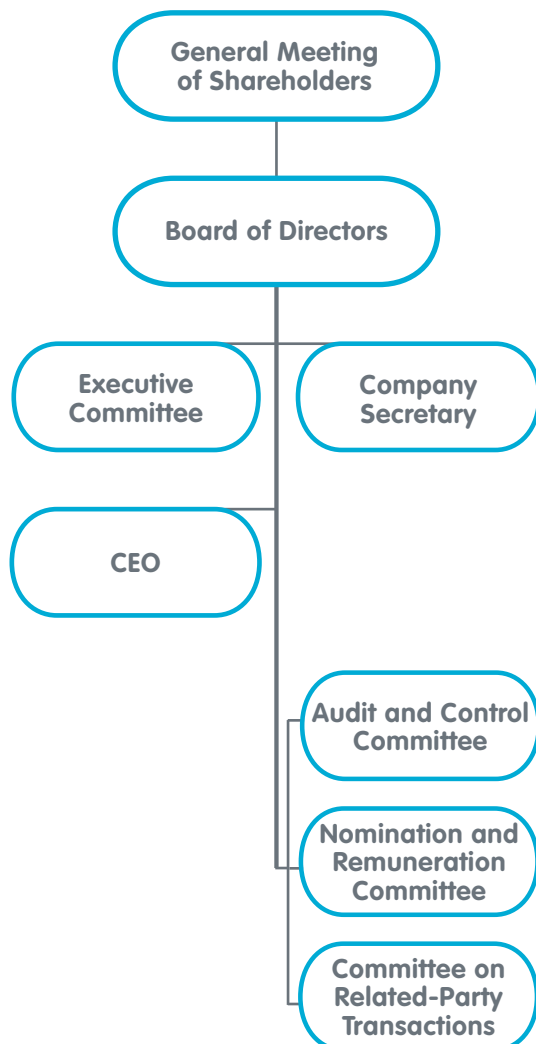
### 1. CORPORATE GOVERNANCE STRUCTURE

#### 1.1. Model of management and supervision

EDP Renováveis, has adopted the governance structure in effect in Spain. It comprises a General Meeting of Shareholders, which expresses corporate wishes, and a Board of Directors that represents and manages the company.

As required by law and the Articles of Association, the Company's Board of Directors has set up four committees. They are the Executive Committee, the Audit and Control Committee, the Nomination and Remuneration Committee and the Committee on Related-Party Transactions.

The Company's governance structure is shown in the chart below.



The governance model of EDP Renováveis is designed to ensure the transparent, meticulous separation of duties and the specialisation of supervision. The following are the most important bodies in the management and supervision model at EDP Renováveis:

- Board of Directors;
- Executive Committee;
- Audit and Control Committee;
- External auditor.

The adoption of this model by EDP Renováveis is intended to adapt the Company's corporate governance to the specificities of Portuguese legislation, due to the fact that Spanish law is its personal law. The governance model adopted by EDP Renováveis therefore seeks, insofar as it is compatible with its personal law, to correspond to the Anglo-Saxon model set forth in the Código das Sociedades Comerciais, in which the management body is a Board of Directors, and supervision and control are the responsibility of an Audit Committee.

The choice of this model is essentially an attempt to establish compatibility between two different systems of company law, which can be considered applicable to the model.

Although EDP Renováveis shares were only admitted to trading on Euronext Lisbon in mid-2008, experience of institutional operating indicates that the governance model adopted by the shareholders is appropriate to the corporate organisation of EDP Renováveis activity, especially because it affords a healthy balance between the management functions of the Executive Committee, the supervisory functions of the Audit and Control Committee and oversight by different specialised Board of Directors committees.

The institutional and functional relationship between the Executive Committee, Audit and Control Committee and the other non-executive members of the Board of Directors has proved very positive and has fostered internal harmony conducive to the development of the company's businesses.

In order to ensure a better understanding by its shareholders of EDP Renováveis corporate governance, the Company posts its updated Articles of Association on [www.edprenovaveis.com](http://www.edprenovaveis.com).

## 1.2. Corporate Bodies

### 1.2.1. General Meeting of Shareholders

The General Meeting of Shareholders is the Company's highest governing body. It is a meeting of shareholders that, when properly convened, has the power to decide and adopt majority decisions on matters that the law and the Articles of Association set forth that it should decide and be submitted for its approval.

The Board of the General Meeting is responsible for organising its proceedings. It is made up of the Chairperson of the Meeting, the Chairperson of the Board of Directors, or his substitute, the other Board members and the Secretary of the Board of Directors.

### 1.2.2. Board of Directors

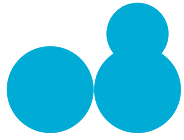
The Board of Directors has the broadest powers for the management and governance of the Company, with no limitations other than the competences expressly allocated exclusively to the General Meeting of Shareholders by law or the Articles of Association.

The structure, competences and functioning of the Board of Directors are described in more detail in point 3.1.

The Board of Directors currently consists of the following fifteen (15) members:

Name	Position	Age	Date of appointment	End of term
António Mexia	Chairman and Director	51	3/18/08	3/18/11
Ana Maria Fernandes	Vice-Chairman, CEO	46	3/18/08	3/18/11
António Martins da Costa	Director	54	3/18/08	3/18/11
Nuno Alves	Director	50	3/18/08	3/18/11
João Manso Neto	Director	50	3/18/08	3/18/11
José Silva Lopes*	Director (independent)	76	6/4/08	6/4/11
António Nogueira Leite*	Director (independent)	46	6/4/08	6/4/11
Rafael Caldeira Valverde*	Director (independent)	55	6/4/08	6/4/11
José Araújo e Silva*	Director (independent)	57	6/4/08	6/4/11
Manuel Menéndez Menéndez*	Director	49	6/4/08	6/4/11
Jorge Santos*	Director (independent)	57	6/4/08	6/4/11
Francisco José Queiroz de Barros de Lacerda*	Director (independent)	48	6/4/08	6/4/11
João Manuel de Mello Franco*	Director (independent)	62	6/4/08	6/4/11
João Lopes Raimundo*	Director (independent)	48	6/4/08	6/4/11
Daniel M. Kammen*	Director (independent)	46	6/4/08	6/4/11

\* Appointed in agreements adopted by the General Meeting of Edp Renováveis, S.A. on 14 May 2008, to take office as members of the Board of Directors on 4 June 2008



## CORPORATE GOVERNANCE

The positions held by the members of the Board in the last five (5) years, those that they currently hold and positions in Group and non-Group companies are listed in Annexes I, II and III, respectively. Annex IV also gives a brief description of the Board members' professional and academic careers.

Finally, the shares of EDP Renováveis owned by each Board member are described in the table in Annex V.

### 1.2.3. Chairperson and Vice-Chairperson of the Board

The Chairperson of the Board is the Chairperson of the Company and fully represents it, using the company name, implementing decisions of the General Meeting, Board of Directors and the Executive Committee.

Without prejudice to the powers of the Chairperson under the law and Articles of Association, he also has the following powers:

- Convening and presiding over the meetings of the Board of Directors, establishing their agenda and directing discussions and decisions;
- Acting as the Company's highest representative in dealings with public bodies and any sectoral or management bodies.

The Chairperson of the Board is appointed by the members of the Board of Directors, unless this is done by the General Meeting. The current Chairperson was appointed on 18 March 2008.

#### Chairman of the Board

António Mexia

It is the Vice-Chairperson who replaces the Chairperson when he is unable to attend. The Board may also delegate executive powers to the Vice-Chairperson.

The Vice-Chairperson is appointed by the Board of Directors on the proposal of the Chairperson. The Vice-Chairperson was appointed on 18 March 2008.

#### Vice-Chairperson

Ana Maria Fernandes

### 1.2.4. CEO

The Board of Directors may appoint one or more CEOs. CEOs are appointed on the proposal of the Chairperson or two-thirds of the directors. CEOs are appointed with a vote in favour of two-thirds of the directors and must be chosen from among the Board members.

The competences of each CEO are those deemed appropriate in each case by the Board, with the only

requirement being that they are delegable under the law and Articles of Association.

The CEO was appointed on 4 June 2008 and the competences allocated to her include coordination of the implementation of Board and Executive Committee decisions, monitoring, leading and coordinating the management team, representing the company in dealings with third parties and other related duties.

#### CEO

Ana Maria Fernandes

### 1.2.5. Company Secretary

The duties of the Company Secretary are those set forth in current laws, the Articles of Association and Board Regulations. In particular, in accordance with the Board Regulations and in addition to those set forth in the Articles of Association, his competences are:

- Assisting the Chairperson in his/her duties;
- Ensuring the smooth operation of the Board and assisting and informing it and its members;
- Safeguarding company documents;
- Describing in the minutes books the proceedings of Board meetings and bearing witness to its decisions;
- Ensuring at all times the formal and material legality of the Board's actions so that they comply with the Articles of Association and Board Regulations;
- Monitoring and guaranteeing compliance with provisions imposed by regulatory bodies and consideration of their recommendations;
- Acting as secretary to the committees.

The Company Secretary, who is also the General Secretary and Director of the Legal Department at EDP Renováveis, was appointed on 4 December 2007.

#### Company Secretary

Emilio García-Conde Noriega

### 1.2.6. Committees

The structure, competences and operation of the Executive Committee, Nomination and Remuneration Committee and the Committee on Related-Party Transactions are described in point 3.2. Nonetheless, the nature of the committees and the names of their members are detailed below.

### 1.2.6.1. Executive Committee

The Executive Committee is a permanent body to which all competences of the Board of Directors that are delegable under the law and the Articles of Association can be delegated, with the exception of i) election of the Chairperson of the Board of Directors, ii) appointment of directors by cooption, iii) requests to convene or convening of General Meetings, iv) preparation and drafting of the Annual Report and Accounts and submission to the General Meeting, v) change of registered office and vi) drafting and approval of mergers, spin off or transformation of the company.

The committee currently consists of five (5) members, who were appointed on 4 June 2008, plus the Secretary.

Executive Committee	
Chairman	António Mexia
CEO	Ana Maria Fernandes
	António Martins da Costa
	Nuno Alves
	João Manso Neto
Secretary	Emilio García-Conde Noriega

The members of the Executive Committee shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the Executive Committee at any time and the members may resign said positions while still remaining Company directors.

### 1.2.6.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a permanent body of a merely informative and advisory nature and its recommendations and reports are not binding.

The Nomination and Remuneration Committee currently consists of three (3) independent members, who were appointed on 4 June 2008, plus the Secretary.

Nomination and Remuneration Committee	
Chairman	Jorge Santos
	João Lopes Raimundo
	Rafael Caldeira Valverde
Secretary	Emilio García-Conde Noriega

None of the committee members are spouses or up to third-degree relatives in direct line of the other members of the Board of Directors.

The committee members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while still remaining Company directors.

### 1.2.6.3. Committee on Related-Party Transactions

The Committee on Related-Party Transactions is a body of the Board of Directors.

The committee currently consists of three (3) members, who were appointed on 4 June 2008, plus the Secretary.

Committee on Related-Party Transactions	
Chairman	António Nogueira Leite
	João Manuel de Mello Franco
	João Manso Neto
Secretary	Emilio García-Conde Noriega

The committee members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while still remaining Company directors.

### 1.3. Audit and Control Committee

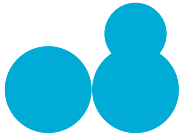
The Audit and Control Committee is a permanent body and performs supervisory tasks independently from the Board of Directors.

The committee currently consists of three (3) members who are independent directors and were appointed on 4 June 2008, plus the Secretary.

Audit and Control Committee	
Chairman	João Manuel de Mello Franco
	José Silva Lopes
	Francisco José Queiroz de Barros de Lacerda
Secretary	Emilio García-Conde Noriega

The committee members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while still remaining Company directors.

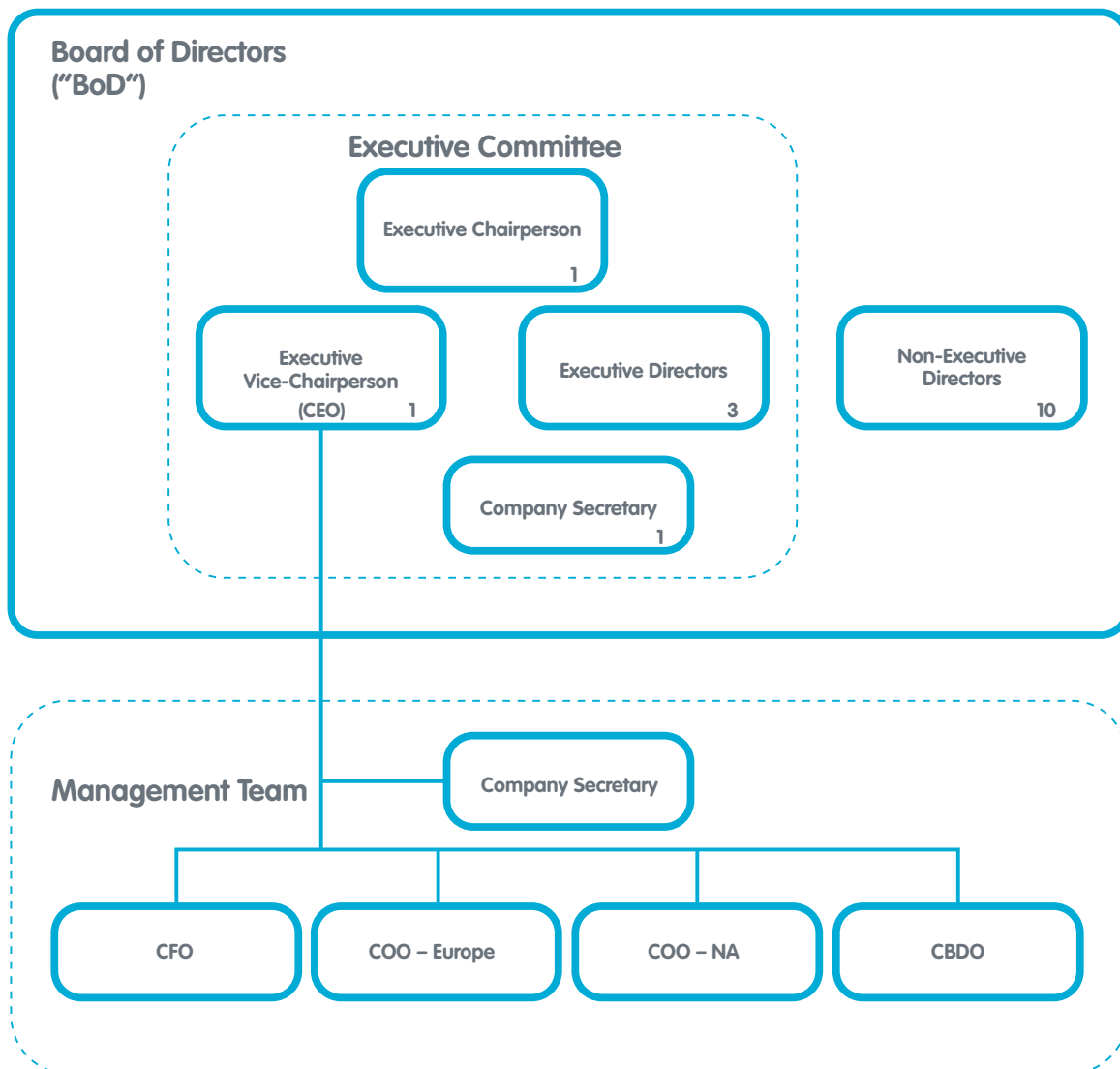
The structure, competences and functioning of the Audit and Control Committee are described in point 3.3.



## CORPORATE GOVERNANCE

### 1.4. Organisation Chart

EDP Renováveis has adopted the following organisation chart for its management:



The EDP Renováveis management team consists of the Chief Executive Officer, four areas of responsibility (Chief Financial Officer, Chief Business Development Officer, Chief Operating Officer for Europe and Chief Operating Officer for North America) and Company Secretary and Legal Counsel. The functions and competences of the management team, with the exception of the Chief Executive Officer, whose functions have already been described and who runs the management team, are as follows:

#### 1.4.1. Chief Financial Officer (Rui Teixeira)

It is the Chief Financial Officer's job:

- To propose and ensure the implementation of the Group's financial policy and management, including (i) negotiating, managing and controlling financing, (ii) optimizing cash management and (iii) proposing financial risk management policy;



- To manage the Group's monthly closing of accounts and profits/losses and compare them to forecasts and the business plan, coordinating the discussion of the business plan and forecast with the Group's business platforms;
- To manage relations with the Group's shareholders, potential investors and market analysts to promote the value of its shares on the capital market;
- To coordinate the Group's procurement and its relations with main suppliers and ensuring the implementation of the Group's procurement strategy and policy.

#### **1.4.2. Chief Business Development Officer (Luís Adão da Fonseca)**

The job of the Chief Business Development Officer is to promote, direct and approve the development of EDP Renováveis business. In line with the strategic plan and in coordination with the other members of the management team, he must increase the value of the group's business portfolio, while watching the potential and risks of markets and new technologies. His teams coordinate and implement new business development initiatives in new countries and are responsible for monitoring and assessing investments in the consolidated platforms in Europe and the United States.

#### **1.4.3. Chief Operating Officer for Europe (João Paulo Costeira)**

It is the job of the Chief Operating Officer for Europe to coordinate the EDP Renováveis European platform in establishing, developing and implementing the EDP Renováveis group's strategic plan for the renewable energies business, drafting and implementing the strategic plan for Europe in accordance with the guidelines set by the Board of Directors of EDP Renováveis, planning, organising and managing resources, controlling, measuring and improving the management of projects and subsidiary companies and achieving the results expected by the Group to make EDP Renováveis a leader in the renewable energy sector in Europe.

