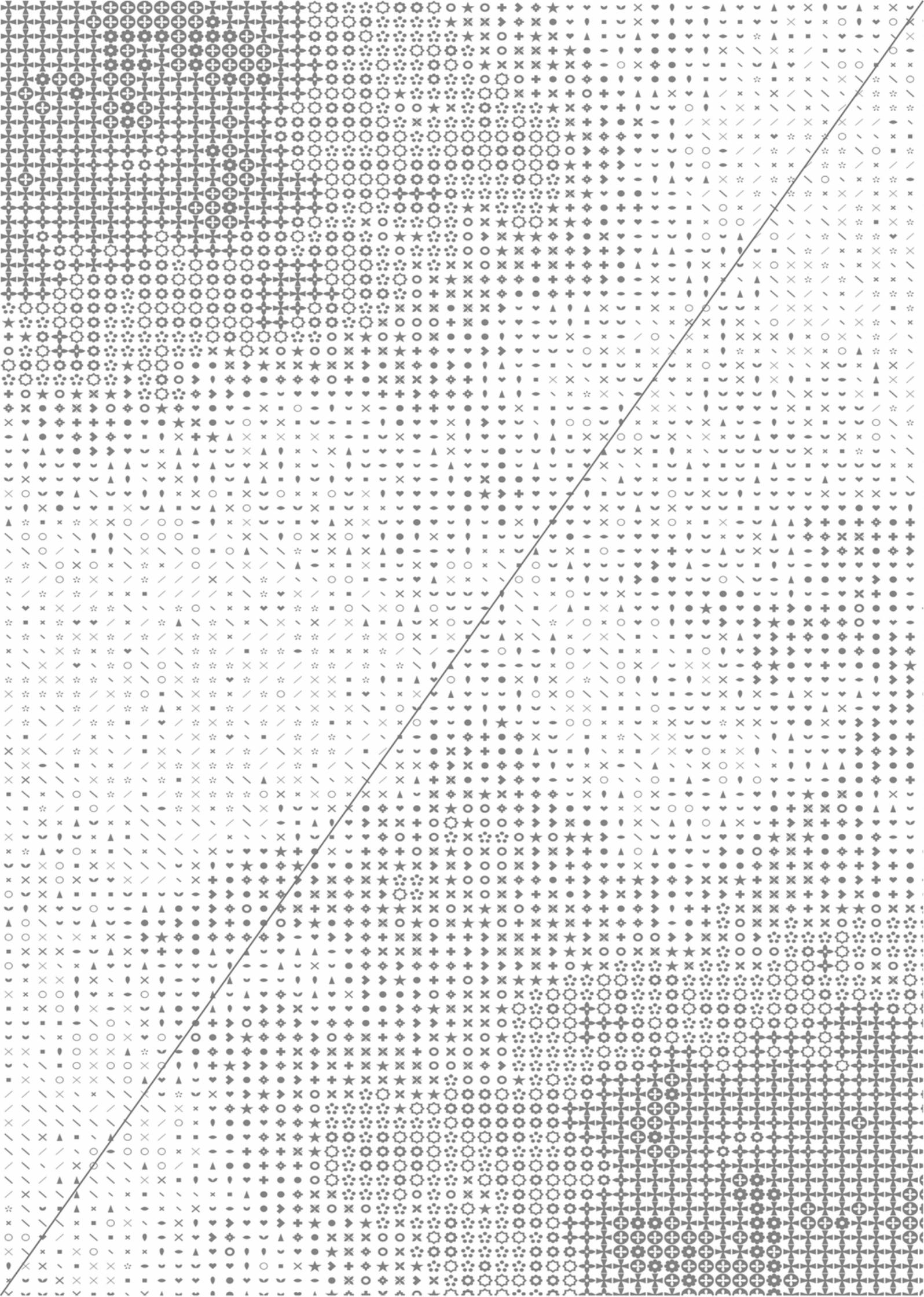


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CORPORATE GOVERNANCE REPORT **2014**



CORPORATE GOVERNANCE

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**PART I:
INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND
CORPORATE GOVERNANCE**

A. SHAREHOLDER STRUCTURE

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I. CAPITAL STRUCTURE

1. CAPITAL STRUCTURE

EDP Renováveis, S.A. (hereinafter referred to as EDP Renováveis, EDPR or the Company) total share capital is, since its initial public offering (IPO) in June 2008, EUR 4,361,540,810 consisting of issued and fully paid 872,308,162 shares with nominal value of EUR 5.00 each. All the shares are part of a single class and series and are admitted to trading on the NYSE Euronext Lisbon regulated market.

Codes and tickers of EDP Renováveis SA share:
ISIN: ES0127797019
Bloomberg Ticker (NYSE Euronext Lisbon):EDPR PL
Reuters RIC: EDPR LS

EDPR main shareholder is EDP Group, with 77.5% of share capital and voting rights. Excluding EDP Group holding, EDPR shareholders comprise about 81,000 institutional and private investors spread across more than 23 countries with main focus in United States, United Kingdom, Portugal, Australia, Norway and France.

Institutional Investors represented 90% of Company shareholders (ex-EDP Group), mainly Investments and SRI funds, while Private Investors, mostly Portuguese, stand for 10%.

2. RESTRICTIONS TO THE TRANSFERABILITY OF SHARES

EDPR's Articles of Association have no restrictions on the transferability of shares.

3. OWN SHARES

EDPR does not hold own shares.

4. CHANGE OF CONTROL

EDPR has not adopted any measures designed to prevent successful takeover bids.

The Company has taken no defensive measures for cases of a change in control in its shareholder structure.

EDPR has not entered into any agreements subject to the condition of a change in control of the Company, other than in accordance with normal practice. In the case of financing of certain wind farm projects, lenders have the right to approve change in control at the borrower if the later ceased to be controlled, directly or indirectly, by EDPR. In the case of guarantees provided by EDP Group companies, if EDP, directly or indirectly ceases to have the majority of EDPR then EDP is no longer obliged to provide such services or guarantees. The relevant subsidiaries will

be obliged to provide for the cancellation or replacement of all outstanding guarantees within 60 days of the change of control event.

In the cases of intra-group services agreements and according to the Frame Agreement signed between EDP Renováveis S.A. and EDP Energias de Portugal S.A., the contracts will maintain their full force as long as EDP maintains its share capital above 50% or the right to exercise directly or indirectly more than 50% of voting rights on EDPR's share capital. Even if the share capital of EDP or its voting rights are below 50%, the contract is maintained as long as half of the Members of the Board or of EDPR's Executive Committee are elected through an EDP proposal.

5. SPECIAL AGREEMENTS REGIME

EDPR does not have a system for the renewal or withdrawal of counter measures particularly to provide for the restriction on the number of votes capable of

being held or exercised by only one shareholder individually or together with other shareholders.

6. SHAREHOLDERS AGREEMENTS

The Company is not aware of any shareholders' agreement that may result in restrictions on the transfer of securities or voting rights.

II. SHAREHOLDINGS AND BONDS HELD

7. QUALIFIED HOLDINGS

Qualifying holdings in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholder's holdings. Pursuant the Article 23 and Article 24, of the Spanish Securities Market Law ("Ley de Mercado de Valores") EDPR is providing the following information on qualifying holdings and their voting rights as at December 31st 2014.

In 2014 EDPR did not receive notifications regarding qualified holdings.

As of December 31st 2014 the following qualified holdings were identified:

Shareholder	# Shares	% Capital	% Voting Rights
EDP Group:			
EDP Energias de Portugal S.A. Sucursal en España	541,027,156	62.0%	62.0%
Hidroeléctrica del Cantábrico S.A.	135,256,700	15.5%	15.5%
Total EDP Group:	676,283,856	77.5%	77.5%

EDP Group detains 77.5% of EDPR capital and voting rights, of which 62.0% through EDP – Energias de Portugal, S.A. – Sucursal en España and 15.5% through its fully owned Hidroeléctrica del Cantábrico, S.A..

MFS Investment Management:

Total MFS Investment Management	27,149,038	3.1%	3.1%
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On September 24th 2013, MFS Investment Management, an American based active and global asset manager, reported to CNMV its indirect qualified position as collective investment institution.