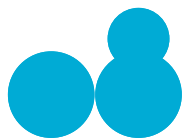
#### **1.4.4. Chief Operating Officer for North America (Gabriel Alonso Imaz)**

The Chief Operating Officer for North America is responsible for coordinating the North American platform of EDP Renováveis in establishing, developing and implementing the EDP Renováveis group's strategic plan for the renewable energies business, drafting and implementing the strategic plan for the United States, in accordance with the guidelines set by the Board of Directors of EDP Renováveis, planning, organising and managing resources, controlling, measuring and

improving the management of projects and subsidiary companies and achieving the results expected by the Group to make EDP Renováveis a leader in the renewable energy sector in the United States.

#### **1.4.5. Company Secretary and Legal Counsel (Emilio García-Conde Noriega)**

He assists the Board of Directors in its legal, administrative and logistics activities to ensure that it functions effectively, provides legal advice to the group in order to guarantee compliance with applicable legislation, and provides legal support at Board meetings, including the circulation of its decisions.



## CORPORATE GOVERNANCE

### 2. SHAREHOLDER STRUCTURE

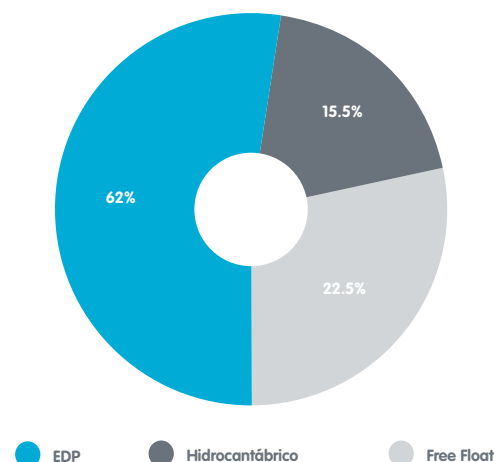
#### 2.1. Capital structure

In 2008, the EDP Renováveis shareholder structure changed significantly after the institutional public offering (IPO) of 196,024,306 shares representing 22.5% of its share capital. As at 31 December 2007, 80% of the share capital of EDP Renováveis was owned by EDP – Energias de Portugal Sucursal Espanha, S.A. (“EDP”) and 20% by Hidroeléctrica del Cantábrico, S.A. (Hidrocantábrico), 97% of which is owned by EDP. The initial public offering took place in June 2008 through a share capital increase of 196,024,306 shares and admission to trading at Euronext Lisboa of the 872,308,162 shares of EDP Renováveis, with a face value of € 5.00 each. Following the IPO, the shareholder structure is as follows:

#### Shareholder structure

31 Dec 2008	No. shares
EDP	541,027,156
Hidrocantábrico	135,256,700
Free float	196,024,306
Total	872,308,162

#### Shareholder structure – 31 December 2008

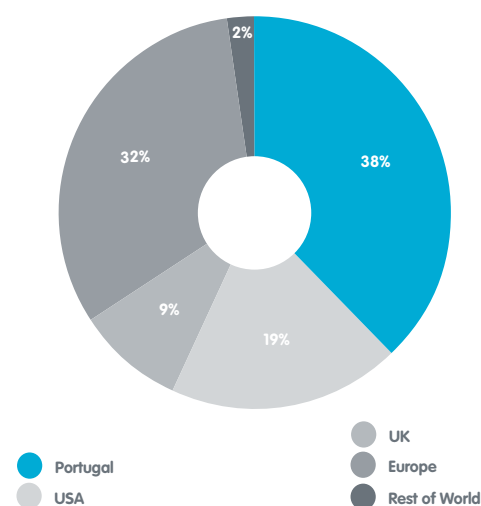


All EDP Renováveis shares are of the same category. Under the Spanish Ley de Sociedades Anónimas, approved by Royal Decree 1564/1989 of 22 December 1989 (hereinafter Public Company Law) and the Articles of Association of EDP Renováveis, the owner of a share becomes a shareholder with all the inherent rights and obligations established in the Public Company Law and articles of association of EDP Renováveis. The most important rights inherent in shares are the right to receive dividends, the right to obtain general information on any matters to be discussed at General Meetings, general rights to attend, voting rights, the right to object to company decisions, pre-emptive rights in share capital increases and the right to participate in the distribution of assets if EDP Renováveis is dissolved.

#### Free float

In December 2008, EDP Renováveis had around 140,000 institutional and private shareholders in over 50 countries, with special focus on Portugal, the United States, United Kingdom and the rest of Europe. The pie chart below shows the geographical division of the EDP Renováveis free float.

#### Free float breakdown by geography



#### 2.2. Qualifying shareholdings

Qualifying shareholdings in EDP Renováveis are subject to Spanish law, which regulates the criteria and thresholds of shareholders’ holdings. As at 31 December 2008 no qualifying shareholdings in EDP Renováveis with the exception of EDP and Hidrocantábrico were identified.

#### 2.3. Holders of special rights

EDP Renováveis shares are of a single class and series and have been fully paid up. There are no holders of special rights.

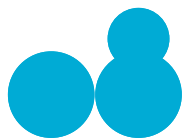
#### 2.4. Restrictions on the transfer of shares

Pursuant to Article 8 of the Company’s Articles of Association, there are no restrictions on the transfer of EDP Renováveis shares.

#### 2.5. Shareholders’ agreements

As far as the Board of Directors of EDP Renováveis knows, there are currently no shareholders’ agreements regarding the Company.





## CORPORATE GOVERNANCE

### 3. MANAGEMENT AND CONTROL SYSTEM

Pursuant to Articles 10 and 19 et seq of the Articles of Association of EDP Renováveis, the Company's managing body is a Board of Directors, and there are four committees stemming from it. They are the Executive Committee, the Audit and Control Committee, the Nomination and Remuneration Committee and the Committee on Related-Party Transactions.

#### 3.1. Structure, competences and functioning of the Board of Directors

##### 3.1.1. Structure

Pursuant to Articles 20 and 21 of the Company's Articles of Association, the Board of Directors shall consist of no fewer than five (5) and no more than seventeen (17) directors. Their term of office shall be three (3) years, and they may be re-elected once or more times for equal periods. The Board of Directors currently consists of fifteen (15) members, whose particulars were indicated in point 1.2.2. above.

##### 3.1.2. Competences

Pursuant to Article 19 of the Company's Articles of Association, the Board of Directors has the broadest powers for the administration, management and governance of the Company, with no limitations other than the responsibilities expressly and exclusively invested in General Meetings in the Company's Articles of Association or applicable law. The Board is therefore expressly empowered to:

- Acquire, for the purpose of encumbrance or profit, assets and properties, rights, shares and holdings convenient to the Company;
- Dispose of, mortgage or encumber assets and properties, rights, shares and holdings of the Company and cancel mortgages and other real rights;
- Negotiate and make as many loans or credit operations as it sees fit;
- Sign and enter into any acts or contracts with public or private entities;
- Bring all civil and criminal suits of all kinds pertaining to the Company and represent it in dealings with officials, authorities, corporations and government, administrative, economic, litigant and judicial courts, civil courts and chambers for social and labour matters of the Supreme Court and higher courts of justice of the autonomous communities, with no limitations, including the Court of Justice of the European Communities,

and in general in dealings with the public administration at all levels and to intervene or promote, pursue and end by all proceedings and instances any processes, judgements and proceedings, to consent to settlements, lodge all classes of appeal, including cassation and other extraordinary actions, to drop cases or settle, make concessions, submit disputes to arbitration, make all kinds of notifications and applications and grant powers to attorneys and other representatives to settle cases, with the authority for the case and those usual in general for lawsuits and special authority to grant and revoke these powers;

- Call General Meetings and submit to their appreciation any proposals that it sees fit;
- Run the Company's affairs and the organisation of its work and operations, be informed of the course of company business and operations, decide on the investment of funds, perform extraordinary amortization of bonds in circulation and do anything it sees fit for the best pursuit of the Company's object;
- Freely appoint and discharge directors and all technical and administrative personnel at the Company and indicate their duties and remuneration;
- Agree to changes in registered office within the same municipality;
- Constitute and endow under the law all kinds of legal person, contribute and transfer all classes of goods and rights and enter into concentration and cooperation agreements, associations, groupings and temporary unions of companies or businesses and community property and agree upon their alteration, conversion and closure;
- Perform any other acts expressly assigned to it by the Articles of Association or applicable law. This list is not limitative and only indicative in nature.

Regarding decisions to increase the share capital, the Board of Directors, by delegation from the General Meeting, may decide to increase the share capital once or several times. This delegation, which may be the subject of replacement, can include the power to demand a pre-emptive right in the issue of shares that are the subject of delegation and with the requirements established by law.

On the other hand, the General Meeting may also delegate to the Board of Directors the power to implement an adopted decision to increase the share capital, indicating the date or dates of its implementation and establishing any other conditions that have not been specified by the General Meeting. This delegation may be the subject of replacement. The Board of Directors may use this

delegation wholly or in part and may also decide not to perform it in consideration of the conditions of the Company, the market or any particularly relevant events or circumstances that justify said decision, of which the General Meeting must be informed at the end of the time limit or limits for performing it.

### 3.1.3. Functioning

In addition to the Articles of Association and the law, the Board of Directors is governed by the regulations approved on 13 May 2008. The regulations on the functioning of the Board are available to Company shareholders on the website [www.edprenovaveis.com](http://www.edprenovaveis.com).

The Board of Directors must meet at least four (4) times a year, preferably once a quarter. Nonetheless, the Chairperson, on his own initiative or that of three (3) directors, shall convene a Board meeting whenever he deems it in the Company's interest. The Board of Directors held seventeen (17) meetings during the year ended on 31 December 2008.

Meetings are convened by the Chairperson, who may order the Secretary to send the invitations. Invitations shall be sent at least five (5) days prior to the date of the meeting. On exception, when the circumstances so require, the Chairperson may call a meeting of the Board without respecting the required advance notice.

The meetings of the Board are valid if half of the directors plus one are present or represented. Directors shall attend Board meetings personally and, on exception, if they are unable to do so, they shall delegate their representation in writing to another Board member. Without prejudice to the above, the Board of Directors shall be deemed to have been validly convened, with no need for an invitation, if all the directors present or represented agree unanimously to hold the meeting as universal and accept the agenda to be dealt with at it.

Decisions are adopted by absolute majority among those present. Each director present or represented has one vote and the Chairperson has the casting vote in the event of a tie.

In order for the non-executive directors to be able to decide independently and be informed, Articles 22, 24 and 25 of the Board regulations established the following mechanisms:

- Invitations to meetings shall include the agenda, albeit provisional, of the meeting and be accompanied by relevant available information or documentation;
- The directors have the broadest powers to obtain information on any aspect of the Company, to examine its books, records, documents and other registers of the

Company's operations. In order to prevent distortions in the Company management, the exercise of the powers to obtain information shall be channelled through the Chairperson or Secretary of the Board of Directors;

- Any director may request the hiring, on the Company's account, of legal advisers, accountants, financial or commercial specialists or other experts. The performance of the job must necessarily relate to concrete problems of a certain importance and complexity. Requests to hire experts shall be channelled through the Chairperson or Secretary of the Board of Directors, who shall be subject to the approval of the Board of Directors.

Thanks to the mechanisms set forth in the regulations, non-executive directors have encountered no difficulties in performing their duties.

In 2008, the non-executive directors were involved in the governance of EDP Renováveis not only by participating in meetings of the Board of Directors, where they gave their opinions on different company matters, made any suggestions they saw fit and took decisions on matters submitted to them, but also by working on the Nomination and Remuneration Committee, Committee on Related-Party Transactions and Audit and Control Committee, where all the members are non-executive, with the exception of the Committee on Related-Party Transactions, which has one executive director.

In 2008, several meetings were held with the non-executive directors in order to provide them with specific information on Company activities. The following workshops were held in September and October:

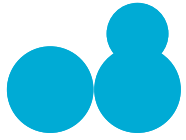
- Two at the Control and Operation Centre in Oporto;
- One on international strategy in Lisbon;
- One on strategy and finance in the United States, which was signed in Lisbon.

## 3.2. Structure, competences and functioning of committees

### 3.2.1. Executive Committee

#### 3.2.1.1. Structure

Pursuant to Article 27 of the Company's Articles of Association, the Executive Committee shall consist of no fewer than three (3) and no more than six (6) directors. The committee currently consists of the members indicated in point 1.2.6.1.



## CORPORATE GOVERNANCE

Its creation, the appointment of its members and the extension of the powers delegated must be approved by two-thirds (2/3) of the members of the Board of Directors.

### 3.2.1.2. Competences

The Executive Committee is a permanent body. It has currently been delegated all the Board of Directors' powers that are delegable under the law and the articles of association legal, with the exception of: i) election of the Chairperson of the Board of Directors, ii) appointment of directors by cooption, iii) requests to convene or convening of General Meetings, iv) preparation and drafting of the Annual Report and Accounts and submission to the General Meeting, v) change of registered office and vi) drafting and approval of mergers, spin off or transformation of the company.

The Executive Committee members have been delegated all the powers of representation of the Company so that any of its members can act jointly in the name and on behalf of the Company.

### 3.2.1.3. Functioning

In addition to the Articles of Association, this committee is also governed by the regulations approved on 4 June 2008 and also by the Board Regulations. The committee's regulations are at the shareholders' disposal on [www.edprenovaveis.com](http://www.edprenovaveis.com).

The Executive Committee shall meet at least once a month and whenever deemed appropriate by its Chairperson, who may also suspend or postpone meetings when he sees fit. The Executive Committee shall also meet when requested by at least two (2) of its members. The Executive Committee held eleven (11) meetings during the year ended on 31 December 2008.

The Executive Committee shall draft minutes for each of the meetings held and shall inform the Board of Directors of decisions that it makes at the first Board meeting held after each committee meeting.

The Chairperson of the Executive Committee, who is currently also the Chairperson of the Board of Directors, shall send the Chairperson of the Audit and Control Committee invitations to the Executive Committee meetings and the minutes of said meetings.

Meetings of the Executive Committee shall be valid if half of the directors on it plus one are present or represented. Decisions shall be adopted by simple majority. In the event of a tie, the Chairperson shall have the casting vote.

Executive directors shall provide any clarifications needed by the other corporate bodies whenever requested to do so.

## 3.2.2. Appointments and Remunerations Committee

### 3.2.2.1. Structure

Pursuant to Article 29 of the Company's Articles of Association, the Appointments and Remunerations Committee shall consist of no fewer than three (3) and no more than six (6) directors. At least one of its members must be independent and shall be the Chairperson of the committee.

The members of the committee should also not be members of the Executive Committee. The committee currently consists of the members indicated in point 1.2.6.2 and are all independent directors.

The Appointments and Remunerations Committee is made up of independent members of the Board of Directors, in compliance with Recommendation 44 of the Unified Code of Good Governance approved by decision of the Board of the Spanish Securities Committee (hereinafter the CNMV), as amended by CNMV Circular 4/2007 of 27 December, which lays down that the Appointments and Remunerations Committee must be entirely made up of external directors numbering no fewer than three (3). As it is made up of independent directors (in Spain the committee may only be comprised of directors) it complies as completely as possible with the recommendation indicated in point II.5.2 of the Portuguese Code of Corporate Governance.

### 3.2.2.2. Competences

The Appointments and Remunerations Committee is a permanent body of a merely informative and advisory nature and its recommendations and reports are not binding.

The Appointments and Remunerations Committee has no executive functions. The main functions of the Appointments and Remunerations Committee are to assist and report to the Board of Directors about appointments (including by cooption), re-elections, dismissals and remunerations of the Board and its positions, about the composition of the Board and the appointment, remuneration and dismissal of senior management personnel. The Appointments and Remunerations Committee shall also inform the Board of Directors on general remuneration policy and incentives to them and senior management. These functions include the following:

- To define the principles and criteria regarding the membership of the Board of Directors and the selection and appointment of its members;

- To propose the appointment and re-election of directors when they should be done by co-option or in any case for their submission to the General Meeting by the Board;
- To propose members of the different committees to the Board of Directors;
- Within the provisions of the Articles of Association, to propose to the Board the system, distribution and amount of remuneration of the directors and, if applicable, propose to the Board the terms of the directors' contracts;
- To inform and, if applicable, propose to the Board of Directors the appointment and/or dismissal of senior managers and the terms of their contracts and, in general, define senior management hiring and remuneration policies;
- To revise and report on incentive plans, pension supplements and remuneration programmes;
- To evaluate the members of the Executive Committee with a view to establishing individual remuneration proposals for each of its members;
- To evaluate the overall performance of the Board of Directors, on the basis of its own performance and that of its committees;
- To perform any other functions assigned to it by the Articles of Association or the Board of Directors.

### 3.2.2.3. Functioning

In addition to the articles of association, the Appointments and Remunerations Committee is governed by the Regulations approved on 4 June 2008 and also by the Board regulations. The committee's regulations are at the shareholders' disposal on [www.edprenovaveis.com](http://www.edprenovaveis.com).

This committee shall meet at least once every quarter and also whenever its Chairperson sees fit.

This committee shall draft minutes of every meeting held and inform the Board of Directors of decisions that it makes at the first Board meeting held after each committee meeting.

The meetings of this committee shall be valid if at least half of the directors on it plus one are present or represented. Decisions shall be adopted by simple majority. The Chairperson shall have the deciding vote in the event of a tie.

### 3.2.2.4. Activity in 2008

In 2008 the Appointments and Remunerations Committee held four (4) meetings. The main proposals made by the Committee during the year were:

- Recommending a remuneration policy aimed at reinforcing the variable component of the remuneration of the Board of Directors in order to guarantee alignment of the Board's work with shareholders' interests and fulfilment of commitments made when admitted to trading;
- Fixed remuneration of members of the Board of Directors;
- Maintaining the multi-annual component of the remuneration of the Executive Committee members and establishing a multi-annual component for the structure of EDP Renováveis;
- Maintaining the same remuneration in 2009 as in 2008 in annual terms with regard to fixed and variable remuneration.

### 3.2.3. Related Party Transactions Committee

#### 3.2.3.1. Structure

Pursuant to Article 30 of the Articles of Association, the Board may set up other committees, such as the Related Party Transactions Committee. This committee shall consist of no fewer than three (3) members. The majority of the members of the Related Party Transactions Committee shall be independent.

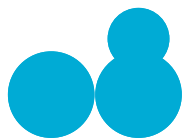
Members of the Related Party Transactions Committee shall be considered independent if they can perform their duties without being conditioned by relations with EDP Renováveis, its majority shareholders or its directors and, if this is the case, meet the other requirements of applicable legislation.

The committee currently consists of the members indicated in point 1.2.6.3.

#### 3.2.3.2. Competences

The Related Party Transactions Committee is a body belonging to the Board of Directors and performs the following duties, without prejudice to others that the Board may assign to it:

- Periodically informing the Company's Board of Directors of business and legal relations to be established between EDP or related parties and EDP Renováveis or related parties;



## CORPORATE GOVERNANCE

- To submit for annual approval the Company's results in terms of compliance of business and legal relations between the EDP Group and the EDP Renováveis Group and operations between related parties performed during the year in question;
- Ratifying, within the deadlines of meeting the needs of each particular case, operations between EDP and/or its related parties with EDP Renováveis, and/or its related parties, whenever the value of an operation is higher than € 5.000.000 or represents 0.3% of the consolidated annual revenue of the EDP Renováveis Group in the preceding year;
- Ratifying any amendments to the framework agreement signed by EDP and EDP Renováveis on 7 May 2008;
- Submitting recommendations to the Company's Board of Directors or the Executive Committee on operations between EDP Renováveis and its related parties and EDP and its related parties;
- Asking EDP for access to information required to perform its duties.

Should the Related Party Transactions Committee not ratify business or legal relations between EDP or its related parties and EDP Renováveis and its related parties, said relations shall require the approval of two-thirds (2/3) of the members of the Board of Directors, whenever at least half of the members proposed by entities other than EDP, including independent directors, vote in favour, unless, before submission for ratification by the Related Party Transactions Committee, this majority of members has voiced its approval.

The previous paragraphs shall not apply to operations between EDP or its related parties and EDP Renováveis or its related parties that have standardised conditions and are applied in the same way, including when the conditions regard price, to different parties related to EDP and EDP Renováveis and their related parties.

### 3.2.3.3. Functioning

In addition to the Articles of Association, the Related Party Transactions Committee is governed by the regulations approved on 4 June 2008 and by the Board Regulations. The committee's regulations are at the shareholders disposal on [www.edprenovaveis.com](http://www.edprenovaveis.com).

The committee shall meet at least once a quarter and additionally whenever its Chairperson sees fit.

This committee shall draft minutes of every meeting held and inform the Board of Directors of decisions that it makes

at the first Board meeting held after each committee meeting.

The meetings of this committee shall be valid if at least half of the directors on it plus one are present or represented. Decisions shall be adopted by simple majority. The Chairperson shall have the casting vote in the event of a tie.

### 3.2.3.4. Activity in 2008

In 2008, the Related Party Transactions Committee held four (4) meetings. The committee analysed the agreements between EDP Renováveis and companies in the EDP Group that do not belong to the subgroup in which the dominant company is EDP Renováveis submitted for its consideration.

The committee revised, approved and proposed to the Board of Directors the approval of all agreements and contracts between related parties submitted for its consideration. Regarding the framework agreement between EDP and EDP Renováveis, the contents of which are described in point 3.6 of this report, the Company Secretary was asked to give an opinion on the compliance of the agreement with the Articles of Association. His opinion was that it did.

Point 3.6 of this report includes a description of the fundamental aspects of the agreements and contracts between related parties the object of which does not pertain to the ordinary course of EDP Renováveis business.

## 3.3. Audit and Control Committee

### 3.3.1. Structure

Pursuant to Article 28 of the Articles of Association, the Audit and Control Committee consists of no fewer than three (3) and no more than five (5) directors. The majority of the members shall be independent directors. The committee currently consists of the members indicated in point 1.3.

### 3.3.2. Competences

The Audit and Control Committee is a permanent body and performs independent supervision of the work of the Board of Directors. The competences of the Audit and Control Committee are as follows:

- Informing General Meetings, through its Chairperson, on matters regarding its competences;
- Proposing to the Board of Directors for submission to the General Meeting the appointment of Company Auditors and the terms of their hiring, scope of their work and revocation and renewal of their contracts;



- Supervising internal auditing activities;
- Monitoring financial reporting, internal control systems and risk management;
- Drafting an annual report on its supervisory duties and giving its opinion on the annual report, accounts and proposals submitted by the Board of Directors;
- Receiving whistle-blowing reports on financial and accounting matters made by Company employees or shareholders;
- Hiring experts to collaborate with any of the committee members in their duties, in which case contracts and remuneration of said experts shall take into account the importance of the matters assigned to them and the Company's economic situation;
- Keeping up relations with the auditors on questions that may jeopardise their independence and any others related to the auditing process and receiving and keeping information on any other matters set forth in audit legislation and auditing standards in effect at any given time;
- Writing reports at the request of the Board and its committees;
- Reflecting on the governance system adopted by EDP Renováveis in order to identify areas for improvement;
- Dealing with any other matters assigned to it by the Board of Directors or the Articles of Association.

### 3.3.3. Functioning

In addition to the Articles of Association and the law, this committee is governed by the regulations approved on 4 June 2008 and also by the Board regulations. The committee's regulations are at the shareholders' disposal on [www.edprenovaveis.com](http://www.edprenovaveis.com).

The committee shall meet at least once a quarter and additionally whenever its Chairperson sees fit. In 2008, the Audit and Control Committee met eleven (11) times not only to monitor the closure of quarterly accounts in the first half-year but also to familiarise itself with the preparation and disclosure of financial information, internal audit, internal control and risk management activities.

This committee shall draft minutes of every meeting held and inform the Board of Directors of decisions that it makes at the first Board meeting held after each committee meeting.

The meetings of the Audit and Control Committee shall be valid if at least half of the directors on it plus one are present or represented. Decisions shall be adopted by simple majority. The Chairperson shall have the casting vote in the event of a tie.

### 3.3.4. Activity in 2008

In 2008, the Audit Committee's activities included the following: (i) assessment of its own draft internal regulations, (ii) analysis of relevant rules to which the committee is subject in Portugal and Spain, (iii) appraisal of the independence and responsibilities of the external auditor for his/her duties, (iv) assessment of the external auditor's work, (v) supervision of the quality and integrity of the financial information in the financial statements and participation in the Executive Committee meeting at which these documents were analysed and discussed, (vi) drafting of an opinion in the individual and consolidated annual reports and accounts, (vii) supervision of the quality, integrity and efficacy of the internal control system, risk management and internal auditing and (viii) reflection on the corporate governance system adopted by EDP Renováveis.

The Audit and Control Committee found no constraints during its control and supervision activities.

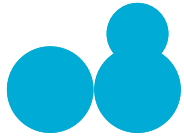
A report on the activities of the Audit Committee in the year ended on 31 December 2008 is available to shareholders on [www.edprenovaveis.com](http://www.edprenovaveis.com).

### 3.4. Incompatibility and independence

Following the recommendations of the CMVM, Article 12 of the Board regulations requires at least twenty-five percent (25%) of the Board members to be independent directors, who are considered to be those who can perform their duties without being conditioned by relations with the Company, its significant shareholders or directors and, if applicable, meet the requirements of applicable laws.

In addition, pursuant to Article 23 of the Articles of Association, the following may not be directors:

- People who are directors of or are associated with any competitor of EDP Renováveis and those who are related to the above. A company shall be considered to be a competitor of EDP Renováveis if it is directly or indirectly involved in the generation, storage, transmission, distribution, sale or supply of electricity or combustible gases and also those that have interests opposed to those of EDP Renováveis, a competitor or any of the companies in its Group, and directors, employees, lawyers, consultants or representatives of any of them. Under no circumstances shall companies belonging to the same group as EDP Renováveis, including abroad, be considered competitors;



## CORPORATE GOVERNANCE

- People who are in any other situation of incompatibility or prohibition under the law or Articles of Association. Under Spanish law, people, among others, who are i) aged under eighteen (18) years, (ii) disqualified, (iii) competitors; (iv) convicted of certain offences or (v) hold certain management positions are not allowed to be directors.

### **3.5. Rules of appointment and discharge of members of the Board of Directors and Audit and Control Committee**

Each member of the Board of Directors is appointed by majority of the General Meeting for an initial period of three (3) years and may be re-elected once or more times for further periods of three (3) years. Nonetheless, pursuant to Article 23 of the Articles of Association and 137 of the Public Company Law, shareholders so wishing may group their shares until they constitute an amount of capital equal to or higher than the result of dividing it by the number of Board members and appoint those that, using only whole fractions, are deducted from the corresponding proportion. Those making use of this power cannot intervene in the appointment of the other members of the Board of Directors.

Given that the directors do not have to be elected on the same date, if there is a vacancy, pursuant to Article 23 of the Articles of Association and 137 of the Public Company Law, the Board of Directors may co-opt people from the shareholders, who will occupy the position until the first General Meeting, which shall ratify the co-opted director. Pursuant to Article 139 of the Public Company Law, the co-option of directors, as for other Board decisions, must be approved by absolute majority of the directors at the meeting.

Pursuant to Article 28 of the Articles of Association, the members of the Audit and Control Committee are appointed by the Board of Directors. The term of office of the members of the Audit and Control Committee is the same as their term as directors. The committee members, the majority of whom must be independent, can be re-elected and discharged by the Board of Directors at any time. The term of office of the Chairperson of the Audit Committee is three (3) years, after which he may only be re-elected for a new term of three (3) years. Nonetheless, chairmen leaving the committee may continue as members of the Audit and Control Committee.

### **3.6. Business between the Company and members of the company's governing bodies or Group companies**

EDP Renováveis has signed no contracts with the members of the corporate bodies at the close of 2008.

Regarding related party transactions, EDP Renováveis and/or its subsidiaries have signed the contracts detailed below with EDP – Energias de Portugal, S.A. (hereinafter, EDP) or other members of its group not belonging to the EDP Renováveis subgroup.

#### **3.6.1. Framework agreement**

The framework agreement was signed by EDP and EDP Renováveis on 7 May 2008 and came into effect when the latter was admitted to trading. The purpose of the framework agreement is to set out the principles and rules governing the legal and business relations existing when it came into effect and those entered into subsequently.

The framework agreement establishes that neither EDP, nor the EDP Group companies other than EDP Renováveis and its subsidiaries can engage in activities in the field of renewable energies without the consent of EDP Renováveis. EDP Renováveis shall have the world exclusive, with the exception of Brazil, where it shall engage in them jointly with EDP – Energias do Brasil, S.A., for the development, construction, exploitation, operation and maintenance of facilities or activities related to wind, solar, wave and/or tidal power and other renewable energy generation technologies that may be developed in the future. Nonetheless, the agreement excludes technologies being developed in hydroelectric power, biomass, cogeneration and waste in Portugal and Spain.

The framework agreement provides for the creation of a Related Party Transactions Committee to minimize conflicts of interest.

Finally, it lays down the obligation to provide EDP with any information that it may request from EDP Renováveis to fulfil its legal obligations and prepare the EDP Group's consolidated accounts.

The framework agreement shall remain in effect for as long as EDP directly or indirectly owns more than 50% of the share capital of EDP Renováveis or appoints more than 50% of its directors.

#### **3.6.2. Executive Management Services Agreement**

On 4 November 2008 EDP and EDP Renováveis signed an Executive Management Services Agreement.

The object of the contract is the provision by EDP of management services, including matters related to the day-to-day running of the Company. Four people were appointed with the purpose of forming the Company management with the CEO in the Executive Committee.

Under this contract, EDP Renováveis paid to EDP the amount of €485,100 for management services for

a seven-month period in 2008, which includes the remuneration of all the executive directors.

The initial duration of the contract is until 18 March 2011.

### **3.6.3. Finance agreements and guarantees**

The finance agreements between EDP and EDP Renováveis, which were approved by the Related Party Transactions Committee at its meeting of 6 October 2008 and ratified by the Board of Directors at its meeting on 9 December 2008, are as follows.

#### **3.6.3.1. Loan agreement**

EDP Energias de Portugal, Sociedade Anónima, sucursal en España (as the lender) signed a framework loan agreement with EDP Renováveis (as the borrower), which was ratified by the Board of Directors on 9 December 2008. Its object is capital investments, project finance and general objectives of the company.

Each loan requested under this agreement shall specify what it will be used for, the amount and repayment times. The type of interest applicable to loan agreements will be 10-year Mid Swap plus a differential of 2.85% a year.

Under this agreement, a loan agreement was signed on 30 December 2008 for \$ 500,000,000 falling due on 30 December 2018, its object being the finance of EDP Renováveis capital investments.

In addition, prior to the signing of the framework agreement, on 28 November 2008 a loan agreement was signed by the same parties for \$ 1.450.000.000, falling due on 28 November 2018, type of interest 10-year Mid Swap plus a differential of 1.25% a year. Its object is the finance of EDP Renováveis capital investments.

#### **3.6.3.2. Counter-guarantee agreement**

A counter-guarantee agreement was signed, under which EDP or EDP Energias de Portugal Sociedade Anónima, sucursal en España (hereinafter guarantor) undertakes with regard to EDP Renováveis, Nuevas Energias de Occidente, SL (hereinafter EDPR EU) and Horizon Wind Energy LLC (hereinafter EDPR NA) to provide corporate guarantees or request the issue of bank guarantees, on the terms and conditions requested by the subsidiaries, which have been approved case by case by the EDP Executive Board.

EDP Renováveis will be jointly liable for compliance by EDPR EU and EDPR NA.

The subsidiaries of EDP Renováveis undertake to indemnify the guarantor for any losses or liabilities resulting from the guarantees provided under the agreement and to pay an

annual fee of 0.5% in the case of bank guarantees and 0.25% in the case of corporate guarantees on the amount guaranteed. Nonetheless, certain guarantees issued prior to the date of approval of these agreements have different conditions.

The agreement may be terminated (i) by any party at any time, whenever there are no guarantees in effect, or (ii) if any of the subsidiaries ceases to be controlled by the guarantor with regard to the guarantees provided to said subsidiary.

#### **3.6.3.3. Current account agreement**

EDP Energias de Portugal, Sociedade Anónima, sucursal en España (hereinafter EDP Sucursal) and EDP Renováveis signed an agreement on a mandate from EDP Renováveis to EDP Sucursal to manage its cash accounts. The agreement also regulates a current account between EDP Sucursal and EDP Renováveis, with the following types of interest:

- If EDP Renováveis finances EDP Sucursal, the interest will be one-month Euribor.
- If EDP Sucursal finances EDP Renováveis, the interest will be one-month Euribor plus 0.5% per year.

The duration of the agreement is one year as of date of signing and it is renewable tacitly for equal periods.

#### **3.6.3.4. Financing agreements**

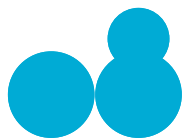
On 29 and 31 December 2008, EDP Renováveis, as the lender, and EDP Finance BV (hereinafter EDP BV), as the borrower, entered into two finance agreements due on 5 January 2009 at one-day Euribor with a differential of 0.1%.

The first of the financing agreements totalled € 53,025,042.50 at 2.618% interest. The second was € 30,000,000 at 1.85% interest.

#### **3.6.4. Trademark licensing agreement**

On 14 May 2008, EDP and EDP Renováveis signed an agreement under which the former granted to the latter a non-exclusive license for the trademark "EDP Renováveis" for use in the renewable energy market and related activities.

In return for the granting of the trademark license, EDP Renováveis will pay to EDP fees calculated on the basis of the proportion of the costs pertaining to the former in the Group's annual budget for image and trademark services, which are subject to annual review. The fee established for 2008 was € 1.5 million.



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The licence is granted indefinitely and shall remain in effect until the expiry of EDP's legal ownership of the trademark or until EDP ceases to hold the majority of the capital or does not appoint the majority of directors of EDP Renováveis. EDP may also terminate the agreement in case of non-payment or breach of contract.

The licensing agreement is restricted by the terms of the framework agreement.

### 3.6.5. Consultancy service agreement

On 4 June 2008, EDP and EDP Renováveis signed a consultancy service agreement.

The object of the agreement is the provision by EDP to EDP Renováveis, through EDP Sucursal, of consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, customer relations and financial management and operational consultancy in the areas of human resources, human resource management, information systems, brand and communication, energy planning, accounting, corporate marketing and organisation.

The price of the agreement is calculated as the cost incurred by EDP plus a margin. For the first year, it was fixed at 8% by an independent expert on the basis of market research. For 2008 the estimated cost of these services is € 2,021,724.

The duration of the agreement is one (1) year tacitly renewable for equal periods.

### 3.6.6. Research and development agreement

On 13 May 2008, EDP Inovação, S.A. (hereinafter EDP Inovação), an EDP Group company, and EDP Renováveis signed an agreement regulating relations between the two companies regarding projects in the field of renewable energies (hereinafter the R&D Agreement).

The object of the R&D Agreement is to prevent conflicts of interest and foster the exchange of knowledge between companies and the establishment of legal and business relationships. The agreement forbids EDP Group companies other than EDP Inovação to undertake or invest in companies that undertake the renewable energy projects described in the agreement.

The R&D Agreement establishes an exclusive right on the part of EDP Inovação to projects to develop new renewable energy technologies that are already in the pilot or economic and/or commercial feasibility study phase, whenever EDP exercises its option to undertake them.