Total Qualified Holdings	703,432,894	80.6%	80.6%
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As of December 31st 2014, EDPR's shareholder structure consisted of a total qualified shareholding of 80.6%, with EDP Group and MFS Investment

Management detaining 77.5% and 3.1% of EDPR capital respectively.

8. SHARES HELD BY THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

The table below reflects the number of EDPR shares owned, directly or indirectly, by the Board Members, as of December 31st of 2014. The transactions of shares by EDPR Board Members are reported to the

regulatory and supervisory entities (CMVM – Comissão de Mercado de Valores Mobiliários – in Portugal and CNMV – Comisión Nacional del Mercado de Valores – in Spain).

Board Member	Transactions in 2014				# Shares as of 31 st Dec 2014		
	Type	Date	# Shares	Price	Direct	Indirect	Total
António Mexia	-	-	-	-	3,880	320	4,200
João Manso Neto	-	-	-	-	-	-	-
Nuno Alves	-	-	-	-	5,000	-	5,000
Rui Teixeira	-	-	-	-	12,000	370	12,370
Gabriel Alonso	-	-	-	-	26,503	-	26,503
João Paulo Costeira	-	-	-	-	3,000	-	3,000
João Lopes Raimundo	-	-	-	-	170	670	840
João Manuel de Mello Franco	-	-	-	-	380	-	380
Jorge Santos	-	-	-	-	200	-	200
José Araújo e Silva	-	-	-	-	80	-	80
Manuel Menéndez Menéndez	-	-	-	-	-	-	-
Rafael Caldeira Valverde	-	-	-	-	-	-	-
Gilles August	-	-	-	-	-	-	-
João Marques da Cruz	-	-	-	-	1,200	-	1,200
Acácio Piloto	-	-	-	-	300	-	300
António Nogueira Leite	-	-	-	-	400	-	400
José Ferreira Machado	-	-	-	-	630	-	630

9. POWERS OF THE BOARD OF DIRECTORS

The Board of Directors is vested with the broadest powers to manage, supervise and govern the Company, with no other limitations besides the powers expressly granted to the exclusive jurisdiction of General Meetings in Article 13 of the Company's Articles of Association or in the applicable law. Within this context, the Board is empowered to:

- Acquire on a lucrative or onerous title basis personal and real property, rights, shares and interests that may suit the Company;
- Sell and mortgage or charge personal and real property, rights, shares and interests of the Company and cancel mortgages and other rights *in rem*;
- Negotiate and conclude as many loans and credit operations that it may deem appropriate;
- Enter and formalize all sorts of acts or contracts with public entities or private persons;
- Exercise civil and criminal actions and all further actions to be undertaken by the Company, representing it before governmental officers, authorities, corporations, governing, administrative, administrative-economic, administrative-litigation and judicial courts, labour courts and the labour sections ("Juzgados de lo Social e Salas de lo Social") of the Supreme Court and of the High Courts of the Autonomous Communities, with no limitations whatsoever, including before the European Court of Justice, and in general before the Government, in all its levels and hierarchies; to intervene or promote, follow and terminate, through all procedures and instances, the processes, court sections or proceedings; to accept decisions, to file any kind of appeal, including the cassation one and other extraordinary appeals, to discontinue or confess, to agree an early termination of a proceeding, to submit litigious questions to arbitration judges, and to carry out all sorts of notices and requirements and to grant a Power of Attorney to Court Representatives and other representatives, with the case-related powers and the powers which are usually granted to litigation cases and all the special powers applicable, and to revoke such powers;
- Agree the allotment of dividends;
- Call and convene General Meetings and submit to them the proposals that it deem appropriate;
- Direct the Company and organize its operations and

exploitations by acknowledging the course of the Company businesses and operations, managing the investment of funds, making extraordinary depreciations of bonds in circulation and realizing anything that it is considered appropriate to obtain maximum gains towards the object of the Company;

- Freely appoint and dismiss Directors and all the Company's technical and administrative personnel, defining their office and their retribution;
- Agree any changes of the registered office's address within the same borough;
- Incorporate under the law all sorts of legal persons; contribute and assign all sorts of assets and rights, as well as entering merger and cooperation agreements, association, grouping and temporary union agreements between companies or businesses and joint property agreements and agreeing their alteration, transformation and termination;
- All further powers expressly granted to the Board in these Articles or in the applicable law. This list is without limitations and has a mere indicative nature.

Regarding the decisions to increase the share capital, the Board of Directors does not have this power but, subject to prior delegation from the General Shareholders' Meeting, would be able to decide the increase of the share capital. This delegation must comply with the law and the By-Laws.

On the other hand, the General Shareholders' 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 Shareholders' Meeting. 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 Shareholders' Meeting must be informed at the end of the time limit or limits for performing it.

As of today this power has never been delegated.

On December 24th, 2014 a modification to the Spanish Companies Law has entered into force (Ley 31/2014). This Law will be applicable from 2015 onwards. One of the modifications is regarding the Board of Directors powers according to the new wording of article 249 of Spanish Companies Law.

10. SIGNIFICANT BUSINESS RELATIONSHIPS BETWEEN THE HOLDERS OF QUALIFYING HOLDINGS AND THE COMPANY

Information on any significant business relationships between the holders of qualifying holdings and the Company are on topic 90 of this Report.

**PART I:
INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION
AND CORPORATE GOVERNANCE**

B. CORPORATE BOARDS AND COMMITTEES

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I. GENERAL MEETING

A. COMPOSITION OF THE PRESIDING BOARD OF THE GENERAL MEETING

11. BOARD OF THE GENERAL SHAREHOLDERS' MEETING

The Members of the Board of the General Shareholders' Meeting are the Chairman of the General Shareholders' Meeting, the Chairman of the Board of Directors, or his substitute, the other Directors, and the Secretary of the Board of Directors.

The Chairman of the General Shareholders' meeting is José António de Melo Pinto Ribeiro, who was elected on the general meeting of April 8th 2014 for a three-year term.

The Chairman of the Board of Directors is António Mexia, who was re-elected on June 21st, 2011 for a three-year term. Although the term of office has ended on June 21st, 2014, according to EDPR's personal law is still in force till the next Ordinary General Shareholders' Meeting that will take place on April 9th, 2015.

The Secretary of the General Shareholders' Meeting is Emilio García-Conde Noriega who was nominated as Secretary of the Board of Directors on December 4th, 2007. The Secretary of the Board of Directors mandate does not have a date for the end of the term according to the Spanish Companies Law since he is a non-Member of the Board.

The Chairman of the General Shareholders' Meeting of EDPR has the appropriate human and logistical resources for his needs. Therefore in addition to the resources provided by the Company's Secretary the Company hires a specialized entity to collect, process and count the votes on each General Shareholders' Meeting.

B. EXERCISING THE RIGHT TO VOTE

12. RESTRICTIONS VOTING RIGHTS

Each share entitles its holder to one vote. EDPR's Articles of Association have no restrictions regarding voting rights.

13. VOTING RIGHTS

EDPR's Articles of Association has no reference to a maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship. All shareholders, irrespective of the number of shares that they own, may attend a General Shareholders' Meeting and take part in its deliberations with right to speak and vote.

In order to exercise their right to attend, the Company informs in its Summon and Shareholders Guide of the General Shareholders' Meeting that the 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 Shareholders' Meeting.

Any shareholder with the right to attend may be represented at the General Shareholders' Meeting by a third party, even if this person is not a shareholder. Such 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.

Said powers of attorney shall be specific to each General Shareholders' Meeting and can be evidenced, in writing or by remote means of communication, such as mail post.

Shareholders may vote on the meeting's agenda, relating to any matters of the Shareholder's

competence, by mail or electronic communication.

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 Shareholders' Meeting by the shareholder who casted the vote to his/her representative.

The Board of Directors approves a Shareholder's Guide for the General Shareholders' Meeting, detailing mail and electronic communication voting forms among other matters. It is at the shareholder's disposal at www.edprenovaveis.com.

Votes by mail shall be sent in writing to the place indicated on the summon of the meeting, accompanied by the documentation indicated in the Shareholder's Guide. Pursuant to the terms of article 15 of the Articles of Association, mail-in votes must be received by the Company before midnight (24.00 hours) of the day before the scheduled meeting date of the first call.