The agreement shall remain in effect for as long as EDP directly or indirectly maintains control of more than 50% of both companies or appoints the majority of the members of the Board and Executive Committee of the parties to the agreement.

### 3.6.7. Management support service agreement between Hidroeléctrica del Cantábrico, S.A. and EDPR EU

On 1 January 2006, Hidroeléctrica del Cantábrico, S.A. (hereinafter HC), an EDP Group company, and EDPR EU, the leading company in the European platform of the EDP Renováveis subgroup, signed a management support service agreement.

The object of the agreement is the provision by HC to EDPR EU of tax, legal management, human resource management, occupational health and safety, system support, environment and auditing advisory services.

The remuneration paid to HC by EDPR EU in the form of fees for management support services in the year ended on 31 December 2008 was € 1,588,000.

The duration of the agreement is five (5) years from date of signing. It shall be tacitly renewed for periods of one (1) year whenever neither party renounces it fifteen (15) days in advance of its initial expiry or any of its extensions.

### 3.6.8. Management support service agreement between Enernova – Novas Energias, S.A. and EDP Valor – Gestão Integrada de Recursos, S.A.

On 1 January 2003, Enernova – Novas Energias, S.A. (hereinafter Enernova), leader of the EDP Renováveis subgroup in Portugal, and EDP Valor – Gestão Integrada de Recursos, S.A. (hereinafter EDP Valor), an EDP Group company, signed a management support service agreement.

The object of the agreement is the provision to Enernova by EDP Valor of services in the areas of procurement, economic and financial management, fleet management, property management and maintenance, insurance, occupational health and safety and human resource management and training.

The remuneration paid to EDP Valor by Enernova and its subsidiaries for the services provided in 2008 totalled € 623,451.50.

The initial duration of the agreement was five (5) years from date of signing and it was tacitly renewed for a new period of five (5) years on 1 January 2008.

Either party may renounce the contract with one (1) year's notice.

### 3.7. Internal control systems and risk management

#### 3.7.1. Internal financial information control system

In harmony with the EDP Group's objectives and strategy, reinforced by the admission to training of EDP Renováveis, the EDP Renováveis Group decided to set up a voluntary internal financial reporting control system abiding by international standards in order to promote the reinforcement of controls to ensure the reliability and integrity of financial information.

The activities on the European platform began in late 2007. The Control System of Finance Report (hereinafter SCIRF) was implemented in 2008 following several lines of action:

- Survey of agreement with a scope agreed upon with the Group;
- Revision of these processes in the evaluation phase and test of effectiveness of controls identified;
- Optimization, update and extension of processes, following developments in business activity.

A reputed international entity collaborated within the European Platform.

In addition, in 2008 the first phase of the implementation of the system took place on the North American Platform (EDPR NA). This phase also received the support of a specialised consultant and consisted of a survey of controls in the three main areas of the model, the first two of which follow the COSO benchmark and the last the COBIT:

- Controls associated with entity level controls;
- Controls of processes identified in the scope;
- General controls related to information technologies.

The EDP Renováveis Internal Audit Department is responsible for the SCIRF. Its functions include the implementation, monitoring and improvement of the system to ensure the reliability and integrity of financial information.

#### 3.7.2. Internal business risk detection system

##### 3.7.2.1. Key risks

The main risks and uncertainties that can affect the operation performance of EDP Renováveis are the following:

#### A. Risks relating to the renewable energy industry

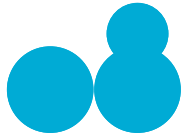
EDP Renováveis business is focused on the production of electricity from renewable energy sources. The amount of energy generated by and the profitability of wind farms are dependent on climatic conditions, which vary across the locations of the wind farms, the seasons and years. Because turbines will only operate when wind speeds fall within certain specific ranges that vary by turbine type and manufacturer, if wind speeds fall outside or towards the lower end of these ranges, energy output at wind farms would decline.

Variation and fluctuations in wind conditions at wind farms may result in seasonal and other fluctuations in the amount of electricity that is generated and consequently the results of operations. Furthermore, a sustained decline in wind conditions could lead to reductions in operational efficiency, energy production and profitability.

#### B. Exposure to market electricity prices risk and to financial markets

Remuneration for electricity sold by EDP Renováveis wind farms depends, at least in part, on market prices for electricity. Market prices may be volatile as they are affected by various factors, including the cost of fuels, average rainfall levels, the cost of power plant construction, the technological mix of installed generation capacity and user demand. Therefore, a decline in market prices below anticipated levels could have a material adverse effect on EDP Renováveis business, financial condition or results of operations. EDP Renováveis currently uses various financial and commodity hedging instruments in order to reduce the exposure to fluctuating electricity prices. However, it may not be possible to successfully hedge the exposures or the company may face other difficulties in executing the hedging strategy.

EDP Renováveis is also exposed to fluctuations in interest rates through the financing, in particular, shareholder loans from the EDP Group and financing from institutional investors in connection with its Partnerships Structures in the case of the U.S. operations, as well as project financing and third party loans from entities outside the EDP Group. This risk can be mitigated using hedging instruments, including interest rate swaps, but it cannot be guaranteed that the hedging efforts will operate successfully. Finally, currency fluctuations may also have a material adverse effect on the financial condition and results of operations. EDP Renováveis may attempt to hedge against currency fluctuations risks by matching revenue and costs in the same currency, as well as by using various hedging instruments, including forward foreign exchange contracts. However, there can be no assurance that the company's efforts to mitigate the effects of currency exchange rate fluctuations will be successful.



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### C. Risks related to increases in capital costs

The capital investment required to develop and build a wind farm is very high and generally varies based on the cost of the necessary fixed assets, such as turbines. The price of such equipments and/or civil construction works may increase, or continue to increase as in the case of turbines, if the market demand for such equipment or works is greater than the available supply, or if the prices of key component commodities and raw materials used to build such equipments increases.

### D. Regulatory risks

The development and profitability of renewable energy projects is dependent on policies and regulatory frameworks that support such development. The jurisdictions in which EDP Renováveis operates provide various types of incentives that support the sale of energy generated from renewable sources.

Support for renewable energy sources has been strong in previous years, and both the European Union and various U.S. federal and state bodies have regularly reaffirmed their desire to continue and strengthen such support. However, it cannot be guaranteed that support will be maintained or that the electricity produced by future renewable energy projects will benefit from statutory purchase obligations, tax incentives, or other support measures for the generation of electricity from renewable energy sources.

### E. Permitting risks

Wind farms are subject to strict international, national, state, regional and local regulations relating to the development, construction, licensing and operation of power plants. Among other things, these regulate: land acquisitions, leasing and use; building, transportation and distribution permits; landscape and environmental permits; and regulations on energy transmission and distribution network congestions. If the relevant authorities in the jurisdictions in which EDP Renováveis operates fail to continue to support, or reduce their support for the development of wind farms, such actions could have a material adverse effect on the business.

### F. Wind turbine supply risk

Wind turbine is a significant part of a wind farm's Capital Expenditures (around 70-80%). The main risks associated to wind turbines are:

- Price risk: this occurs when the supply of wind turbines cannot meet the growing demand, and prices rise sharply, impacting profitability of new wind farms;

- Quantity risk: when no wind turbines are available for the construction of new wind farms.

### 3.7.2.2. Risk management

In order to cope with the risks associated to its activities, EDP Renováveis has implemented several types of actions or strategies adapted to minimise the mitigation of the relevant types of risks to which it is exposed or benefits from global risk management policies used at the EDP Group level. The business unit responsible for dealing and accompanying the risk management processes is the Risk Management Directory of EDP Renováveis. The risk management of EDP Renováveis concerns the following areas of risk:

#### A. Risks relating to the renewable energy industry

Variations in wind conditions are due to seasonal fluctuations, and these fluctuations have an impact on the amount of electricity generated. EDP Renováveis mitigates this risk by the geographical diversification of its wind farm in each country. This "portfolio effect" enables to offset wind variations in each area and to keep the total energy generation relatively steady.

#### B. Electricity prices and financial risks

The businesses of the EDP Renováveis Group are exposed to a variety of financial risks, including the effects of changes in market prices, foreign exchange and interest rates. The unpredictability of the financial markets is analysed on an on-going basis in accordance with the EDP Group's risk management policy. Financial instruments are used to minimise potential adverse effects resulting from the interest rates and foreign exchange rate risks on its financial performance.

The financial risks are assessed and managed by EDPR, being its execution undertaken by the Financial Department of EDP (following strictly the policies and guidelines mandated by EDPR, under the terms of the outsourcing of management services agreement "Contrato de Prestação Serviços Consultoria" between EDPR and EDP), in accordance with the policies approved by the Board of Directors. The Financial Department identifies, evaluates and submits to the Board for approval, hedging mechanisms appropriate to each exposure.

The Board of Directors is responsible for the definition of general risk-management principles and the establishment of exposure limits.

#### i. Exchange rate risk

The Group operates internationally and is exposed to the exchange rate risk resulting from investments

in subsidiaries whose functional currency is the U.S. dollar. Currently, the exposure to the U.S. dollar/euro currency fluctuation risk results principally from the shareholding in EDPR NA.

EDP Group's Financial Department is responsible for monitoring the evolution of the U.S. dollar, seeking to mitigate the impact of currency fluctuations on the financial results of the Group companies and consequently, on consolidated net profit, using exchange rate derivatives and/or other hedging structures. The policy implemented by the Group consists of undertaking derivative financial instruments for the purpose of hedging foreign exchange risks with characteristics similar to those of the hedged item. The operations are revalued and monitored throughout their useful lives and, periodically, their effectiveness in controlling and hedging the risk that gave rise to them is evaluated.

#### ii. Interest rate risk

The Group's operating and financial cash flows are substantially independent from the fluctuation in interest rate markets.

The purpose of the interest rate risk management policies is to reduce the financial charges and the exposure of debt cash flows from market fluctuations through the settlement of derivative financial instruments to fix the debt interest rates. In the floating-rate financing context, the Group contracts interest rate derivative financial instruments to hedge cash flows associated with future interest payments, which have the effect of converting floating-interest rate loans into fixed-interest rate loans. All these operations are undertaken on liabilities in the Group's debt portfolio and are mainly perfect hedges through a high correlation between changes in fair value of the hedging instrument and changes in fair value of the interest rate risk or upcoming cash flows.

The EDP Renováveis Group has a portfolio of interest rate derivatives with maturities between approximately 1 and 10 years. The EDP Group's Financial Department undertakes sensitivity analyses of the fair value of financial instruments to interest rate fluctuations.

#### iii. Market price risk

As of December 31, 2008, EDP Renováveis faced limited market price risk. In the case of EDPR NA, most prices are fixed and principally determined by long-term power purchase agreements. In the case of Spain, electricity is sold directly on the daily market at spot prices plus a pre-defined regulated premium. EDP Renováveis also has an option of selling this electricity through regulated tariffs, guaranteeing minimum prices. In 2008 the company closed a hedge in order to mitigate pool price

fluctuations in Q4 in Spain, which mitigates the risk related to fluctuations in pool prices. In the remaining countries, prices are mainly determined through regulated tariffs (France and Portugal) or determined by long-term power purchase agreements (Brazil, Poland, Romania and Belgium).

#### C. Regulatory risk

EDP Renováveis belongs to the most prestigious wind energy associations, both at national and international level. EDP Renováveis is member of "La Asociación Empresarial Eólica" (Spain), "APREN" – Associação Portuguesa de Produtores de Energia Eléctrica de Fontes Renováveis (Portugal), Le Syndicat des Energies Renouvelables (France), ANEV (Italy) and PIGEO (Poland). These associations are important players in the process of promoting the adjustment of regulations to the needs of the renewable energy sector.

#### D. Counterparty credit risk

The EDP Renováveis Group policy in terms of the counterparty credit risk on financial transactions is managed by an analysis of the technical capacity, competitiveness, credit notation and exposure to each counterparty. Counterparties in derivatives and financial transactions are restricted to high-quality credit institutions, therefore, it cannot be considered that there is any significant risk of counterparty non-compliance and no collateral is demanded for these transactions.

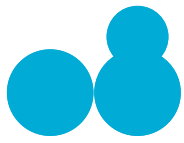
In the specific case of EDPR EU, credit risk is not significant due to the limited average collection period for customer balances and the quality of its debtors. In Europe, main customers are operators and distributors in the energy market of their respective countries

#### E. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group strategy to manage liquidity is to ensure, as far as possible, that it will always have significant liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Given the current condition of the debt market, it could be difficult to cover the financial requirements needed to carry out the Group's activities.

The liquidity policy followed ensures compliance with payment obligations acquired, through maintaining sufficient credit facilities and having access to the EDP Group credit facilities.



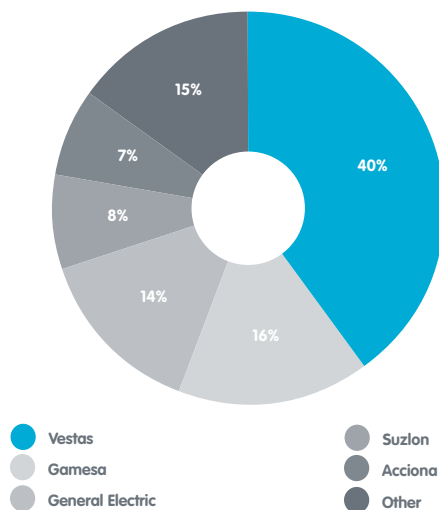
## CORPORATE GOVERNANCE

### F. Wind turbine supply risk

The last few years have been marked by the difficulties of the wind turbine industry in catching up with booming demand. In this high growth environment, wind power generators have endured difficulties to secure the supply of wind turbines. In response, EDP Renováveis has shifted from national and project-driven agreements to multi-year frame agreements covering several regions with built-in flexibilities. This trend, however, seems to be reversing as turbine demand slows down.

EDP Renováveis uses a mix of turbine suppliers in order to reduce its dependency on any one supplier. At present EDP Renováveis is one of the generators with a more diversified portfolio, with Vestas and Gamesa the most important suppliers. The large range of EDP Renováveis suppliers allows the company to avoid technological risk of each turbine supplier. Additionally, EDP Renováveis has the required size to contract with a large range of suppliers. The following chart represents the share of EDP Renováveis current installed turbines plus contracted ones until 2010.

Turbines portfolio until 2010



EDP Renováveis has been securing its wind turbines by establishing long-term flexible agreements with several major turbine vendors. Framework agreements enabled EDP Renováveis to have turbines available when required, but in the current context, they could prevent the company from capturing a drop in turbine prices, if this occurs. For this reason, EDP Renováveis is renegotiating framework agreements as well as negotiating more flexible agreements for future years.

### G. Wind turbine performance risk

EDP Renováveis mitigates wind turbine performance risk by using a mix of top-tier suppliers, which minimises technological risk. Additionally, wind turbine performance risk is reduced by signing strict and thorough O&M contracts with suppliers, usually for a 5-year period. Additionally, technical warranties are signed with the turbine suppliers, in order to guarantee that the performance of the turbine will be optimal. The availability and the power curve of each turbine is adequately guaranteed with "liquidated damages" clauses that establish penalties to be paid by the supplier when the minimum availability is not met (usually 95 or 97%) or the power curve is not reached. Finally, wind turbine performance risk is also mitigated with an adequate preventive and scheduled maintenance.

#### 3.8. External auditor

The Audit and Control Committee is responsible for proposing to the Board of Directors for submission to the General Meeting the appointment of the Company auditors and the terms of their contracts, scope of their duties and revocation and renewal of their contracts.

The Audit and Control Committee remains in contact with the auditors on matters that may pose a risk to their independence and any other matters related to the auditing of accounts. It also receives and stores information on any other matters provided for in legislation on audits and in auditing standards in effect at any time.

The auditor appointed by EDP Renováveis at the moment is KPMG Auditores S.L.

The Audit and Control Committee assessed the performance of the external auditor in providing the services hired by the Company and made a positive evaluation of their quality, considering that they meet applicable standards and that it is advisable to maintain the same auditor.

The work of the external auditor, including reports and audits of its accounts, was supervised and evaluated in accordance with applicable rules and standards, in particular international auditing standards.

#### 3.9. Whistle-blowing policy

In spite of the fact that EDP Renováveis was recently admitted to trading on the Eurolist by Euronext Lisbon, it has sought to introduce measures to ensure its good governance and that of its companies, including the prevention of improper practices, especially in the fields of accounting and finance.



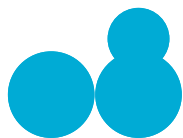
The Board of Directors of EDP Renováveis therefore decided to provide its employees with a direct, confidential communication channel for them to report any presumed unlawful practices or alleged accounting or financial irregularities occurring in their company. These communications go to the Audit and Control Committee.

EDP Renováveis creation of this channel for whistle-blowing on irregularities in financial and accounting practices is essentially intended:

- To enable any employee to freely report his/her concerns in these areas to the Audit and Control Committee;
- To facilitate early detection of irregularities that, if they occurred, might cause serious losses to the EDP Renováveis Group and its employees, customers and shareholders.

Contact with the Company's Audit and Control Committee is only possible by email and post, and access to information received is restricted.

Any complaint addressed to the Audit and Control Committee will be kept strictly confidential and the whistle-blower will remain anonymous, provided that this does not prevent the investigation of the complaint. S/he will be assured that the Company will not take any retaliatory or disciplinary action as a result of exercising his/her right to blow the whistle on irregularities, provide information or assist in an investigation.