In order to vote by electronic communication, the shareholders who requested will receive a password within the time limit and in the form established in the call of the General Shareholders' Meeting. Pursuant to the terms of article 15 of the Articles of Association, electronic votes must be received by the Company before midnight of the day before the scheduled meeting date of the first call.

14. DECISIONS THAT CAN ONLY BE ADOPTED BY A QUALIFIED MAJORITY

According to EDPR's Articles of Association and as established on the law, both ordinary and extraordinary General Shareholders' Meetings are validly constituted when first called if the Shareholders, either present or represented by proxy, represent at least twenty five percent (25%) of the subscribed voting capital. On the second call, the General Shareholders' Meeting will be validly constituted regardless of the amount of the capital present.

To validly approve the issuance of bonds, the increase or reduction of capital, the transformation, merger or spin-off of the Company, and in general any necessary amendment to the Articles of Association, the Ordinary or Extraordinary Shareholders' Meeting will need: on the first call, that the Shareholders, either present or represented by proxy, represent at least fifty percent (50%) subscribed voting capital and, on the second call, that the Shareholders, either present or represented by proxy, represent at least twenty five percent (25%) of the subscribed voting capital. In the event that the shareholders attending represent less than fifty percent (50%) of the

subscribed voting capital, the above mentioned resolutions will only be validly adopted with the favourable vote of two-thirds (2/3) of the present or represented capital in the General Shareholders' Meeting.

EDPR has not established any mechanism that may intend to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share and has not adopted mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.

Concerning the above mentioned and according to the modification introduced on the Spanish Companies Law published on December 24th, 2014, EDPR will present on the next General Shareholders Meeting a proposal to modify the Articles of Association in order to include the changes introduced the new percentage for the valid constitution of the General Shareholders Meeting that are more favourable to the shareholders and more protective of their position.

II. MANAGEMENT AND SUPERVISION

A. COMPOSITION

15. CORPORATE GOVERNANCE MODEL

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. EDPR's corporate organization is subject to its personal law and to the extent possible, to the recommendations contained in the Portuguese Corporate Governance Code, ("Código de Governo das Sociedades") approved by the Comissão do Mercado de Valores Mobiliários (CMVM) (Portuguese Securities Market Commission) in July 2013. This governance code is available to the public at CMVM website (www.cmvm.pt).

The organization and functioning of EDPR corporate governance model aims to achieve the highest standards of corporate governance, business conduct and ethics referenced on the best national and international practices in corporate governance.

EDPR has adopted the governance structure in effect in Spain. It comprises a General Shareholders' Meeting 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. These are the Executive Committee, the Audit and Control Committee, the Nominations and Remunerations Committee and the Related-Party Transactions Committee.

In order to ensure a better understanding of EDPR corporate governance by its shareholders, the Company posts its updated Articles of Association as well as its Committees Regulations at www.edprenovaveis.com.

The governance model of EDPR was designed to ensure the transparent, meticulous separation of duties and the specialization of supervision. EDPR's

bodies for the management and supervision model are the following:

- General Shareholders' Meeting
- Board of Directors
- Executive Committee
- Audit and Control Committee
- External auditor

The purpose of the choice of this model is to adapt, to the extent possible, the Company's corporate governance structure to the Portuguese legislation. The governance model adopted by EDPR therefore seeks, as far as it is compatible with its personal law, to correspond to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is the Board of Directors, and the supervision and control duties are of the responsibility of an Audit and Control Committee.

The experience of institutional operating indicates that the governance model adopted by the shareholders is appropriate to the corporate organization of EDPR activity, especially because it affords transparency and a healthy balance between the management functions of the Executive Committee, the supervisory functions of the Audit and Control Committee and oversight by different Board of Directors special committees.

The institutional and functional relationship between the Executive Committee, the Audit and Control Committee and the other non-executive members of the Board of Directors has been of internal harmony conducive to the development of the Company's business.

16. RULES FOR THE NOMINATION AND REPLACEMENT OF DIRECTORS

According to Article 29.5 of the Company's Articles of Association, the Nominations and Remunerations Committee is empowered by the Board of Directors to advise and inform the Board regarding nominations (including by co-option), re-elections, dismissal and remuneration of Board Members and of its duties, as well as regarding the composition of the several Committees of the Board. The Committee also advises on the appointment, remuneration and dismissal of top management officers. The Committee proposes the nomination and re-election of the Directors and of the members of the various Committees by presenting a proposal with the names of the candidates that considers having the best qualities to fulfil the role of Board Member. The Board of Directors submit a proposal to the General Shareholders' Meeting, which should be approved by majority for an initial period of three (3) years and may re-elect these members once or more times for further periods of three (3) years.

Pursuant to Article 23 of the Articles of Association

and 243 of the Spanish Companies Law, shareholders may group their shares until constituting an amount of capital equal or higher than the result of dividing the company's capital by the number of Directors, and in such case said shareholders are entitled to nominate a number of Directors equal to the result of the fraction using only whole amounts. Those making use of this power cannot intervene in the nomination of the other members of the Board of Directors.

In case of a vacancy, pursuant to Article 23 of the Articles of Association and 244 of the Spanish Companies Law, the Board of Directors may co-opt a shareholder, who will occupy the position until the next General Shareholders' Meeting, to which a proposal will be submitted for the ratification of said co-option. Pursuant to Article 248 of the Spanish Companies Law, the co-option of Directors must be approved by absolute majority of the Directors at the meeting.

17. COMPOSITION OF THE BOARD OF DIRECTORS

Pursuant to Articles 20 and 21 of the Company's Articles of Association, the Board of Directors shall consist of no less than five (5) and no more than seventeen (17) Directors. The term of office shall be of three (3) years, and may be re-elected once or more times for equal periods.

The number of Board Members was established in seventeen (17) members according to the decision of the General Shareholders' Meeting held on June 21st, 2011.

Board Member	Position	Date of first appointment	Date of re-election	End of term
António Mexia	Chairman	18/03/2008	21/06/2011	21/06/2014
João Manso Neto	Vice-Chairman, CEO	18/03/2008	21/06/2011	21/06/2014
Nuno Alves	Director	18/03/2008	21/06/2011	21/06/2014
Rui Teixeira	Director	11/04/2011	21/06/2011	21/06/2014
Gabriel Alonso	Director	21/06/2011	-	21/06/2014
João Paulo Costeira	Director	21/06/2011	-	21/06/2014
João Lopes Raimundo	Director	04/06/2008	21/06/2011	21/06/2014
João Manuel de Mello Franco	Director	04/06/2008	21/06/2011	21/06/2014
Jorge Santos	Director	04/06/2008	21/06/2011	21/06/2014
José Araújo e Silva	Director	04/06/2008	21/06/2011	21/06/2014
Manuel Menéndez Menéndez	Director	04/06/2008	21/06/2011	21/06/2014
Rafael Caldeira Valverde	Director	04/06/2008	21/06/2011	21/06/2014
Gilles August	Director	14/04/2009	21/06/2011	21/06/2014
João Marques da Cruz	Director	16/05/2012	21/06/2011	21/06/2014
Acácio Piloto	Director	26/02/2013	-	21/06/2014
António Nogueira Leite	Director	26/02/2013	-	21/06/2014
José Ferreira Machado	Director	26/02/2013	-	21/06/2014

Despite the fact that the term of office of all the Members of the Board ended on June 21st, 2014, according to the Spanish Law, EDPR's personal law, the Members of the Board maintain their terms in full

force till the next Ordinary General Shareholder's Meeting, which is foreseeing to take place on April 9th, 2015.

18. EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

EDPR's Articles of Association, which are available for consultation on the Company's website (www.edprenovaveis.com), contains the rules on independence for the fulfilment of duties in any body of the Company. The independence of the Directors is evaluated according to the Company's personal law, the Spanish law.

Following the recommendations of CMVM, Article 12 of the Board of Directors regulations requires that at least twenty-five percent (25%) of the Members of the Board have to be independent. Article 20.2 of EDPR's Articles of Association defines independent members of the Board of Directors as those who are able to perform their duties without being limited by

relations with the Company, its shareholders with significant holdings, or its Directors and comply with the other legal requirements.

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 EDPR and those who are related to the above. A Company shall be considered to be a competitor of EDPR 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 EDPR, 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 EDPR, including abroad, be considered competitors;

- 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.

The Chairman of EDPR's Board of Directors does not have executive duties.

The following table includes the executive, non-executive and independent members of the Board of Directors. The independent members mentioned below meet the independence and incompatibility criteria's required by the law and the Articles of Association.

Board Member	Position	Independent
António Mexia	Chairman and Non-Executive Director	-
João Manso Neto	Executive Vice-Chairman and Executive Director	-
Nuno Alves	Executive Director	-
Rui Teixeira	Executive Director	-
Gabriel Alonso	Executive Director	-
João Paulo Costeira	Executive Director	-
João Lopes Raimundo	Non-Executive Director	Yes
João Manuel de Mello Franco	Non-Executive Director	Yes
Jorge Santos	Non-Executive Director	Yes
José Araújo e Silva	Non-Executive Director	Yes
Manuel Menéndez Menéndez	Non-Executive Director	-
Rafael Caldeira Valverde	Non-Executive Director	Yes
Gilles August	Non-Executive Director	Yes
João Marques da Cruz	Non-Executive Director	-
Acácio Piloto	Non-Executive Director	Yes
António Nogueira Leite	Non-Executive Director	Yes
José Ferreira Machado	Non-Executive Director	Yes

19. PROFESSIONAL QUALIFICATIONS AND BIOGRAPHIES OF THE MEMBERS OF THE BOARD OF DIRECTORS

The positions held by the members of the Board of Directors in the last five (5) years, those that they currently hold, positions in Group and non-Group

companies and other relevant curricular information is available in the Annex of this Report.

20. FAMILY, PROFESSIONAL AND BUSINESS RELATIONSHIPS OF THE MEMBERS OF THE BOARD OF DIRECTORS WITH QUALIFYING SHAREHOLDERS

Qualifying Shareholders in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholder's holdings. As of December 31st 2014, and as far as the Company was informed, there are no family or business relationships of Members of the Board of Directors with qualifying shareholders but only professional relationships due to the fact that some of the Members of EDPR's Board of Directors are currently Members of the Board of Directors in other companies belonging to the same group as EDP Energias de Portugal S.A., which are the following:

- António Mexia;
- João Manso Neto;
- Nuno Alves;
- Manuel Menéndez Menéndez;
- João Marques da Cruz.

Or employees in other companies belonging to EDP's group, which are the following:

- Rui Teixeira;
- João Paulo Costeira.

21. MANAGEMENT STRUCTURE

According to the Spanish Law and Spanish companies' practices, the daily management of the business is guaranteed by a Chief Executive Officer who is empowered to ensure the day-to-day management of the Company. This type of organization is different

from what occurs on the Portuguese companies in which a "Conselho de Administração Executivo" takes the assignment of areas of business and each Executive Director is responsible to and for an area of business.



B. FUNCTIONING

22. BOARD OF DIRECTORS REGULATIONS

EDPR's Board of Directors Regulations is available to the public on the Company's website at

www.edprenovaveis.com and at the Company's headquarters at Plaza de la Gesta, 2, Oviedo, Spain.

23. NUMBER OF MEETINGS HELD BY THE BOARD OF DIRECTORS

The Board of Directors held six (6) meetings during the year ending on December 31st, 2014. Minutes of all meetings were drawn. The table below expresses

the attendance percentage of the participation of the Directors to the meetings held during 2014:

Board Member	Position	Attendance
António Mexia	Chairman and Non-Executive	83.5%
João Manso Neto	Executive Vice-Chairman and CEO	100%
Nuno Alves	Executive	100%
Rui Teixeira	Executive	100%
Gabriel Alonso	Executive	83.5%
João Paulo Costeira	Executive	100%
João Lopes Raimundo	Non-Executive and Independent	83.5%
João Manuel de Mello Franco	Non-Executive and Independent	100%
Jorge Santos	Non-Executive and Independent	100%
José Araújo e Silva	Non-Executive and Independent	100%
Manuel Menéndez Menéndez	Non-Executive	83.5%
Rafael Caldeira Valverde	Non-Executive and Independent	83.5%
Gilles August	Non-Executive and Independent	66.8%
João Marques da Cruz	Non-Executive	66.8%
Acácio Piloto	Non-Executive and Independent	100%
António Nogueira Leite	Non-Executive and Independent	83.5%
José Ferreira Machado	Non-Executive and Independent	100%

The percentage reflects the meetings physically attended by the Members of the Board. During 2014, none of the Members of Board who could not attend a

meeting has delegated its voting rights on other Member of the Board.

24. COMPETENT BODY FOR THE PERFORMANCE APPRAISAL OF EXECUTIVE DIRECTORS

The Nominations and Remunerations Committee is the body responsible for the evaluation of the performance of the Executive Directors. According to Article 249 of the Spanish Companies Law, the Board

of Directors supervises de effective functioning of its Committees and as well as the performance of the delegated bodies and Directors designated.

25. PERFORMANCE EVALUATION CRITERIA

The criteria's for assessing the Executive Directors' performance are described on topics 70, 71 and 72 of the Report.

26. AVAILABILITY OF THE MEMBERS OF THE BOARD OF DIRECTORS

EDPB's members of the Board of Directors are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with other positions. The positions held at the same time in other companies within and

outside the group, and other relevant activities undertaken by members of the Board of Directors throughout the financial year are listed in the Annex of this report.

C. COMMITTEES WITHIN THE BOARD OF DIRECTORS OR SUPERVISORY BOARD AND BOARD DELEGATES

27. BOARD OF DIRECTORS' COMMITTEES

Pursuant to Article 10 of the Company's Articles of Association the Board of Directors may have delegated bodies. The Board of Directors has created four Committees:

- Executive Committee
- Audit and Control Committee

- Nominations and Remunerations Committee
- Related-Party Transactions Committee

The Board of Directors' Committees regulations are available to the public at the Company's website, www.edprenovaveis.com.

28. EXECUTIVE COMMITTEE COMPOSITION

Pursuant to Article 27 of the Company's Articles of Association, the Executive Committee shall consist of no less than four (4) and no more than seven (7) Directors.

Its constitution, the nomination 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.

The Board of Directors established the number of members of the Executive Committee of five (5), plus the Secretary. The current members are:

- João Manso Neto, who is the Chairman and CEO
- Nuno Alves
- Rui Teixeira
- Gabriel Alonso
- João Paulo Costeira

Additionally, Emilio García-Conde Noriega is the Secretary of the Executive Committee.

29. COMMITTEES COMPETENCES

EXECUTIVE COMMITTEE

FUNCTIONING

In addition to the Articles of Association, this committee is also governed by its regulations approved on June 4th, 2008 and amended on April 23rd, 2013. The committee regulations are available to the public at www.edprenovaveis.com.

The Executive Committee shall meet at least once a month and whenever is deemed appropriate by its Chairman, 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 Chairman of the Executive Committee, who is currently also the Vice-Chairman of the Board of Directors, shall send to the Chairman of the Audit and Control Committee invitations to the Executive Committee meetings and the minutes of those meetings. The Chairman of the Board of Directors also receives the minutes of the meetings of the Executive Committee.

Meetings of the Executive Committee are valid if half of its members plus one are present or represented. Decisions shall be adopted by majority. In the event of a tie, the Chairman shall have the casting vote.

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

The composition of the Executive Committee is described on the previous topic.

The Executive Committee is a permanent body to which all the competences of the Board of Directors that are delegable under the law and the Articles of Association can be delegated, with the exception of the following:

- Election of the Chairman of the Board of Directors;
- Nomination of Directors by co-option;
- Request to convene or convening of General Shareholders' Meetings;
- Preparation and drafting of the Annual Management Report and Accounts and submission to the General Shareholders' Meeting;

- Change of registered office; and
- Drafting and approval of the proposal for mergers, spin-off, or transformation of the Company.

2014 ACTIVITY

In 2014 the Executive Committee held 49 meetings. The Executive Committee main activity is the daily management of the Company.

AUDIT AND CONTROL COMMITTEE

COMPOSITION

Pursuant to Article 28 of the Company's Articles of Association and Articles 8 and 9 of the Committee's Regulations, the Audit and Control Committee consists of no less than three (3) and no more than five (5) members.