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### 4. EXERCISE OF SHAREHOLDER' RIGHTS

#### 4.1. Description and competences of the General Meeting of Shareholders

The General Meeting of Shareholders is the Company's highest governing body and is a meeting of shareholders that, when properly convened, has the power to deliberate and adopt, by majority, decisions on matters that the law and Articles of Association reserve for its decision and are submitted for its approval. In particular, it is responsible for:

- Appointing and dismissing the directors;
- Appointing the auditors;
- Review of the performance the company management, approving, if applicable, the accounts of the previous financial year and deciding on the appropriation of profits;
- Increasing and reducing the share capital and delegating to the Board of Directors, if applicable, within the legal time limits, the power to set the date or dates, who may use said delegation wholly or in part, or refraining from increasing or reducing the capital in view of the conditions of the market or the Company or any particularly relevant fact or event justifying such a decision in their opinion, reporting it at the first General Meeting of Shareholders held after the end of the time limit for its execution;
- Delegating to the Board of Directors the power to increase the share capital pursuant to Article 153(1)(b) of Royal Legislative Decree 1564/1989 of 22 December, which approves the Revised Text of the Law on Public Limited Companies (Public Company Law);
- Issuing bonds;
- Amending the Articles of Association;
- Dissolving, merging, spin off and transformation the Company;
- Deciding on any matter submitted to it for decision by the Board of Directors, which shall be obliged to call a General Meeting of Shareholders as soon as possible to deliberate and decide on concrete decisions included in this article submitted to it, in the event of relevant facts or circumstances that affect the Company, shareholders or corporate bodies.

The decisions of the General Meeting are binding on all shareholders, including those voting against and those who did not participate in the meeting.

A General Meeting may be ordinary or extraordinary. In either case, it is governed by the law and Articles of Association.

- An Ordinary General Meeting must be held in the first six (6) months of each year to review of the performance the company management, approve the annual report and accounts for the previous year and the proposal for appropriation of profits and approve the consolidated accounts, if appropriate. The General Meeting also decides on any other matters falling within its powers and included on the agenda;
- An Extraordinary General Meeting is any meeting other than that mentioned above.

#### 4.2. Right to attend

All shareholders, irrespective of the number of shares that they own, may attend a General Meeting and take part in its deliberations with right to speak and vote.

In order to exercise their right to attend, shareholders must have their shares registered in their name in the Book Entry Account at least five (5) days in advance of the date of the General Meeting. EDP Renováveis therefore does not even establish the need to block shares as a requirement for shareholders to participate in the General Meeting.

Moreover, although there is no express provision on the matter in the Articles of Association, in the event of the suspension of a General Meeting, EDP Renováveis plans to adopt Recommendation 1.2.2 of the Corporate Governance Code and not require the blocking of shares more than five days in advance.

Any shareholder with the right to attend may send a representative to a General Meeting, even if this person is not a shareholder. Power of attorney is revocable. The Board of Directors may require shareholders' power of attorney to be in the Company's possession at least two (2) days in advance, indicating the name of the representative.

Power of attorney shall be specific to each General Meeting, in writing or by remote means of communication, such as post.

#### 4.3. Voting and voting rights

Each share entitles its holder to one vote.

Shares issued without this right do not have voting rights, with exception of cases set forth by current legislation.

There is no employee share-owning system at EDP Renováveis and so no relevant control mechanisms

on the exercise of voting rights by employees or their representatives have been set up.

#### **4.4. Mail and electronic communication votes**

Shareholders may vote on points on the agenda, relating to any matters of the Shareholder's competence, by mail or electronic communication. It is essential for their validity that they be received by the company by midnight of the day before the date scheduled for the first calling to order of the General Meeting.

Votes by mail shall be sent in writing to the place indicated on the invitation to the meeting accompanied by the documentation indicated in the Shareholder's Guide.

In order to vote by electronic communication, shareholders must express this intention to the Chairperson of the General Meeting of the in the form indicated in the invitation to the meeting, sufficient time in advance to permit the vote within the established time limit. They will then receive a letter containing a password for voting by electronic communication within the time limit and in the form established in the call of the General Meeting.

Remote votes can be revoked subsequently by the same means used to cast them within the time limit established for the purpose or by personal attendance at the General Meeting by the shareholder who cast the vote or his/her representative.

The Board of Directors has approved a Shareholder's Guide for the first General Meeting, detailing mail and electronic communication voting forms among other matters. It is at shareholders' disposal on [www.edprenovaveis.com](http://www.edprenovaveis.com).

#### **4.5. Quorum for constituting and adapting decisions of the General Meeting**

Both ordinary and extraordinary General Meetings are validly constituted when first called to order if the shareholders present or represented own at least thirty-three percent (33%) of the subscribed capital with voting rights and when called to order a second time if the shareholders present or represented own at least twenty-five (25%) of the subscribed capital with voting rights.

Nonetheless, for ordinary or extraordinary General Meetings to be able to pass valid decisions on the issue of bonds, increases or reductions in share capital, conversion, merger or split of the Company and, in general, any amendments to the Articles of Association, shareholders representing fifty percent (50%) of the subscribed capital with voting rights must be present or represented when the meeting is first called to order and thirty-three percent (33%) of the subscribed capital with voting rights when the meeting is called to order a second time.

An ordinary or extraordinary General Meeting shall adopt its decisions by simple majority of votes of shares with voting rights present or represented. Nonetheless, for the decisions referred to in the previous paragraph, when shareholders representing less than fifty percent (50%) the subscribed capital with voting rights are present or represented, decisions may only be validly adopted with a vote in favour of two-thirds (2/3) of the capital with voting rights present or represented at the meeting.

#### **4.6. Board of the General Meeting**

The Chairperson of the General Meeting is appointed by the meeting itself and must be a person who meets the same requirements of independence as for independent directors. The appointment is for three years and s/he may be re-elected once only.

Since 4 June 2008, the position of Chairperson of the General Meeting has been held by Rui Chancerelle de Machete, whose work address is Luso-American Development Foundation, Rua do Sacramento à Lapa, 21, 1249-090 Lisbon.

In addition to the Chairperson, the Board of the General Meeting is made up of the Chairperson of the Board of Directors, or his replacement, the other directors and the Secretary of the Board of Directors.

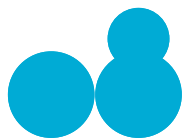
The position of Secretary of the General Meeting is occupied by the non-member Secretary of the Board of Directors, Emilio García-Conde Noriega, whose work address is that of the Company.

The Chairperson of the General Meeting of EDP Renováveis has the appropriate human and logistical resources for his needs, considering the economic situation of EDP Renováveis, in that, in addition to the resources from the Company Secretary and the legal support provided for the purpose, the Company hires a specialised entity to collect, process and count votes.

In 2008, the remuneration of the Chairperson of the General Meeting of EDP Renováveis was € 0.

#### **4.7. Minutes and information on decisions**

Given that EDP Renováveis has been a listed company since 4 June 2008 with its shares admitted to trading on Eurolist by Euronext Lisbon, shareholders have access to corporate governance information on [www.edprenovaveis.com](http://www.edprenovaveis.com). Extracts of General Meeting minutes and the invitation, agenda, motions submitted to the General Meeting and forms of participation shall be placed at shareholders' disposal five (5) days after they are held. The publishing of the minutes will begin



## CORPORATE GOVERNANCE

after the first General Meeting held after the Company's admission to trading.

Given the personal nature of the information involved, the history does not include attendance lists at general meetings, although, in accordance with CMVM Circular no. 156/EMIT/DMEI/2009/515, when General Meetings are held, EDP Renováveis plans to replace them by statistical information indicating the number of shareholders present and distinguishing between the number of physical presences by mail.

EDP Renováveis considers that materially relevant information to investors does not include all the content of the minutes. Indeed, their publication in full could be used for purposes unrelated to the interest of the company, shareholders, investors and the market in general.

EDP Renováveis therefore publishes on its website an extract of the minutes of General Meetings with all information on the constitution of the General Meeting and decisions made by it, including motions submitted and any explanations of votes.

The website also provides EDP Renováveis shareholders with information on: i) requirements for participating in the General Meeting, ii) mail and electronic communication votes iii) information available at the registered office.

### **4.8. Measures regarding control and changes of control of the Company**

The Company has taken no defensive measures that might seriously affect its assets in any of the cases of a change in control in its shareholder structure or the Board of Directors.

The Articles of Association contain no limitations on the transferability of shares or voting rights in any type of decision and no limitations on membership of the governing bodies of EDP Renováveis. Neither are there any decisions that come into effect as a result of a takeover bid.

The fact that the Company has not adopted any measures designed to prevent successful takeover bids is therefore in line with Recommendation I.6.1 of the CMVM Code of Corporate Governance.

On the other hand, EDP Renováveis has not entered into any agreements (current or future) subject to the condition of a change in control of the Company.

Finally, there are no agreements between the Company and members of its Board of Directors or managers providing for compensation in the event of resignation

of discharge of directors or in the event of resignation, dismissal without just cause or cessation of the working relationship following a change in control of the Company.





## CORPORATE GOVERNANCE

### 5. REMUNERATION

#### 5.1. Remuneration of the members of the Board of Directors and of the Audit and Control Committee

Pursuant to Article 26 of the Company's Articles of Association, the remuneration of the members of its Board of Directors shall consist of a fixed amount to be determined by the General Meeting for the whole Board and expenses for attending Board meetings.

The above article also establishes the possibility of the directors being remunerated with Company shares, share options or other securities granting the right to obtain shares, or by means of share-indexed remuneration systems. In any case, the system chosen must be approved by the General Meeting and comply with current legal provisions.

The Appointments and Remunerations Committee is responsible for proposing to the Board of Directors, albeit not bindingly, the system, distribution and amount of remuneration of the directors on the basis of the overall amount of remuneration authorised by the General Meeting. It also may propose to the Board the terms of contracts with the directors. The distribution and exact amount paid to each director and the frequency and other details of the remuneration shall be determined by the Board on the basis of a proposal from the Appointments and Remunerations Committee.

The maximum remuneration approved by the General Meeting of Shareholders for 2008 for all the members of the Board of Directors is € 2,500,000.

#### 5.2. Performance-based components, variable component and fixed amount

Although remuneration for all the members of the Board of Directors is provided for, the members of the Executive Committee, with the exception of the CEO (who devotes most of his/her work to the activity of EDP Renováveis) are not remunerated and so in 2008 the remuneration paid by EDP Renováveis to these directors was zero.

This corporate governance practice for remuneration is in line with the model adopted by the EDP Group, in which executive directors of EDP do not receive any remuneration directly from the group companies on whose governing bodies they serve, but rather through EDP.

Nonetheless, in line with the above corporate governance practice, EDP Renováveis has signed an Executive Management Services Agreement with EDP, under which the Company bears a cost for the provision of said services corresponding to the remuneration defined for the executive members of the Board of Directors.

The fees in the management service contract are divided into a fixed and a variable part. The variable part is divided into an annual and a multi-annual component, each of which is calculated on the basis of shareholders' return, ability to create value, increases in installed capacity (MW), growth in net profits and EBITDA.

The remuneration of the CEO has a fixed and a variable part. The variable part is divided into an annual and a multi-annual component, each of which is calculated on the basis of shareholders' return, ability to create value, increases in installed capacity (MW), growth in net profits and EBITDA.

On the other hand, the non-executive directors only receive fixed remuneration, which is calculated on the basis of their work exclusively as directors or their work in this position together with their membership of the Appointments and Remunerations Committee, Related Party Transactions Committee and the Audit and Control Committee.

#### 5.3. Annual remuneration of the Board of Directors and Audit and Control Committee

The remuneration of the members of the Board of Directors for the year ended on 31 December 2008 was as follows:

Remuneration	Fixed	Variable	Total
CEO*	€ 235,200.00	–	€ 235,200.00
Executive directors**	–	–	–
Non-executive directors	€ 277,083.33	–	€ 277,083.33
Total	€ 512,283.33	–	€ 512,283.33

\* The remuneration for 2008 was paid the CEO by EDP on the account of EDP Renováveis, which will reimburse EDP through the management service agreement signed by the parties.

\*\* Even though the Executive Committee has not received any funding from the company, due to the contracts for their directive services provided in the written draft 3.6.2, EDP Renováveis paid EDP 249.900 Euros for the services provided by the Executive Committee apart from the CEO.

As 2008 was the Company's first full year, only fixed remuneration was paid, while the variable part will be paid in 2009.

The retirement savings plan for the members of the Executive Committee acts as an effective retirement supplement and corresponds to 5% of their annual salary.

The directors do not receive any relevant non-monetary benefits as remuneration.

#### 5.4. Statement on remuneration policy

The Nomination and Remuneration Committee appointed by the Board of Directors is responsible for defining the draft remuneration policy for the members of the Board of Directors. This committee defined the directors' remuneration and sought to ensure that it reflected the performance of all members in each year (variable annual remuneration) and their performance throughout

their terms of office by means of a variable component consistent with the maximisation of the Company's long-term performance (multi-annual variable remuneration). This is intended to ensure alignment of the Board of Directors' behaviour with the shareholders' interests. A statement on remuneration policy will be submitted to the next General Meeting, for appreciation as a separate point on the agenda of a consultative nature. It is currently in force (with no alterations), on the following terms:

Fixed remuneration for the CEO is € 384,000 gross annual salary and will be determined for the remaining members on terms fixed by the EDP Group.

Variable annual remuneration for each Executive Committee member may vary between 0% and 100% of their gross, fixed, annual remuneration. The amount is determined on the basis of the following indicators on each year of their term: relative performance of total shareholder return of EDP Renováveis vs. Eurostoxx Utilities, PSI-20 and Iberdrola Renováveis 2008, real capacity to generate shareholder value at EDP Renováveis, increase in installed capacity (MW), growth in net profits and EDP Renováveis EBITDA in 2008.

Multi-annual variable remuneration for all members of the Executive Committee may total from 0% to 100% of their gross annual remuneration and is based on an accumulated annual evaluation of the directors' performance in achieving economic sustainability for the EDP Renováveis Group. Although this multi-annual remuneration is calculated annually, it only comes into effect at the end of their term of office if at least 90% of the strategic goals have been met. This is assessed on the basis of performance and a comparison with strategic benchmarks. In fact, the factors used to calculate the remuneration component are the relative performance of the EDP Renováveis Group's market capitalisation vs. Eurostoxx Utilities and PSI-20 during the term, the EDP Renováveis Group's capacity to create value, the performance of the Sustainability Index applied to EDP Renováveis (DJSI method), the EDP Renováveis Group's image in the national and international markets, its capacity to change and adapt to new market requirements, fulfilment of strategic national and international targets and the EDP Renováveis Group's EBITDA vs. Eurostoxx Utilities during their term.

The time period considered for determining the multi-annual variable component of their remuneration (3 years), the use of qualitative criteria aimed at a strategic, medium-term perspective in the Company's development, the existence of a cap on variable remuneration and the relative weight of this component on total remuneration are decisive factors in fostering management performance that does not focus only on short-term objectives but

includes the medium and long term interests of the Company and its shareholders.

The retirement savings plan for the members of the Executive Committee acts as an effective retirement supplement and corresponds to 5% of their annual salary.

The directors do not receive any substantial non-monetary benefits as remuneration.

The Board of Directors is responsible for fixing managers' remuneration policy (as understood in Article 248-B(3) of the Securities Code) who do not belong to the governing or supervisory bodies.

The Board will therefore submit the managers' remuneration policy to the next General Meeting for appreciation. It is based on the following factors:

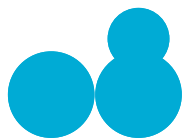
- The policy followed when fixing EDP Renováveis managers' remuneration is the same as that for Company employees in general;
- The remuneration of the Company's managers therefore consists of fixed remuneration and a possible performance bonus;
- The quality quantification of performance is established in accordance with criteria defined by the Board of Directors;
- As a result, when defining any managers' performance bonuses, consideration is given not only to factors all employees' behaviour, taking into account the degree of responsibility their position and their ability to adapt to the Company and its procedures but also the economic and financial performance of their particular business area and of EDP Renováveis as a whole.

#### **5.5. General Meeting's assessment of Company remuneration policy and performance evaluation of its governing bodies**

The General Meeting is responsible for appointing the Board of Directors, which appoints the Nomination and Remuneration Committee, which is responsible for submitting the statement on remuneration policy for the Company's corporate bodies.

The General Meeting's duties include appreciating the above statement.

Pursuant to Article 95 of the Public Company Law, the General Meeting is also required to evaluate the performance of the corporate public bodies and make an annual decision as whether to maintain confidence in their members.



## CORPORATE GOVERNANCE

### 5.6. Attendance at the Ordinary General Meeting of Shareholders of a representative of the Appointments and Remuneration Committee

All the members of the Appointments and Remuneration Committee will be present or represented at the first General Meeting of Shareholders of EDP Renováveis.

### 5.7. Proposal on the approval of plans on share remuneration and/or share purchase options or on the basis of share price fluctuations

The Company has not approved any plans for share remuneration or share purchase options or plans based on share price fluctuations.

### 5.8. Auditor's Remuneration

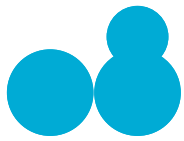
For the year ended on 31 December 2008, the fees paid to KPMG Auditores, S.L. for auditing of the annual accounts, guarantee and reliability services, tax advisory and other services unrelated to audits are as follows:

EDP Renováveis Group					Euros
Country	Portugal	España	EDPR NA	Otros	Total
Auditing of accounts	85,000	636,000	562,116	123,550	1,406,666
Reliability guarantee services	343,845	328,930	410,772	11,400	1,094,947
Tax consultancy services	7,470	120,000	687,360	40,840	855,670
Legal auditing of accounts	-	46,400	-	-	46,400
<b>TOTAL</b>	<b>436,315</b>	<b>1,131,330</b>	<b>1,660,248</b>	<b>175,790</b>	<b>3,403,683</b>

The accounts audit services are those necessary for the issue of a legal opinion on the annual individual and consolidated accounts of the company and its subsidiaries in Spain and abroad.







## CORPORATE GOVERNANCE

### 6. SHARES AND DIVIDEND POLICY

#### Initial public offering

On 15 May 2008, EDP announced approval by the Portuguese Stock Exchange Commission of the Prospectus for the initial public offering (IPO) and admission to trading of EDP Renováveis shares on Eurolist by Euronext Lisbon. The IPO prospectus provided for a combined offering of up to 225,427,952 shares, representing up to 25% of EDP Renováveis share capital after a share capital increase (including the 29,403,646 in the subscription option of a supplementary batch of shares, which was not exercised) aimed at retail and institutional investors. The price interval for subscription of the shares in the PO was between € 7.40 and € 8.90 per share. On 2 June 2008, a final price of € 8.00 was announced, below the average value of the interval.

The following shares were placed at a special regulated market session for the EDP Renováveis IPO:

- 45,085,590 shares for the PO representing 5.2% of the share capital;
- 150,938,716 shares for direct sale to institutional investors representing 17.3% of the EDP Renováveis capital.

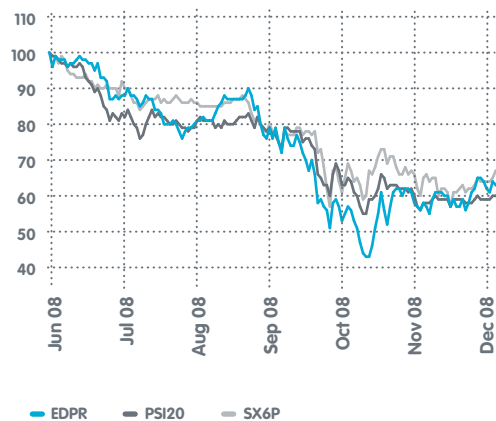
The quantity intended for the initial public offering was divided into three tranches: Segment A – EDP Group employees, Segment B – EDP shareholders and Segment C – the general public. EDP employees were given a 5% discount in the price fixed for EDP shareholders and the general public, i.e. they bought shares at € 7.60.

EDP Renováveis, S.A.	
<b>Shares</b>	
Share Capital	€ 4,361,540,810
Face value	€ 5.00
No. of shares	872,308,162
Trading began	4 June 2008
<b>Euronext Lisboa</b>	
Reuters RIC	EDPR.LS
Bloomberg	EDPR.PL
ISIN	ES0127797019

#### 6.1. Share price

In a year marked by a serious financial crisis, from the time they were admitted to trading on 4 June 2008, EDP Renováveis shares fell 37% and closed the year at € 5.00 each. In the same period, the PSI20, Dow Jones Eurostoxx Utilities and Euronext 100 fell by 40%, 33% and 39%, respectively and over the whole year totalled losses of 51%, 38% and 45% each.

#### EDP Renováveis vs PSI20 vs DJ Eurostoxx Utilities



During the year, 263,130,606 EDP Renováveis shares, corresponding to a turnover of approximately € 1.646 billion were traded. On average, at Euronext Lisboa, excluding the first day of listing, when almost 50 million shares were traded, EDP Renováveis liquidity was around 1.5 million shares a day. Thanks to the company's high liquidity and market capitalisation, on 1 July 2008, less than a month after it was listed, it was included in the main Portuguese share index, the PSI20.

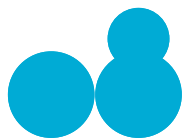
EDP Renováveis ended the year with a market capitalisation of € 4.4 billion, making it the fourth largest company in the main Portuguese share index.

#### 2008 EDP Renováveis share price and transactions



<b>EDP Renováveis shares on Euronext Lisboa (euros)</b>		<b>2008</b>	
Opening price		8.00	
Closing price		5.00	
Highest price		8.00	
Lowest price		3.45	
<b>Variation in price and reference indexes</b>		<b>2008</b>	<b>since IPO</b>
EDP Renováveis shares		-37%	-37%
PSI20		-51%	-40%
Dow Jones Eurostoxx Utilities		-38%	-33%
Euronext 100		-45%	-39%
<b>Liquidity of EDP Renováveis shares on markets</b>			
Volume on Euronext Lisboa (€ millions)		1,646.0	
Daily average volume (€ millions)		11.0	
Number of shares traded		215,951,049	
Average number of shares traded <sup>(1)</sup>		1,459,129	
Total number of shares issued		872,308,162	
Number of own shares		0	
<b>Market values of EDP Renováveis (€ millions)</b>			
Market capitalisation at end of period		€ 4,364	

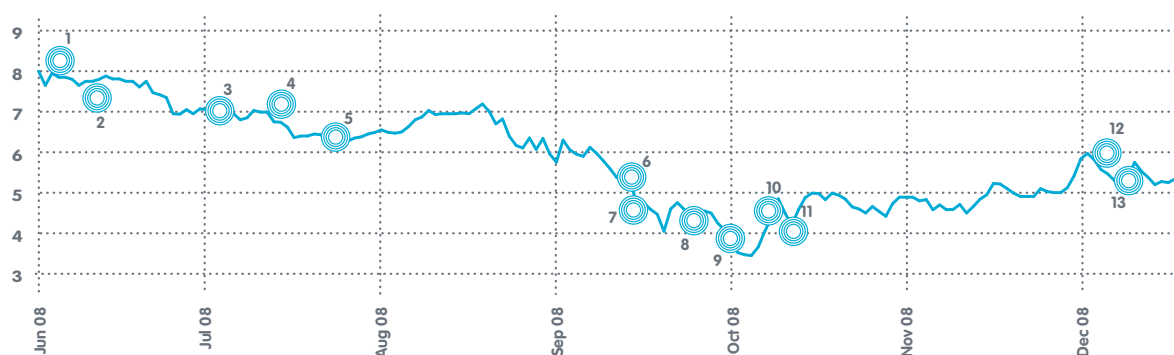
(1) excluding first day of trading



## CORPORATE GOVERNANCE

The graph below shows the evolution in EDP Renováveis share prices over the year and all announcements and relevant events that may have had an impact on them.

### 2008 Main events impact on EDP Renováveis share price



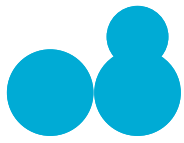
	Date	Description
1	04 Jun	First day of trading of EDP Renováveis shares
2	11 Jun	EDP Renováveis enters the Brazilian market
3	07 Jul	EDP Renováveis announces end of share stabilisation period
4	21 Jul	EDP Renováveis announces provisional half-year operating data
5	29 Jul	EDP Renováveis announces half-year profits
6	03 Oct	Approval of one-year extension of PTCs applicable applicable in the U.S.
7	06 Oct	EDP Renováveis provides clarification on call for tenders in Galicia
8	17 Oct	EDP Renováveis enters Romanian market
9	23 Oct	EDP Renováveis announces provisional operating data for first nine months
10	05 Nov	EDP Renováveis announces profits for first nine months
11	06 Nov	EDP Group presents 2009-2012 Business Plan
12	29 Dec	EDP Renováveis establishes new tax equity agreement for 2008 wind power projects in the U.S.
13	31 Dec	EDP Renováveis provides clarification on call for tenders in Galicia

## 6.2. Dividend policy

The distribution of dividends is proposed by the Board of Directors of EDP Renováveis and authorised by decision of the company's General Meeting of Shareholders.

As set forth in the Spanish Public Company Law, a dividend declared in each financial year may only be distributed from EDP Renováveis profits for that year or from distributable reserves and this distribution must not cause the assets of EDP Renováveis to fall below the value of the company's share capital.

As of 2011, EDP Renováveis expects to declare and pay dividends representing at least 20% of the profits for the year and to begin to do so for the financial year ending on 31 December 2010. The Board of Directors of EDP Renováveis may, if necessary, adjust this dividend policy in order to reflect changes in business strategy and capital needs, among other aspects. Any future dividends will depend on conditions at the time, including individual and consolidated net profits, earnings, the company's financial situation, availability of legally distributable funds and future prospects. As a result, no guarantee can be given that dividends will be proposed and declared in any particular year. Any dividends paid in the future may be subject to withholding of tax at source.



## CORPORATE GOVERNANCE

### 7. INVESTOR RELATIONS

#### 7.1. General obligation to provide information

The provision to actual and potential investors of information about the Company is a structural aspect of EDP Renováveis policy and action as a listed company. The promotion of transparent, easily accessible, high-quality information is of fundamental importance to an accurate perception of the company's strategy, financial situation, accounts, assets and significant events.

EDP Renováveis therefore seeks to provide investors with information that will help them make informed, clear, concrete investment (or disinvestment) decisions.

This Company positioning is demonstrated by the relative frequency with which it publishes privileged information on significant events in its activities each year.

The periodic publication of information on the company, such as the quarterly announcement of profits, as required by law, is an important feature of the company's relationship with the market when it comes to the duty to inform.

EDP Renováveis considers its website a fundamental vehicle for circulating information and uses it to ensure that up-to-date information on its activities and results is always available.

EDP Renováveis therefore wishes to maintain a close, ongoing, transparent relationship with all market agents.

#### 7.2. EDP Renováveis Investor Relations Department

The EDP Renováveis Investor Relations Department (IRD) was set up in 2008 following the initial public offering and acts as an intermediary between the EDP Renováveis management team and a vast universe of shareholders, financial analysts, investors and the market in general. Its main purposes are to guarantee the principle of equality among shareholders, prevent asymmetries in access to information by investors and reduce the gap in the perception of the company's strategy and intrinsic value. This department is responsible for developing and implementing the company's communication strategy and maintaining an appropriate institutional and informative relationship with the financial market, the stock exchange at which EDP Renováveis shares are traded and their regulatory and supervisory bodies (CMVM – Comissão do Mercado de Valores Mobiliários in Portugal and CNMV – Comisión Nacional del Mercado de Valores in Spain)

The company's investors relations representative is Rui Teixeira, a member of the management team. The Investor

Relations Department is coordinated by Rui Antunes and is located at the company's Madrid office. Its contact details are as follows

Calle Serrano Galvache, nº 56  
Centro Empresarial Parque Norte  
Edificio Encinca – 4º Piso  
28033 Madrid, Spain  
Telephone: +34 902 830 700  
Fax: +34 914 238 410  
E-mail: [ir@edprenovaveis.com](mailto:ir@edprenovaveis.com)

The IRD reports directly to the EDP Renováveis management team through its Chief Financial Officer (CFO) and its main duties are:

- To ensure compliance with all legal obligations arising from the fact that EDP Renováveis is a listed, public limited company;
- To define and implement the company's strategy for communication with analysts and investors, when assisting the management team in drafting EDP Renováveis financial and strategic communication policy and in preparing, processing and publishing information;
- To coordinate, prepare and conduct information sessions, press conferences and roadshows, which includes disclosing significant events and other communications, to publish quarterly results and periodic financial statements, to give strategic presentations to the market, to organise road-shows with management team members in the main financial markets, to hold and monitor regular meetings and conference calls at the request of investors and analysts and to provide answers to queries on the business environment and activities of EDP Renováveis by email, telephone or in person from analysts and institutional and private investors;
- To inform the management team of the expectations of financial analysts and benchmark with the competition, to monitor all changes in the stock exchange and financial markets of interest to the company, to filter information into the company when justified and to inform it of the different perceptions that capital market players have of EDP Renováveis activity;
- To develop and update the investor relations section of the EDP Renováveis website ([www.edprenovaveis.com](http://www.edprenovaveis.com)).

#### Activity in 2008

Although it was only formally set up after the initial public offering, the work of the Investor Relations Department began with its preparation. The Investor Relations

Department was part of the team that prepared the prospectus of the public offer for subscription and accompanied the Executive Committee on the roadshow to present EDP Renováveis to the world's main financial markets. For more than two weeks, two teams made up of members of the Executive Committee and management team of EDP Renováveis and the Investor Relations Department of EDP Renováveis and EDP visited more than 400 institutional investors in some 20 cities.

In addition to the presentation roadshow, following the initial public offering and after the end of the blackout period, the Investor Relations Department, carried out four roadshows (September, October, November and December) in the world's main financial cities (New York, Boston, San Francisco, London, Lisbon, Paris, Milan, Dublin, Brussels, Amsterdam, Stockholm, Oslo, Zurich, Geneva, etc) and several conferences, many devoted only to energy companies. It met with around 200 institutional investors in this period.

The Investor Relations Department also remained in permanent contact with the financial analysts who evaluate the company and with all shareholders and investors by mail, phone or face-to-face meetings. Every quarter, when the profits for the period are disclosed, the Investor Relations Department organises a conference call for all interested parties involving one or more members of the company's management team, in which it announces developments in EDP Renováveis activities and updates future prospects in the different business areas.

### 7.3. Company information on website

As required by CMVM regulations, EDP Renováveis provides all legal and corporate governance information on its website ([www.edprenovaveis.com](http://www.edprenovaveis.com)). The company website also carries updates on developments in the Group's activity and financial and operational data to ensure that shareholders, financial analysts and others have easy access to information.

This online information includes reports on accounts, announcements of relevant events, the articles of association, internal regulations of corporate bodies, the Group's shareholder structure, preparatory documentation for each General Meeting, fluctuations in EDP Renováveis share prices and other information of potential interest on the Group.

This information also includes data on the company, such as its name, status as a listed company, registered office, articles of association, regulations governing the management and supervisory bodies, names of the members of the corporate bodies and the market relations representative and the report on the Audit Committee's work. Contact details for the Investor Relations Department,

its functions, financial statements and a calendar of company events are also available.

EDP Renováveis posts on its website invitations to the General Meeting and proposals for discussion and voting at the meeting.

EDP Renováveis also publishes online the annual report on the work of the Audit Committee.

The table below summarises the information posted on the website and in which languages used.

	Portuguese	English	Spanish
Identification of the company	✓	✓	✓
Financial statements	✓	✓	✓
Regulations of the management and supervisory bodies	✓	✓	✓
Annual report on the work of the Audit Committee	✓	✓	✓
Investor Relations Department – functions and contact details	✓	✓	✓
Articles of association	✓	✓	✓
Calendar of company events	✓	✓	✓
Invitation to General Meeting	✓	✓	✓
Proposals submitted for discussion and voting at General Meetings	✓	✓	✓



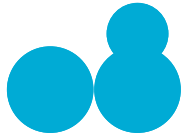
## ANNEX I

### MAIN POSITIONS HELD BY MEMBERS OF BOARD OF DIRECTORS IN LAST FIVE YEARS

Name	Positions
<b>António Mexia</b>	CEO of Galp Energia Chairperson of the Board of Petrogal Chairperson of the Board of Gás de Portugal Chairperson of the Board of Trangas Chairperson of the Board of Trangas-Atlântico CEO of EDP – Energias de Portugal, S.A.
<b>Ana Maria Fernandes</b>	Chairperson and CEO of Galp Power Member of the Board of Directors of Galp Energia Member of the Executive Board of Directors of EDP – Energias de Portugal, S.A.
<b>António Martins da Costa</b>	CEO and Vice-Chairperson of EDP – Energias do Brasil, S.A. CEO and Chairperson of Horizon Wind Energy LLC Member of the Executive Board of Directors of EDP – Energias de Portugal, S.A.
<b>Nuno Alves</b>	Director of the Foreign Exchange and Capital Division of Millennium BCP Investimento Member of the Executive Board of Directors of EDP – Energias de Portugal, S.A.
<b>João Manso Neto</b>	Chairperson of the Executive Committee of EDP Produção CEO and Vice-Chairperson of Hidroeléctrica del Cantábrico, S.A. Member of the Executive Board of Directors of EDP – Energias de Portugal, S.A.
<b>José Silva Lopes</b>	Chairperson of the Board of Directors of Montepio Geral
<b>António Nogueira Leite</b>	Board member of Instituto Português de Relações Internacionais, UNL Director of Reditus, SGPS, S.A. Managing Director of José de Mello, SGPS, S.A. Director of Companhia União Fabril CUF, SGPS, S.A. Director of Quimigal, S.A. Director of CUF – Químicos Industriais, SA Director of ADP, S.A. – CUF Adubos Director of Sociedades de Explosivos Cívico, SEC, S.A. Director of Brisa, S.A. Director of Efacec Capital, SGPS, S.A. Director of Comitur, SGPS, S.A. Director of Comitur Imobiliária, S.A. Director of Expocomitür – Promoções e Gestão Imobiliária, S.A. Director of Herdade do Vale da Fonte – Sociedade Agrícola, Turística e Imobiliária, S.A. Director of Sociedade Imobiliária e Turística do Cojo, S.A. Director of Sociedade Imobiliária da Rua das Flores, nº 59, S.A. Director of José de Mello Saúde, SGPS, S.A. Vice-Chairperson of the Advisory Board of Banif Banco de Investimentos Chairperson of the General Supervisory Board of Opex, S.A. Member of the Advisory Board of IGCP Vice-Chairperson of Fórum para a Competitividade