According to Article 28.5 of the Articles of Association the term of office of the Chairman of the Audit and Control Committee is three (3) years after which may be re-elected for another term of three (3) years. João Manuel de Mello Franco was first elected on 2008 and re-elected on 2011.

Considering that on June 21st, 2014 João Manuel de Mello Franco ended the term of his office as Chairman of the Audit and Control Committee, the Board of Directors decided on its meeting held on April 8th, 2014 to nominate Jorge Santos for the position of Chairman of the Audit and Control Committee, following the opinion presented by the Nominations and Remuneration Committee.

João Manuel de Mello Franco remains as member of the Audit and Control Committee according to Article 28.5 of the Articles of Association.

The Audit and Control committee consists of three (3) independent members, plus the Secretary. As of December 31st, 2014, the members of the Audit and Control Committee are:

- Jorge Santos, who is the Chairman
- João Manuel de Mello Franco
- João Lopes Raimundo

Additionally, Mr. Emilio García-Conde Noriega is the Secretary of the Audit and Control Committee.

COMPETENCES

The competences of the Audit and Control Committee are as follows:

- Reporting, through the Chairman, at General Shareholders' Meetings on questions falling under its jurisdiction;
- Proposing the nomination of the Company's auditors to the Board of Directors for subsequent approval by the General Shareholders' Meeting, as well as the contractual conditions, scope of the work – specially concerning audit services, "audit related" and "non-audit" – annual activity evaluation and revocation or renovation of the auditor nomination;
- Supervising the finance reporting and the functioning of the internal risk management and control systems, as well as, evaluate those systems and propose the adequate adjustments according to the Company necessities;
- Supervising internal audits and compliance;

- Establish a permanent contact with the external auditors to assure the conditions, including the independence, adequate to the services provided by them, acting as the Company speaker for these subjects related to the auditing process, and receiving and maintaining information on any other questions regarding accounting subjects;
- Preparing an annual report on its supervisory activities, including eventual constraints, and expressing an opinion on the Management Report, the Accounts and the proposals presented by the Board of Directors;
- Receiving notices of financial and accounting irregularities presented by the Company's employees, shareholders, or entity that has a direct interest and judicially protected, related with the Company social activity;
- Engaging the services of experts to collaborate with Committee members in the performance of their functions. When engaging the services of such experts and determining their remuneration, the importance of the matters entrusted to them and the economic situation of the Company must be taken into account;
- Drafting reports at the request of the Board and its committees;
- Reflecting on the governance system adopted by EDPR in order to identify areas for improvement;
- Any other powers entrusted to it by the Board of Directors or the Articles of Association.

FUNCTIONING

In addition to the Articles of Association and the law, this committee is governed by its regulations approved on June 4th, 2008 and amended on May 4th, 2010 available to the public at www.edprenovaveis.com.

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

Decisions shall be adopted by majority. The Chairman shall have the casting vote in the event of a tie.

2014 ACTIVITY

In 2014, the Audit and Control Committee's activities included the following:

- Monitor the closure of quarterly accounts, the first half-year and year-end accounts, to familiarize itself with the preparation and disclosure of financial information, internal audit, internal control and risk management activities;
- Analysis of relevant rules to which the committee is subject in Portugal and Spain;
- Assessment of the external auditor's work, especially concerning with the scope of work in 2014 and approval of all "audit related" and "non-audit" services;
- 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;
- Drafting of an opinion in the individual and consolidated annual reports and accounts, in a quarterly, half year and yearly basis;

- Pre-approval of the 2014 Internal Audit Action Plan;
- Supervision of the quality, integrity and efficiency of the internal control system, risk management and internal auditing;
- Reflection on the corporate governance system adopted by EDPR;
- Analysis of the evolution of the SCIRF project;
- Information about the whistle-blowing;
- Quarterly and annual report of its activities.

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

A report on the activities of the Audit and Control Committee in the year ended on December 31st, 2014 is available to shareholders at www.edprenovaveis.com.

NOMINATIONS AND REMUNERATIONS COMMITTEE

COMPOSITION

Pursuant to Article 29 of the Company's Articles of Association and Articles 8 and 9 of its Regulations, the Nominations and Remunerations Committee shall consist of no less than three (3) and no more than six (6) members. At least one of its members must be independent and shall be the Chairman of the committee.

The members of the committee shall not be members of the Executive Committee. The Nominations and Remunerations Committee is constituted by independent members of the Board of Directors, in compliance with Recommendation 49 of the Unified Code of Good Governance (Código Unificado de Buen Gobierno), as amended by CNMV Circular 4/2007 of December 27th. The code lays down that the Nominations and Remunerations Committee must be entirely constituted by 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 to the extent possible with the recommendation indicated in chapter II.3.1 of the Portuguese Code of Corporate Governance.

On April 8th, 2014 the Board of Directors approved adjustments to the Nominations and Remunerations Committee. João Manuel de Mello Franco was elected Chairman of the Nominations and Remunerations Committee as Jorge Santos resigned. Below is the new composition of the Committee.

The Nominations and Remunerations Committee consists of three (3) independent members, plus the Secretary.

The current members are:

- João Manuel de Mello Franco, who is the Chairman
- António Nogueira Leite
- Rafael Caldeira Valverde

Additionally, Emilio García-Conde Noriega is the Secretary of the Nominations and Remunerations Committee.

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.

COMPETENCES

The Nominations and Remunerations Committee is a permanent body belonging to the Board of Directors with an informative and advisory nature and its recommendations and reports are not binding.

The Nominations and Remunerations Committee has no executive functions. The main functions of the Nominations and Remunerations Committee are to assist and report to the Board of Directors about nominations (including by co-option), re-elections, dismissals, and the remuneration of the Board Members and its position about the composition of the Board of Directors, as well as the nominations, remuneration, and dismissal of senior management personnel. The Nominations and Remunerations Committee shall also inform the Board of Directors on general remuneration policy and incentives to them and the senior management. These functions include the following:

- Defining the standards and principles governing the composition of the Board of Directors and the selection and nominations of its members;
- Proposing the nominations and re-election of Directors in cases of nominations by co-option and in other cases for the submission to the General Shareholders' Meeting by the Board of Directors;
- Proposing to the Board of Directors the candidates for the different committees;
- Proposing to the Board, within the limits established in the Articles of Association, the remuneration system, distribution method, and amounts payable to the Directors;
- Making proposals to the Board of Directors on the conditions of the contracts signed with Directors;
- Informing and making proposals to the Board of Directors regarding the nominations and/or removal of executives and the conditions of their contracts and generally defining the hiring and remuneration policies of executive staff;
- Reviewing and reporting on incentive plans, pension plans, and compensation packages;
- Any other functions assigned to it in the Articles of Association or by the Board of Directors.

FUNCTIONING

In addition to the Articles of Association, the Nominations and Remunerations Committee is governed by its Regulations approved on June 4th, 2008. The committee's regulations are available at www.edprenovaveis.com.

This committee shall meet at least once every quarter and also whenever its Chairman sees fit. This committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board meeting after each committee meeting. Decisions shall be adopted by majority. The Chairman shall have the deciding vote in the event of a tie.

2014 ACTIVITY

In 2014 the Nominations and Remunerations

Committee activities were:

- Performance evaluation of the Board of Directors and the Executive Committee;
- Drafting update and consequent approval of the Performance Evaluation and Remuneration Model for 2014-2016;
- Drafting of the Remuneration Policy to propose to the Board of Directors and to be approved at the General Shareholders Meeting;
- Annual Report of their activities.

RELATED-PARTY TRANSACTIONS COMMITTEE

COMPOSITION

Pursuant to Article 30 of the Articles of Association, the Board of Directors 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, although in the case of this committee it has one non-independent member, Nuno Alves.

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

The Related-Party Transactions committee consists of two (2) independent members and one (1) non-independent member, as described above, plus the Secretary.

The current members are:

- José Ferreira Machado, who is the Chairman
- João Manuel de Mello Franco
- Nuno Alves

Additionally, Emilio García-Conde Noriega is the Secretary of the Related Party Transactions Committee.

The committee members shall maintain their positions for as long as they are Company Directors. Nevertheless, 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.