<b>Rafael Caldeira Valverde</b>	<p>Vice-Chairperson of the Board of Directors of Banco Espírito Santo de Investimento, S.A. Member of the Executive Committee of Banco Espírito Santo de Investimento, S.A.</p>
<b>José Araújo e Silva</b>	<p>Director of Corticeira Amorin, SGPS, S.A. Member of the Executive Committee of Corticeira, SGPS, S.A. Member of the Board of Directors of Caixa Geral de Depósitos</p>
<b>Manuel Menéndez Menéndez</b>	<p>Member of the Board of Directors of EDP – Energias de Portugal, S.A. Chairperson of Cajastur Chairperson of Hidroeléctrica del Cantábrico, S.A. Chairperson of Naturgas Energia, S.A. Member of the Board of Directors of Nuevas Energias de Occidente, SL Representative of Peña Rueda, SL on the Board of Enagas, S.A. Member of the Board of Confederación Española de Cajas de Ahorro Member Board of Directors of UNESA</p>
<b>Jorge Santos</b>	<p>Full Professor of Economics at Instituto Superior de Economia e Gestão, Universidade Técnica de Lisboa Member of the Assembly of Representatives of Instituto Superior de Economia e Gestão of Universidade Técnica de Lisboa Coordinator of the PhD course in Economics at ISEG Member of the Assembly of Representatives of Instituto Superior de Economia e Gestão, Universidade Técnica de Lisboa</p>
<b>Francisco José Queiroz de Barros de Lacerda</b>	<p>Member of the Board of Império Insurance Company Member of the Supervisory Board of Millennium Bank in Poland Member of the Senior Board of Millennium Bank in Greece Vice-Chairperson of the Board of Directors of Millennium Bank in Turkey Chairperson of the Board of Directors of Millennium Bank in Romania Member of the Board of Directors of Millennium bcp Investimentos Member of the Board of Directors of Fundação Millenniumbcp . Director of Millennium bcp Member of the Board of Directors of Banco Comercial Português, S.A. Member of the General Board of Clube Naval de Cascais Chairperson of the Audit Committee of Dragopor – Associação Portuguesa da Classe Internacional Dragão Member of the Board of Mague-SPGS, S.A.</p>
<b>João Manuel de Mello Franco</b>	<p>Vice-Chairperson of José de Mello Imobiliária, S.A. Chairperson of the Board of Directors of Imopolis, S.A. Chairperson of the Board of Directors of José de Mello Residenciais &amp; Serviços, S.A. Chairperson of the Board of Directors of Engimais, S.A. Director of Portugal Telecom SGPS, S.A. Chairperson of the Audit Committee of Portugal Telecom SGPS, S.A. Member of the Remuneration Committee of Portugal Telecom SGPS, S.A. Chairperson of the Corporate Governance Committee of Portugal Telecom SGPS, S.A.</p>



**ANNEX I**

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**João Lopes Raimundo**

Chairperson of the Board of Directors of Banque BCP (Luxembourg)  
Chairperson of the Board of Directors of Banque BCP (France)  
Member of the Board of Banque Orive BCP (Switzerland)  
Managing Director of Banco Comercial Português  
Vice-Chairperson of the Board of Millennium Angola  
Member of the Board de Directors of Banco Millennium BCP de Investimento

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**Daniel M. Kammen**

Founding Director of the Renewable and Appropriate Energy Laboratory (RAEL) of University of California, Berkeley  
Lecturer in Nuclear Energy at University of California, Berkeley  
Lecturer in the Energy and Resources Group at University of California, Berkeley  
Lecturer in public policy at the Goldman School of Public Policy, University of California, Berkeley  
Class of 1935 Distinguished Chair in Energy  
Codirector of the Berkeley Institute of the Environment  
Member of the Executive Committee of the Energy Biosciences Institute

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## ANNEX II

### CURRENT POSITIONS OF THE MEMBERS OF THE BOARD OF DIRECTERS IN COMPANIES NOT BELONGING TO THE SAME GROUP AS EDP RENOVÁVEIS, S.A.

Name	Positions
António Mexia	N/A
Ana Maria Fernandes	N/A
António Martins da Costa	N/A
Nuno Alves	N/A
João Manso Neto	N/A
José Silva Lopes	Chairperson of the Board of Directors of Montepio Geral
António Nogueira Leite	Member of the Board of Instituto Português de Relações Internacionais, UNL Director of Reditus, SGPS, S.A. Managing Director of José de Mello, SGPS, S.A. Director of Companhia União Fabril CUF, SGPS, S.A. Director of CUF – Químicos Industriais, SA Director of ADP, S.A. – CUF Adubos Director of Brisa, S.A. Director of Efacec Capital, SGPS, S.A. Director of Comitur, SGPS, S.A. Director of Comitur Imobiliária, S.A. Director of Expocomitur – Promoções e Gestão Imobiliária, S.A. Director of Herdade do Vale da Fonte – Sociedade Agrícola, Turística e Imobiliária, S.A. Director of Sociedade Imobiliária e Turística do Cojo, S.A. Director of Sociedade Imobiliária da Rua das Flores, nº 59, S.A. Director of José de Mello Saúde, SGPS, S.A. Vice-Chairperson of the Advisory Board of Banif Banco de Investimentos Chairperson of the General Supervisory Board of Opex, S.A. Member of the Advisory Board of IGCP
Rafael Caldeira Valverde	Vice-Chairperson of the Board of Directors of Banco Espírito Santo de Investimento, S.A. Member of the Executive Committee of Banco Espírito Santo de Investimento, S.A.
José Araújo e Silva	Member of the Board of Directors of Caixa Geral de Depósitos
Manuel Menéndez Menéndez	Chairperson of Cajastur Member of the Board of Confederación Española de Cajas de Ahorro Representative of Peña Rueda, SL on the board of Enagas, S.A. Member of the Board of Directors of UNESA

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**Jorge Santos**

Full Professor of Economics at Instituto Superior de Economia e Gestão, Universidade Técnica de Lisboa  
Member of the Assembly of Representatives of Instituto Superior de Economia e Gestão of Universidade Técnica de Lisboa  
Coordinator of the PhD course in Economics at ISEG  
Member of the Assembly of Representatives of Instituto Superior de Economia e Gestão, Universidade Técnica de Lisboa

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**Francisco José Queiroz de Barros de Lacerda**

Member of the General Board of Clube Naval de Cascais  
Chairperson of the Audit Committee of Dragopor – Associação Portuguesa da Classe Internacional Dragão  
Member of the Board of Mague-SPGS, S.A.

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**João Manuel de Mello Franco**

Director of Portugal Telecom SGPS, S.A.  
Chairperson of the Audit Committee of Portugal Telecom SGPS, S.A.  
Member of the Remuneration Committee of Portugal Telecom SGPS, S.A.  
Chairperson of the Corporate Governance Committee of Portugal Telecom SGPS, S.A.

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**João Lopes Raimundo**

Vice-Chairperson of the Board of Millennium Angola  
Member of the Board de Directors of Banco Millennium BCP de Investimento

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**Daniel M. Kammen**

Founding Director of the Renewable and Appropriate Energy Laboratory (RAEL) of University of California, Berkeley  
Lecturer in Nuclear Energy at University of California, Berkeley  
Lecturer in the Energy and Resources Group at University of California, Berkeley  
Lecturer in public policy at the Goldman School of Public Policy, University of California, Berkeley  
Class of 1935 Distinguished Chair in Energy  
Codirector of the Berkeley Institute of the Environment  
Member of the Executive Committee of the Energy Biosciences Institute

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ANNEX III

CURRENT POSITIONS OF THE MEMBERS OF THE BOARD OF DIRECTERS IN COMPANIES  
BELONGING TO THE SAME GROUP AS EDP RENOVÁVEIS, S.A.

	António Mexia	Ana Maria Fernandes	António Martins da Costa	Nuno Alves	João Manso Neto	Manuel Menéndez Menéndez
EDP – Energias de Portugal, S.A.	Chairperson of the Executive Board of Directors	Director	Director	Director	Director	
EDP – Gestão da Produção de Energia, S.A.					Chairperson of the Board of Directors	
EDP – Energias do Brasil, S.A.	Chairperson of the Board of Directors	Director		Director		
EDP Comercial – Comercialização de Energia, S.A.						
EDP – Estudos e Consultoria, S.A.				Chairperson of the Board of Directors		
EDP – Soluções Comerciais, S.A.						
EDP – Imobiliária e Participações, S.A.				Chairperson of the Board of Directors		
EDP Serviner – Serviços de Energia, S.A.						
EDP Valor – Gestão Integrada de Serviços, S.A.				Chairperson of the Board of Directors		
Sávida – Medicina Apoiada, S.A.				Chairperson of the Board of Directors		

	<b>António Mexia</b>	<b>Ana Maria Fernandes</b>	<b>António Martins da Costa</b>	<b>Nuno Alves</b>	<b>João Manso Neto</b>	<b>Manuel Menéndez Menéndez</b>
SCS – Serviços Complementares de Saúde, S.A.				Chairperson of the Board of Directors		
Energia RE – Sociedade Cativa de Resseguro				Chairperson of the Board of Directors		
Enernova – Novas Energias, S.A.						
Hidroeléctrica del Cantábrico, S.A.		Director		Director	Vice-Chairperson of the Board of Directors	Chairperson of the Board of Directors
Naturgás Energia, S.A.					2nd vice-chairperson	Chairperson of the Board of Directors
Desarrollos Eólicos S.A.		Vice-chairperson of the Board of Directors				
Genesis S.L.		Chairperson of the Board of Directors				
EDP Investimentos, SGPS, S.A.					Chairperson of the Board of Directors	
EDP Gás III, SGPS, S.A.					Chairperson of the Board of Directors	
EDP Gás II, SGPS, S.A. (ex-NQF Gás)					Chairperson of the Board of Directors	
EDP Gás – SGPS, S.A.					Chairperson of the Board of Directors	

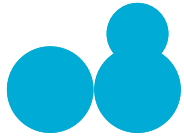


ANNEX III

	António Mexia	Ana Maria Fernandes	António Martins da Costa	Nuno Alves	João Manso Neto	Manuel Menéndez Menéndez
Portgás – Sociedade de Produção e Distribuição de Gás, S.A.						
Setgás – Sociedade de Produção e Distribuição de Gás, S.A.						
Enagas, SGPS, S.A.					Chairperson of the Board of Directors	
EDP Powerline						
EDP Internacional, S.A.					Chairperson of the Board of Directors	
Horizon Wind Energy LLC		Director	Chairperson of the Board of Directors	Director		
Nuevas Energias de Occidente, S.L.		Chairperson of the Board of Directors				Director
Balwerk - Consultadoria Económica e Participações, Sociedade Unipessoal, Lda.				Manager		
EDP – Investimentos, Gestão de Participações e Assistência Técnica, Lda.				Director		
MRH Mudança e Recursos Humanos, S.A.				Chairperson of the Board of Directors		
EDP Energias de Portugal, Sucursal en España, Sociedad Anonima	Permanent representative	Permanent representative	Permanent representative	Permanent representative	Permanent representative	Permanent representative



	<b>António Mexia</b>	<b>Ana Maria Fernandes</b>	<b>António Martins da Costa</b>	<b>Nuno Alves</b>	<b>João Manso Neto</b>	<b>Manuel Menéndez Menéndez</b>
<b>EDP Gás.com - Comércio de Gás Natural, S.A.</b>					Director	
<b>EDP Finance BV</b>	Representative	Representative	Representative	Representative	Representative	
<b>Electricidade de Portugal Finance Company Ireland Lt.</b>				Director		
<b>ENEOP – Eólicas de Portugal, S.A.</b>		Chairperson of the Board of Directors				



## ANNEX IV

### BOARD OF DIRECTORS

#### **António Mexia**, Chairman

Born in 1958. From 1979 to 1981, he held the position of assistant lecturer in the Department of Economics at the Université Genève (Switzerland), and from 1985 to 1989, he held the position of postgraduate lecturer in European Studies at Universidade Católica (Lisbon). From 1989 to 1991, he served as Assistant to the Secretary of State for Foreign Trade, and between 1991 and 1992, he served as vice-chairman of the Board of Directors of ICEP (the Portuguese Institute for Foreign Trade). Between 1992 and 1998, he served as a Director of Banco Espírito Santo de Investimentos, and in 1998 he was appointed as Chief Executive Officer of Gás de Portugal and Transgás, a position he held until 2000. From 2000 to 2001, he served as Vice-Chairman of the Board of Directors of Galp Energia, and from 2001 to 2004, he held the positions of Chief Executive Officer of Galp Energia and Chairman of the Board of Directors of Petrogal, Gás de Portugal, Transgás and Transgás-Atlântico. In 2004 he was appointed as Minister of Public Works, Transport and Communication by the Portuguese government. He was appointed Chief Executive Officer of EDP in March 2006.

He served as Chairman of the Portuguese Energy Association (APE) from 1999 to 2002, a member of the Trilateral Commission (1992-1998), vice-president of the Portuguese Industrial Association (AIP), Chairman of the General Supervisory Board of Ambelis and as a representative of the Portuguese government before the EU in the working group for the development of the pan-European networks.

He holds a degree in Economics from the Université Genève in Switzerland.

#### **Ana Maria Fernandes**, Vice-Chairman and Chief Executive Officer

She began her professional career in the area of capital markets, investments and restructuring of companies in 1986, at Conselho – Gestão e Investimentos, a company in the Banco Português do Atlântico group. Between 1989 and 1991, she was a lecturer at the University of Oporto. Also in 1989, she worked in the Corporate Finance Arm of Sociedade de Investimentos EFISA, becoming a Director of Banco EFISA. In 1992, she moved to the Banco de Fomento e Exterior group as Director of several of the investment bank subsidiaries of the group. In addition, between 1996 to 1998, she was Corporate Finance Manager of BPI. From 1998 to 2005, she then moved to holding various positions within the GALP group, including Chairman and Chief Executive Officer of GALP Power between 2002 and 2005, and from 2004 to 2005, was also a member of the Board of Directors of GALP Energia. In 2006, she was appointed a member of the Board of Directors of EDP.

She holds a degree in Economics and a post-graduate degree in Finance, both from the University of Oporto, as well as a master of Business Administration degree from the Management School of Oporto.

#### **António Martins da Costa**

Born in 1954. From 1976 to 1989, he held the position of Lecturer at the Superior Engineering Institute of Porto. In 1981 he joined EDP to work in the hydro-power generation sector, a position he held until 1989. From 1989 to 2003, he held various positions in the Banco Comercial Português group, namely as an executive member of the Board of Directors of its insurance companies and asset management operations, as well as being a General Manager of the bank. Between 1999 and 2003, he served as Deputy Chief Executive Officer and Vice-President of the Board of Directors of PZU (Poland). In 2003 he rejoined EDP as a general manager and was appointed as Chief Executive Officer and Vice-Chairman of the Board of Directors of EDP – Energias do Brasil, a position he held until being appointed as Chief Executive Officer and Chairman of the Board of Directors of Horizon in July 2007, a position he still holds. In March 2006, he was appointed as a member of the Executive Committee of EDP's Board of Directors.

He holds a degree in Civil Engineering and a master of Business Administration degree from the University of Oporto, has completed executive education studies at INSEAD (Fontainebleau) and AESE (University of Navarra), and has completed the Advanced Management Programme at the Wharton School (University of Pennsylvania).

#### **Nuno Alves**

Born in 1958. From 1988 to 2006, he held various positions at Banco Comercial Português, including: Technician in the Studies and Planning Director (1988-1990), sub-Director of the Financial Investment Director (1990-1991), Director of Investor Relations (1991-1995), Director of Private Retail Coordination (1995-2000), Director of Capital Markets for Banco CISF, Banco de Investimento do Banco Comercial Português (1996-1997). From 1999 to 2000, he served as Chairman of the Board of Directors of CISF Dealer, and in 2001 he was appointed as a Director of the money and capital markets division of Banco Millennium BCP Investimento (formerly Banco CISF). In 2006 he left Banco Millennium BCP Investimento to become the Chief Financial Officer of EDP, a position he still holds.

He holds a degree in Naval Architecture and Engineering and a master of Business Administration degree, both from the University of Michigan.

#### **João Manso Neto**

Born in 1958. From 1981 to September 2002, he held various positions within the BCP Group, including General Finance Manager and General Manager of the Treasury, Capital Markets and Large Corporate Clients Divisions, as well as Director of Big Bank Gdansk, Poland, and Banco Millennium BCP Investimento. Between September 2002 and July 2003, he also performed management functions within the BPN group. In 2003 he joined EDP as General Manager, a position he held until 2006, when he became a member of the Board of Directors of EDP. He is currently President of the Executive Committee of EDP Produção and the Chief Executive Officer of Hidrocontábrico. On the EDP Group level, he is responsible for generation and trading, regulation, power planning, and the day-to-day running of Hidrocontábrico.

He holds a degree in Economics from the Instituto Superior de Economia e Gestão de Lisboa, a postgraduate degree in European Economy from the Universidade Católica de Lisboa and the academic component of a master's degree in Economics from the Universidade Nova de Lisboa.

#### **José Silva Lopes**

Born in 1932. From 1969 to 1974, he was a member of the Board of Caixa Geral de Depósitos and Director of the Cabinet of Studies and Planning of the Ministry of Finance. In 1972, he held the position of Deputy Chief of negotiations for the free market agreement of the EC. Between 1974 and 1978, he was Minister of Finance, additionally holding the position of External Markets Minister between 1974 to 1975. Between 1975 and 1980, he held the position of Governor of the Bank of Portugal. Since January 2004, he has been Chairman of the Board of Directors of Montepio Geral.

In 2003, he was awarded the Order of Grã Cruz by the President of Portugal for his 48 years of service as an economist predominantly for the Portuguese state. In 2004, he was awarded a degree of "Doutor Honoris Causa" by Instituto Superior de Economia e Gestão. He also has a degree in Finance from the Instituto Superior de Ciências Educativas de Felgueiras.