COMPETENCES

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

- Periodically reporting to the Board of Directors on the commercial and legal relations between EDPR or related entities and EDP or related entities;
- In connection with the approval of the Company's annual results, reporting on the commercial and legal relations between the EDPR Group and the EDP Group and the transactions between related entities during the fiscal year in question;
- Ratifying transactions between EDPR and/or related entities with EDP and/or related entities by the stipulated deadline in each case, provided that the

value of the transaction exceeds € 5,000,000 or represents 0.3% of the consolidated annual income of the EDPR Group for the fiscal year before;

- Ratifying any modification of the Framework Agreement signed by EDPR and EDP on May 7th, 2008;
- Making recommendations to the Board of Directors of the Company or its Executive Committee regarding the transactions between EDPR and related entities with EDP and related entities;
- Asking EDP for access to the information needed to perform its duties;
- Ratifying, in the correspondent term according to the necessities of each specific case, the transactions between Qualifying Holdings other than EDP with entities from the EDP Renováveis Group whose annual value is superior to € 1,000,000;
- Ratifying, in the correspondent terms according to the necessities of each specific case, the transactions between Board Members, "Key Employees" and/or Family Members with entities from EDP Renováveis Group whose annual value is superior to € 75,000.

In case the Related Party Transactions Committee does not ratify the commercial or legal relations between EDP or its related entities and EDP Renováveis and its related entities, as well as those related with Qualifying Holders other than EDP, Board Members, "Key Employees" and/or there Family Members, such relations must be approved by 2/3 of the members of the Board of Directors as long as half of the members proposed by entities different from EDP, including independent Directors, vote favourably, except when a majority of members expresses its approval prior to submitting the matter to the Related Party Transactions Committee for its approval.

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

FUNCTIONING

In addition to the Articles of Association, the Related-Party Transactions Committee is governed by its regulations approved on June 4th, 2008 and amended on February 28th, 2012. The committee's regulations are available at www.edprenovaveis.com.

The committee shall meet at least once a quarter and additionally whenever its Chairman 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.

Decisions shall be adopted by majority. The Chairman shall have the casting vote in the event of a tie.

2014 ACTIVITY

In 2014, the Related Party Transactions Committee revised, approved and proposed to the Board of Directors the approval of all agreements and contracts between related parties submitted to its consideration.

Chapter E – I, topic 90, of this report includes a description of the fundamental aspects of the agreements and contracts between related parties.

III. SUPERVISION

A. COMPOSITION

30. SUPERVISORY BOARD MODEL ADOPTED

EDPR's governance model, as long as it is compatible with its personal law, the Spanish law, corresponds to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the

management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit and Control Committee.

31. COMPOSITION OF THE AUDIT AND CONTROL COMMITTEE

Composition of Audit and Control Committee is reflected on topic 29. The term of office and the dates of first appointment of the members of the Audit and

Control Committee are available on the chart of topic 17.

32. INDEPENDENCE OF THE MEMBERS OF THE AUDIT AND CONTROL COMMITTEE

Information concerning the independence of the members of the Audit and Control Committee is available on the chart of topic 18 of the report. As mentioned on the first paragraph of topic 18, the

independence of the members of the Board and of its Committees is evaluated according to the Company's personal law, the Spanish law.

33. PROFESSIONAL QUALIFICATIONS AND BIOGRAPHIES OF THE MEMBERS OF THE AUDIT AND CONTROL COMMITTEE

Professional qualifications of each member of the Audit and Control Committee and other important

curricular information, are available in the Annex of this report.

B. FUNCTIONING

34. AUDIT AND CONTROL COMMITTEE REGULATIONS

The Audit and Control Committee regulations are available to the public at the Company's website,

www.edprenovaveis.com and at the Company's headquarters at Plaza de la Gesta, 2, Oviedo, Spain.

35. NUMBER OF MEETINGS HELD BY THE AUDIT AND CONTROL COMMITTEE

In 2014, the Audit and Control Committee held fifteen (15) meetings, six (6) of those meetings were plenary and the other nine (9) were with the different departments whose activity development was discussed with the Committee. On September 6th and 7th, 2014, the Chairman of the Audit and Control Committee visited EDP Poland and met with the local teams.

The Audit and Control Committee also attended three meetings organized by EDP's General Supervisory Board and participated in September on the Annual Meeting of the Audit and Control Committees' of EDP's Group.

The following table shows the attendance percentage to the meetings of the Audit and Control Committee by its members:

Member	Position	Attendance
Jorge Santos	Chairman	100%
João Manuel de Mello Franco	Vocal	83.5%
João Lopes Raimundo	Vocal	83.5%

36. AVAILABILITY OF THE MEMBERS OF THE AUDIT AND CONTROL COMMITTEE

The members of the Audit and Control Committee are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with positions in other companies. The positions held simultaneously in other companies

inside and outside the group, and other relevant activities undertaken by members of this Committee throughout the financial year is listed in the Annex of this report.

C. POWERS AND DUTIES

37. PROCEDURES FOR HIRING ADDITIONAL SERVICES TO THE EXTERNAL AUDITOR

In EDPR there is a policy of pre-approval by the Audit and Control Committee for the selection of the External Auditor and any related entity for non-audit services, according to Recommendation IV.2 of the Portuguese Corporate Governance Code. This policy was strictly followed during 2014.

The services, other than auditing services, provided by the External Auditor and entities in a holding relationship with or incorporated in the same network as the External Auditor were previously approved by the Audit and Control Committee according to Article 8.2, b) of its Regulations and upon review of each

specific service, which considered the following aspects: (i) such services having no effect on the independence of the External Auditor and any safeguards used; and (ii) the position of the External Auditor in the provision of such services, notably the External Auditor's experience and knowledge of the Company.

Furthermore, although hiring services other than auditing services to the External Auditor is admissible, it is envisaged as an exception. In 2014 such services reached only around 5% of the total amount of services provided to the Company.

38. OTHER DUTIES OF THE AUDIT AND CONTROL COMMITTEE

Apart from the competences expressly delegated on the Audit and Control Committee according to Article 8 of its Regulations and in order to safeguard the independence of the External Auditor, the following powers of the Audit and Control Committee were exercised during the 2014 financial year and should be highlighted:

- Nominate and hire the External Auditor and responsibility for establishing their remuneration as well as pre-approval of any services to be hired from the External Auditor and perform its direct and exclusive supervision;
- Assessment of the qualifications, independence, and performance of the External Auditors, and obtaining, yearly and directly from the External Auditors, written information on all relations existing between the Company and the Auditors or associated persons, including all services rendered and all services in progress; in fact, the Audit Committee, in order to evaluate independence, obtained from the External Auditors information on their independence in light of article 62B of Decree-Law no. 224/2008 of 20 November 2008, which amends the articles of association of the Chartered Accountant Professional Association;
- Review of the transparency report, signed by the Auditor and disclosed at its website. This report covers the matters provided for under article 62A of Decree-Law no. 224/2008, including those regarding the quality control internal system of the audit firm and the quality control procedures carried out by the competent authorities;

- Definition of the Company's hiring policy concerning persons who have worked or currently work with the External Auditors;
- Review, with the External Auditors, of the scope, planning, and resources to be used in their services;
- Responsibility for the settlement of any differences between the Executive Committee and the External Auditors concerning financial information;
- Contracts signed between EDPR and its Qualified Shareholders that were analysed by the Audit and Control Committee. This information is included on the annual report of the Audit and Control Committee regarding those cases that needed a previous opinion from the committee.

Within this context, it should be particularly stressed that the External Auditor's independence was safeguarded by the implementation of the Company's policy for the pre-approval of the services to be hired to External Auditors (or any entity in a holding relationship with or incorporating the same network as the External Auditors), which results from the application of the rules issued by SEC on this matter. According to such policy, the Audit and Control Committee makes an overall pre-approval of the services proposal made by the External Auditors and a specific pre-approval of other services that will eventually be provided by the External Auditors, particularly tax consultancy services and services other than "audit and audit related" services.

IV-V. STATUTORY AND EXTERNAL AUDITORS

39-41. According to the Spanish law, the External Auditor ("Auditor de Cuentas") is nominated by the General Shareholders' Meeting and corresponds to the statutory auditor body ("Revisor Oficial de Contas")

described on the Portuguese Law. Consequently, the information regarding points 39 to 41 is available on chapter V of the report, points 42 to 47.