#### **António Nogueira Leite**

Born in 1962. Between 1988 and 1996, he held the position of Consultant to several national and international institutions, including the Bank of Portugal, the OECD and the EC. Between 1995 and 1998, he was General Secretary of APRITEL, and between 2000 and 2002 was a member of the Board of Directors of APRITEL. From 1997 to 1999, he was a Director of Soporcel, S.A., between 1998 and 1999, he was a Director of Papercel, S.A., and in 1999, was a director of MC Corretagem, S.A. Also in 1999, he was appointed Chairman of the Board of Directors of Bolsa de Valores de Lisboa and became a member of the Executive Committee of Associação de Bolsas Ibero-Americanas. Since 2000, Mr. Nogueira Leite has been a member of the Consultative Council of Associação Portuguesa para o Desenvolvimento das Comunicações. Between 2000 and 2002, he was a Consultant for Vodafone – Telecomunicações Pessoais, S.A., between 2001 and 2002, he was a Consultant of GE Capital, and in 2002 was a member of the Consultant Council of IGCP. Since 2002, he has held various positions within the José de Mello group and has held directorships with numerous other entities including Rediut, SGPS, S.A., Quimigal, S.A., Brisa, S.A., ADP, S.A., Comitur, SGPS, S.A., Comitur Imobiliária, S.A., Expocomitir – Promoções e Gestão Imobiliária, S.A., Herdade do Vale da Fonte – Sociedade Agrícola, Turística e Imobiliária, S.A., e SGPS, S.A., Efacec Capital, SGPS, S.A., and Cuf – Químicos Industriais, S.A. He held a further directorship with Sociedade de Explosivos Civis, SEC, S.A. from 2007 to March 2008. Between October 1999 and August 2000, he was Secretary of State for Treasury and Finance and Governor Substitute of the European Bank of Investments. He additionally held positions with the European Bank for Reconstruction and Development, the International Monetary Fund and was a member of the Financial and Economic Council of the European Union. He was Vice-Chairman of the Consultative Council of Banif-Banco de Investimento, S.A., and Chairman of the General and Supervision Council of OPEX, S.A.

He has an undergraduate degree in Economics from the Universidade Católica Portuguesa, a master of science degree in Economics, and a Ph.D. in Economics from the University of Illinois.

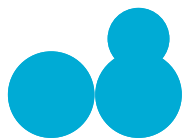
#### **Rafael Caldeira Valverde**

Born in 1953. In 1991, he joined Banco Espírito Santo de Investimento, S.A. and was the Director Responsible for Financial Services Management, Client Management, Structured Financing Management, Capital Markets Management, and for the Department for Origination and Information. In March 2005, he was appointed as Vice-Chairman of the Board of Directors of Banco Espírito Santo de Investimento, S.A. and formed part of the Executive Committee of the company.

He has an undergraduate degree in Economics from the Instituto de Economia da Faculdade Técnica de Lisboa.

#### **José Fernando Maia de Araújo e Silva**

Born in 1951. He began his professional career as an Assistant Lecturer at Faculdade de Economia do Porto. From 1991 he was invited to be a Lecturer at Universidade Católica do Porto and additionally held a part-time position as Technician for Comissão de Coordenação da Região Norte. He has since held the position of Director of several companies, including of Banco Espírito Santo e Comercial de Lisboa and Soserfin – Sociedade Internacional de Serviços Financeiros – Oporto group. He has been involved in the Finance and Management Coordination of Sonae Investimentos SGPS, was Executive Director of Sonae Participações Financeiras, SGPS, S.A. and was Vice-Chairman of Sonae Indústria, SGPS, S.A. He has additionally held directorships with Tafisa, S.A., Spread



## ANNEX IV

SGPS, S.A. and Corticeira Amorim, SGPS. He presently serves on the Board of Directors of Caixa Geral de Depósitos, S.A. He has an undergraduate degree in Economics from the Faculdade de Economia do Porto and has obtained certificates from Universidade de Paris IX, Dauphine and the Midland Bank International banker's course in London.

### **Manuel Menéndez Menéndez**

Born in 1960. He has been a member of the Board of Directors and a member of the Executive Committee of each of Cajastur and Hidrocontábrico. He has been a member of the Board Directors, Executive Committee and Audit and Control Committee of AIRTEL. He has also been a member of the Board of Directors of LICO Corporación and ENCE, Vice-Chairman of the board of SEDES, S.A. and Executive Chairman of Sociedade de Garantias Recíprocas de Astúrias. Currently, he is Chairman of Cajastur, Hidrocontábrico and Naturgas Energia, a member of the Board of NEO and Confederación Española de Cajas de Ahorros, a member of the Junta Directiva of UNESA and a member of Registro Oficial de Auditores de Cuentas. He also represents Peña Rueda, S.L. (a subsidiary of Cajastur) on the Board of Directors of Enagas.

He has an undergraduate degree in Economics and Company Management and a Ph.D. in Economic Sciences, each from the University of Oviedo. He has been appointed university professor of Company Management and Accounts at the University of Oviedo.

### **Jorge Santos**

Born in 1951. From 1997 to 1998, he coordinated the Committee for Evaluation of the EC Support Framework II and was a member of the Committee for the Elaboration of the ex-ante EC Support Framework III. From 1998 to 2000, he Chairman of the Unidade de Estudos sobre a Complexidade na Economia and from 1998 to 2002 was Chairman of the Scientific Council of Instituto Superior de Economia e Gestão of the Universidade Técnica de Lisboa. From 2001 to 2002, he coordinated the Committee for the Elaboration of the Strategic Programme of Economic and Social Development for the Peninsula of Setúbal. Since 2007, he has been Coordinator of the masters program in Economics, and since 2008, he has been a member of the Representatives Assembly of Instituto Superior de Economia e Gestão of the Universidade Técnica de Lisboa.

He has an undergraduate degree in Economics from Instituto Superior de Economia, a master degree in Economics from the University of Bristol and a Ph.D. in Economics from the University of Kent. He additionally has a doctorate degree in Economics from the Instituto Superior de Economia e Gestão of Universidade Técnica de Lisboa, and has consequently held the positions of Auxiliary Professor and Associate Professor with Universidade Técnica de Lisboa. He has been appointed as university professor (catedrático) of Universidade Técnica de Lisboa.

### **Francisco José Queiroz de Barros de Lacerda**

Born in 1960. From 1984 to 1985, he was an Assistant Lecturer at Universidade Católica Portuguesa. Between 1982 and 1990, he held the position of Technician and Director of Locapor (Leasing), CISF and Hispano Americano-Sociedade de Investimentos. Between 1990 and 2000, he joined the Management Team of the José de Mello group as Director of UIF, SGPS. Between 1991 and 2000, he was a Director of Banco Mello, and, from 1993 to 2000, additionally held the position of Chairman of the Executive Committee of Banco Mello. Between 1997 and 2000, he was Vice-Chairman of the Board of Directors of Banco Mello, and since 2000 has been a Director of Insurance Company Império and Chairman or Director of several banks and financial companies of the Banco Mello group. Between 2000 and 2008, he was a member of the Executive Board of Directors of Banco Comercial Português, S.A., and in this capacity was responsible for the activity of the group in investment banking in Europe. He is presently a member of the board of Mague – SPGS, S.A. He has an undergraduate degree in Company Administration and Management from Universidade Católica Portuguesa.

### **João Manuel de Mello Franco**

Born in 1946. Between 1986 and 1989, he was a member of the Management Council of Tecnologia das Comunicações, Lda. Between 1989 to 1994, he was Chairman of the Board of Directors of Telefones de Lisboa e Porto, S.A., and between 1993 to 1995 he was Chairman of Associação Portuguesa para o Desenvolvimento das Comunicações. From 1994 to 1995, he was Chairman of the Board of Directors of Companhia Portuguesa Rádio Marconi and additionally was Chairman of the Board of Directors of Companhia Santomense de Telecomunicações e da Guiné Telecom. From 1995 to 1997, he was Vice-Chairman of the Board of Directors and Chairman of the Executive Committee of Lisnave (Estaleiros Navais) S.A. Between 1997 and 2001, he was Chairman of the Board of Directors of Soponata and was a Director and Member of the Audit Committee of International Shipowners Reinsurance, Co S.A. Between 2001 and 2004, he was Vice-Chairman of José de Mello Imobiliária SGPS, S.A., and was Chairman of the Boards of Directors of IMOPÓLIS, S.A., José de Mello Residenciais & Serviços, S.A. and Engimais, S.A. Since 1998, he has been a Director of Portugal Telecom SGPS, S.A., Chairman of the Audit Committee since 2004, and Chairman of the Corporate Governance Committee since 2006. He has an undergraduate degree in Mechanical Engineering from Instituto Superior Técnico.

He additionally holds a certificate in Strategic Management and Company Boards and is the holder of a grant of Junta de Energia Nuclear.

**João José Belard da Fonseca Lopes Raimundo**

Born in 1960. Between 1982 to 1985 he was Senior Auditor of BDO – Binder Dijker Otte Co. Between 1987 to 1990, he was Director of Banco Manufactures Hanover (Portugal), S.A. and between 1990 to 1993 was a member of the Board of TOTTAFactor, S.A. (Grupo Banco Totta e Açores) and Valores Ibéricos, SGPS, S.A. In 1993, he held directorships with Nacional Factoring, da CISF – Imóveis and CISF Equipamentos. Between 1995 and 1997 he was a director of CISF – Banco de Investimento and a member of the Board of Directors of Nacional Factoring. In 1998, he was appointed to the board of several companies, including Leasing Atlântico, Comercial Leasing, Factoring Atlântico, Nacional Leasing and Nacional Factoring. From 1999 to 2000, he was a member of the Board of BCP Leasing, BCP Factoring and Leasefactor SGPS. From 2000 to 2003, he was appointed Chairman of the Board of Directors of Banque BCP (Luxemburg) and Chairman of the Executive Committee of Banque BCP (France). Between 2003 and 2006 he was a member of Management of Banque Prive BCP (Switzerland) and was General Director of private banking of BCP. Since 2006, he has been a member of the Board of Directors of Banco Millennium BCP de Investimento, and General Director of Banco Comercial Português. Mr. Lopes Raimundo is presently Vice-Chairman of the General Board of Millennium Angola. He has an undergraduate degree in Company Management and Administration from Universidade Católica Portuguesa de Lisboa, and a Master of Business Administration degree from INSEAD.

**Daniel M. Kammen**

Born in 1962. Between 1988 and 1991, he was a research fellow in the Division of Engineering and Applied Science and the Division of Biology at the California Institute of Technology and a post-doctorate researcher of Weizmann & Bantrell in the Engineering and Applied Science and Biology Department at California Institute of Technology. Between 1991 and 1993, he was a Research Collaborator for Science and International Affairs at the John F. Kennedy School of Government, Harvard University. Between 1991 and 1993, he was a Research Associate for the Northeast Regional Centre for Global Environmental Change and the Department of Physics, Harvard University. In 1993, he was appointed a permanent fellow at the African Academy of Sciences. Between 1993 and 1999, he was a member of the Research Faculty at the Centre for Energy and Environmental Studies at the School of Engineering and Applied Science at Princeton University. Between 1997 and 1999, he was Class of 1934 Preceptor at the Woodrow Wilson School of Public and International Affairs at Princeton University, and between 1998 to 1999 he was Chair of the Science, Technology and Environmental Policy Program (STEP) of the same institution. Between 1998 and 2001, he was an Associate Professor of the Energy and Resource Group and between 1999 and 2001 was an Associate Professor of Nuclear Engineering at the University of California, Berkeley. In 1999, he was a founding Director of the Renewable and Appropriate Energy Laboratory (RAEL) of the University of California, Berkeley. From 2000 to 2001, he joined the Core Management Team of the Commission of Power of California Public Interest Environmental Research – Environmental Area. Between 2004 and 2009, he was the Director of the University of California, Berkeley, and Industrial Technology Research Institute of Taiwan. In 2005, he was appointed Co-director of the Berkeley Institute of the Environment. In 2006, he was appointed a member of the Energy and Resources Group and in 2007 held the position of Coordinator of the Science and Impact Sector in the Energy Biosciences Institute. In addition, since 2001, he has been a Professor of Public Policy of the Goldman School of Public Policy, University of California, Berkeley. He is also an author of several studies and has received several awards in the Energy sector.

He has an undergraduate degree, a masters degree and a Ph.D. each in Physics.

**SECRETARY OF THE BOARD****Emilio García-Conde Noriega**

Born in 1955. In 1981, he joined Soto de Ribera Power Plant, which was owned by a consortium comprising Electra de Viesgo, Iberdrola and Hidrocontábrico, as Legal Counsel. In 1995, he was appointed General Counsel of Soto de Ribera Power Plant, and also Chief of Administration and Human Resources of the consortium. In 1999, he was appointed Legal Counsel at Hidrocontábrico, and in 2003 was appointed General Counsel of Hidrocontábrico and also a member of its Management Committee. He presently serves as General Counsel of the Company, as Secretary of the Board, and is also Director and Secretary of the Boards of Directors of a number of the Company's subsidiaries in Spain.

He holds a masters degree in Law from the University of Oviedo.

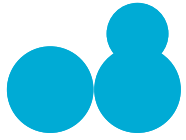


ANNEX V

EDP RENOVÁVEIS SHARES OWNED BY MEMBERS OF THE BOARD OF DIRECTORS AS AT 31.12.2008

Name	Direct	Indirect	Total
António Luís Guerra Nunes Mexía	3,880	320	4,200
Ana Maria Machado Fernandes	1,510	0	1,510
João Manuel Manso Neto	0	0	0
Nuno Maria Pestana de Almeida Alves	5,000	0	5,000
António Fernando Melo Martins da Costa	1,330	150	1,480
Francisco José Queiroz de Barros de Lacerda	310	310	620
João Manuel de Mello Franco	380	0	380
Jorge Manuel Azevedo Henriques dos Santos	200	0	200
José Silva Lopes	760	0	760
José Fernando Maia de Araújo e Silva	80	0	80
Rafael Caldeira de Castel-Branco Valverde	0	0	0
António do Pranto Nogueira Leite	0	0	0
João José Belard da Fonseca Lopes Raimundo	170	670	840
Daniel M. Kammen	0	0	0
Manuel Menéndez Menéndez	0	0	0

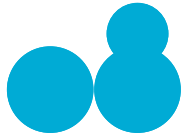




**EXTRACT OF MINUTES OF GENERAL MEETING**





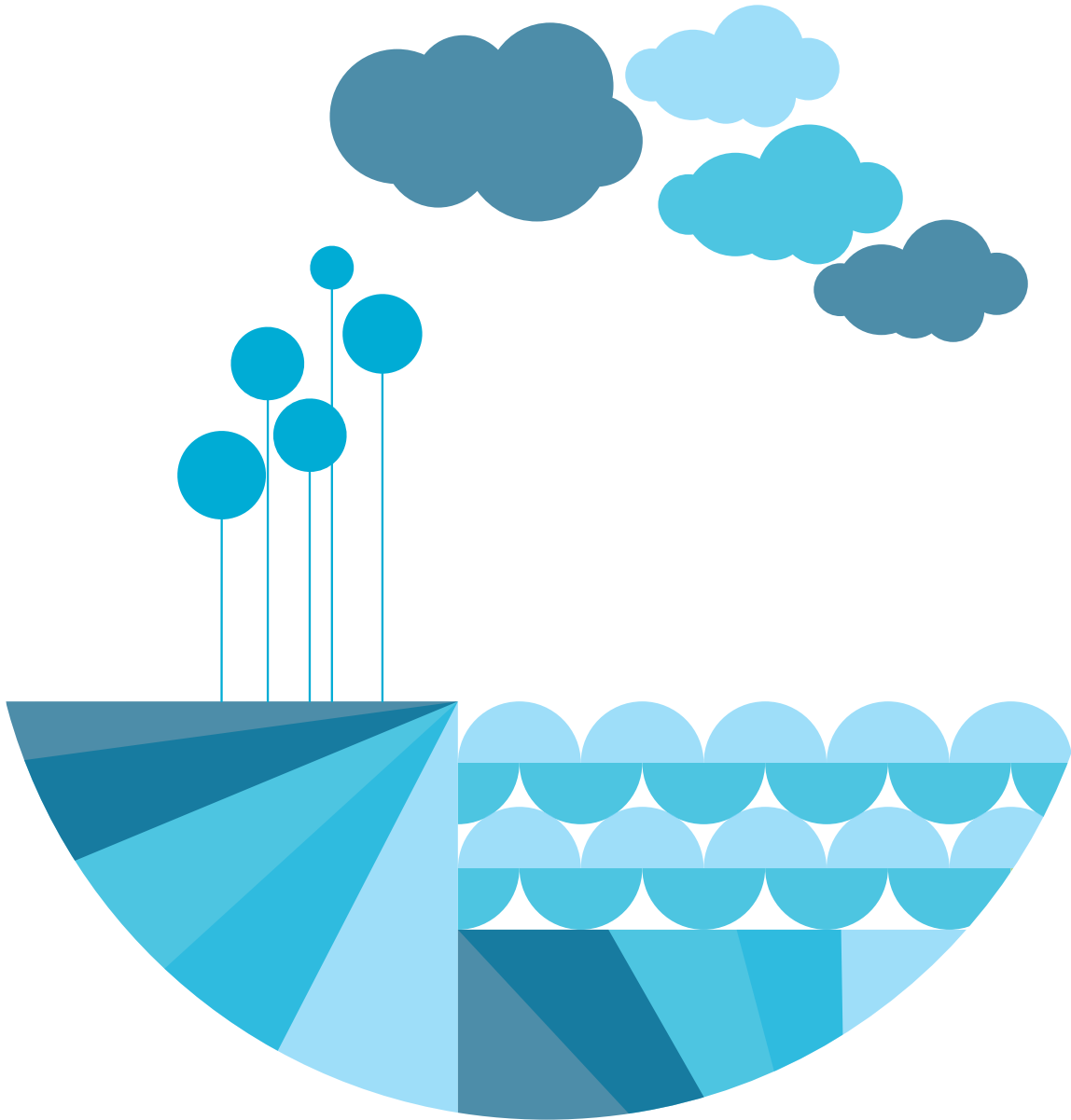
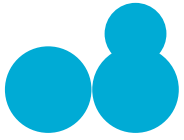


**EXTRACT OF MINUTES OF GENERAL MEETING**









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**Additional Information**

For further information about the EDP Renováveis Group, visit [www.edprenovaveis.com](http://www.edprenovaveis.com) where the electronic version of the EDP Renováveis 2008 Annual Report is also available.