42. EXTERNAL AUDITOR IDENTIFICATION

The External Auditor is, since 2007, KPMG Auditores S.L., a Spanish Company, whose partner in charge of EDPR accounts auditing is, since January 2014, Estibaliz Bilbao. Estibaliz Bilbao replaced the previous partner, Ana Fernandez Poderós, due to the limitation imposed by article 19.2 of the "Ley de Auditoría de

Cuentas" of a seven year term for the partner in charge of the accounts auditing which ended in 2013. KPMG Auditores S.L. is registered at the Spanish Official Register of Auditors under number S0702 and with Tax Identification Number B-78510153.

43. NUMBER OF YEARS OF THE EXTERNAL AUDITOR

KMG Auditores S.L. is in charge of EDPR's accounts auditing having carried these duties for the last eight consecutive years.

44. ROTATION POLICY

According to CMVM's Recommendation IV.3 of its 2013 Corporate Governance Code, the companies shall rotate the auditor after two or three terms whether they are of four or three years, respectively, being the maximum nine years. As of December 31st, 2014, KPMG Auditores S.L. has ended its eight (8th)

consecutive year as EDPR's External Auditor, therefore compliant with Recommendation IV.3 of the Portuguese Corporate Governance Code. According to the Spanish Law, EDPR's personal law, there is no limitation to the rotation of the auditing firm but only to the responsible partner, as described in topic 42.

45. EXTERNAL AUDITOR EVALUATION

The Audit and Control Committee is responsible for the evaluation of the External Auditor according to the competences granted by its Regulations. The evaluation of the Audit and Control Committee is made once a year. The Audit and Control Committee acts as the company speaker for the relevant matters with the External Auditor and establishes a permanent contact throughout the year to assure the conditions, including the independence, adequate to the services provided by them related to the auditing process, and receiving and maintaining information on any other questions regarding accounting subjects. In 2014, according to the Audit and Control Committee's competences and in line with Recommendations

II.2.2, it was the first and direct recipient and the corporate body in charge of the permanent contact with the external auditor 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 External Auditor within the scope of its duties, verified the implementation of the remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the supervisory body of the Company.

46. NON-AUDIT SERVICES CARRIED OUT BY THE EXTERNAL AUDITOR

According to the rules described on topic 29 of this Report, in EDPR there is a policy of pre-approval by the Audit and Control Committee for the selection non-audit services according to Article 8.2, b) of the Audit and Control Committee Regulations.

Below are the details of non-audit services provided during 2014 by the External Auditor for EDPR's business units:

- Tax and accounting due diligence services for the acquisition of a new wind farm;
- KPMG's assistance in the process of IRS tax examination;

- KPMG's assistance in the process of IRS tax examination for the 2009 tax year;
- Tax services to prepare six technical memos on PTC qualification for six wind farms.

KPMG was engaged to provide the above mentioned services due to its in depth knowledge of the group activities and tax related matters. These engagements did not risk the independence of the External Auditor and were pre-approved by the Audit and Control Committee prior to rendering the services.

47. EXTERNAL AUDITOR REMUNERATION IN 2014

€ thousand	Portugal	Spain	Brazil	US	Other	Total	%
Audit and statutory audit	141.6	588.4	137.8	760.3	631.6	2,259.8	86%
Other assurance and reliability services	-	228.6	-	-	16.7	245.3	6%
Sub-total audit related services	141.6	817.0	137.8	760.3	648.4	2,505.1	92%
Tax consultancy services	-	53.0	-	135.2	-	188.2	7%
Other services unrelated to statutory auditing	10.5	-	-	-	3.0	13.5	1%
Sub-total non-audit related services	10.5	53.0	-	135.2	3.0	201.8	8%
Total	152.1	870.0	137.8	895.5	651.4	2,706.8	100%

**PART I:
INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION
AND CORPORATE GOVERNANCE**

C. INTERNAL ORGANISATION

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I. ARTICLES OF ASSOCIATION

48. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Amendments to the Articles of Association of the Company are of the responsibility of the General Shareholders' Meeting who has the power to decide on this matter. According to Article 17 of the Company's Articles of Association ("Constitution of the General Shareholders' Meeting, Adoption of resolutions"), to validly approve any necessary amendment to the Articles of Association, the Ordinary or Extraordinary Shareholders' Meeting will need:

- On first call, that the Shareholders either present or represented by proxy, represent at least fifty percent (50%) of the subscribed voting capital.
- On second call, that the Shareholders either present or represented by proxy, represent at least twenty five percent (25%) of the subscribed voting capital.

In the event the shareholders attending represent less than fifty percent (50%) of the subscribed voting capital, the resolutions referred to in the present paragraph will only be validly adopted with the favourable vote of two-thirds (2/3) of the present or represented capital in the General Shareholders' Meeting.

On December 24th, 2014, entered into force the new wording of the Spanish Companies Law ("Ley de Sociedades de Capital"), Ley 31/2014, with modifications regarding the amendments of the Articles of Association that will be proposed on the next General Shareholders' Meeting to be introduced on EDPR's Articles of Association.

II. REPORTING OF IRREGULARITIES

49. IRREGULARITIES COMMUNICATION CHANNELS

WHISTLEBLOWING

EDPR has always carried out its activity by consistently implementing measures to ensure the good governance of its companies, including the prevention of incorrect practices, particularly in the areas of accounting and finance.

EDPR provides the Group workers with a channel enabling them to report directly and confidentially to the Audit and Control Committee any practice presumed illicit or any alleged accounting and/or financial irregularity in their Company, in compliance with the provisions of CMVM Regulation no. 4/2013.

With this channel for reporting irregular accounting and financial practices, EDPR aims:

- Guaranteeing conditions that allow workers to freely report any concerns they may have in these areas to the Audit and Control Committee;
- Facilitating the early detection of irregular situations, which, if practised, might cause serious damage to the EDPR Group, its workers, 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.

The Secretary of the Audit and Control Committee receives all the communications and presents a

quarterly report to the members of the Committee.

In 2014 there were no communications regarding any irregularity at EDPR.

ETHICS CHANNEL AND CODE OF ETHICS

EDPR has a Code of Ethics published on its intranet, which includes principles like transparency, honesty, integrity, non-discrimination, equal opportunity, and sustainability.

The Code of Ethics has been widely circulated among employees of the Group through internal communications mechanisms, individual shipments, delivery to new employees, and intranet publishing. On February 2014, the Board of Directors approved an updated version of the Code of Ethics.

There is a strong commitment by the Company in relation to the dissemination and promotion of compliance with the Code available to all employees through training, questionnaires, and open discussions of the findings.

There is also an Ethics Channel and Ethics Regulation to articulate any specific claims of the Code of Ethics and to resolve doubts on all matters relating to the Code of Ethics.

Communications regarding possible breaches of the Code of Ethics are sent to the Ethics Ombudsman, which performs a first analysis, forwarding its conclusion to the Ethics Committee of EDPR, which receives, records, processes, and reports to the Board of Directors.

In 2014 there were no communications to the Ethics Ombudsmen regarding any irregularity at EDPR.

ANTI-BRIBERY POLICY

In order to ensure compliance with the standards of Anti-bribery Regulation in every geography where

EDPR operates, the Company has developed an Anti-Bribery Policy of application to all EDPR Group, which was approved by its Board of Directors on December 19th, 2014. This Anti-Corruption Policy will involve a series of new procedures regarding the relationships

of EDPR employees with external parties, namely the approval of certain actions regarding hospitality to and from external parties, charitable donations, and sponsorships. This Policy will be implemented in the Group throughout 2015.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. INTERNAL AUDIT

EDPR Internal Audit Department is composed by six people. The function of EDPR's Internal Audit is to carry out an objective and independent assessment of the Group's activities and of its internal control situation, in order to make recommendations to improve the internal control mechanisms over systems and management processes in accordance with the Group's objectives.

Additionally, EDPR has a Responsibilities Model and a SCIRF Manual (Internal Control System over Financial Reporting), in which individuals, governing bodies and committees responsible for implementing and managing the internal control system are indicated.

The Responsibilities Model includes the functions and main activities in the management and maintenance of the system at all levels of the organization including monitoring activities related to the annual cycle, the implementation of controls and documentation of evidence and supervision activities.

The SCIRF Manual incorporates the general principles of the Internal Control System over Financial Reporting, as well as the methodology used, the procedures for ensuring the effectiveness of internal

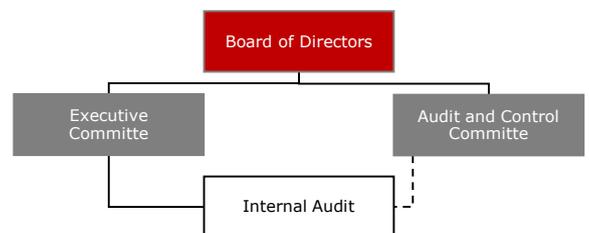
control and design of models, documentation, evaluation and reporting.

In line with the general principles of the model adopted by EDPR for the management of the SCIRF, the COSO Internal Control Integrated Framework 2013 (Committee of Sponsoring Organizations of the Treadway Commission), the responsibility for overseeing the Internal Control System lies in the Board of Directors and the Audit and Control Committee. The CEO is accountable before the Board, must ensure the proper functioning and effectiveness of the SCIRF, promoting its design, implementation and maintenance. The Executive Committee must support the CEO in this task, guiding the development of the Entity Level Controls of the Company and the controls in their areas of responsibility, relying when necessary on other levels of the organization. Also, the Senior Managers are responsible for evaluating any deficiencies and implementing appropriate improvement opportunities.

To fulfil these responsibilities, EDPR's Internal Audit offers support and advice to the management and development of the SCIRF.

51. ORGANIZATIONAL STRUCTURE OF INTERNAL AUDIT

The Internal Audit function in EDPR Group is a corporate function carried out by the Internal Audit Department, that reports both to the Chairman of EDPR's Executive Committee and to EDPR's Audit and Control Committee.



52. RISK MANAGEMENT

EDPR's Risk Management is as an integrating element of all organizational processes and decisions and not a stand-alone activity separated from the main activities of the company. It includes from strategic planning to evaluation of new investments and contracts.

Risk Management at EDPR is supported by three distinct organizational functions, each one with a different role: Strategy (Risk Profiler), Management (Risk Manager) and Controlling (Risk Controller).

Market, credit and operational risks are identified and assessed and, following the result of the assessment,

Risk Policies are defined and implemented across the company. These policies are aimed to mitigate risks without compromising potential opportunities, thus, optimizing return versus risk exposure.

During 2014, EDPR defined or reviewed three new Global Risk Policies: Counterparty Risk Policy, Interest Rate Risk Policy and Operational Risk Policy. These policies are already implemented or will be implemented throughout 2015.

53. RISK AREAS AND RISK FACTORS

Risk Management at EDPR is focused on covering all market, credit and operational risks of the company. In order to have a holistic view of risks, they were grouped in Risk Areas following EDPR's business cycle. The following list summarizes Risk Areas defined within EDPR:

1. Countries & regulations - Changes in regulations may impact EDPR's business in a given country;
2. Revenues - Revenues received by EDPR's projects may diverge from what is expected;
3. Financing - EDPR may not be able to raise enough cash to finance its planned Capex; or to fulfil its financial obligations due to changes in exchange rates or bankruptcy of counterparties;
4. Wind turbine contracts - Changes in turbine prices may impact projects' profitability; or there may not be sufficient turbine supply to build planned wind farms;
5. Pipeline development - EDPR may deliver an installed capacity different from its targets or suffer delays and/or anticipations in its installation;
6. Operations - Projects may deliver a volume different from expected due to turbine availability; financial results can be impacted by human errors.

Within each Risk Area, risks are classified in Risk Groups and finally into Risk Factors. Risk factors are the source of the risk and the purpose of Risk Management at EDPR is to measure, control and eventually mitigate all risk factors that affect the company.

1. COUNTRIES AND REGULATIONS

1. I) COUNTRY RISK

Country Risk is defined as the probability of occurrence of a financial loss in a given country due to macroeconomics, political or natural disasters. EDPR has defined a Country Risk Policy that assesses country risk through an internal scoring based on publicly available data. This internal scoring is compared with external assessments from renowned parties. Each risk factor affecting country risk is evaluated independently to decide on potential mitigating actions:

- **Macroeconomic Risk:** Risks from the country's economic evolution, affecting revenue or cost time of the investments
- **Political Risk:** All possible damaging actions or factors for the business of foreign firms that emanate from any political authority, governmental body or social group in the host country
- **Natural disaster risk:** Natural phenomena (seismicity, weather) that may impact negatively in the business conditions.

Before approving a new project in a new geography, EDPR analyses the risk of the new country and compares it to our existing portfolio. Mitigation measures may be decided when this risk is above a certain threshold.

1. II) REGULATORY RISK

The development and profitability of renewable energy projects are subject to policies and regulatory

frameworks. The jurisdictions in which EDPR operates provide different types of incentives supporting energy generated from renewable sources.

Remuneration schemes have become less competitive in some countries due to the financial crisis and it cannot be guaranteed that current support will be maintained in all EDPR's geographies or that future renewable energy projects will benefit from current support measures. Regulation promoting green energy has been revised or is under revision in some of the countries where EDPR is present.

In the US, renewable generation from wind has been incentivized through Production Tax Credits (PTC) at a Federal level for projects demonstrating beginning of construction before end of 2014. Additionally, it is still incentivized through State RPS Programs that allow receiving RECs (Renewable Energy Credit) for each MWh of renewable generation.

EDPR is managing its exposure to regulatory risks through diversification by being present in several countries and through participation as an active member in several wind associations.

Regulatory Risk in each of EDPR's countries is monitored continuously, considering current regulation, potential drafts of new laws, feedback from associations, evolution of installed renewable generation capacity and other inputs. EDPR has developed an internal quantitative assessment of Regulatory Risk that serves as an indicator for changes in supporting schemes. This measure is updated annually in all EDPR's geographies.

Regulatory Risk is also considered ex-ante at the moment of the investment, through sensitivity analyses that are performed to evaluate its impact in project profitability under different scenarios.

2. REVENUES

2. I) MARKET PRICE RISK

EDPR faces limited electricity price risk as it pursues a strategy of being present in countries or regions with long term visibility on revenues. In most countries where EDPR is present, prices are determined through regulated framework mechanisms. In those countries with no regulated tariffs, power purchase agreements are negotiated with different offtakers to eliminate electricity and Green Certificate or REC price risks.

Despite EDPR's strategy of eliminating market price risk, EDPR still has some wind farms with merchant exposure.

In Europe, EDPR operates in countries where the selling price is defined by a feed-in-tariff (Portugal, France and Italy) or in markets where, on top of the electricity price, EDPR receives either a pre-defined regulated premium or a green certificate, whose price is achieved on a regulated market (Spain, Belgium, Poland, and Romania). EDPR is also developing investment activity in the UK, where current incentive system is based on green certificates but will change to a feed in tariff.

In countries with a pre-defined regulated premium or a green certificate scheme, EDPR is exposed to electricity price fluctuations. Considering current PPAs in place, EDPR is exposed to electricity price risk in

Romania, in Poland and partially in Spain. Additionally, in European countries with a green certificate scheme (Romania and Poland), EDPR is exposed to fluctuation on the price of green certificates.

The US market does not provide a regulated framework system for the electricity price. Nevertheless, renewable generation is incentivized through PTCs (Production Tax Credits) and regional RPS programs that allow receiving RECs (Renewable Energy Credit) for each MWh of renewable generation. REC prices are very volatile and depend on the regional supply/demand equilibrium in the relevant market.

Most of EDPR's capacity in the US has predefined prices determined by bundled (electricity + REC) long-term contracts with local utilities in line with the Company's policy of avoiding market price risk. Despite existing long term contracts, some EDPR's wind farms in the US do not have PPA and are selling merchant with exposure to electricity and REC price risks. Additionally, some wind farms with existing PPAs do not sell their energy where it is produced and are therefore exposed to basis risk (different in price between the location where energy is produced and that where energy is sold).

In Ontario (Canada), the selling price is defined by a long term feed-in-tariff, thus, there is no electricity price exposure.

In Brazilian operations, the selling price is defined through a public auction which is later translated into a long-term contract. Electricity price exposure is almost null, with little exposure for the production above or below the contracted production.

Under EDPR's global approach to minimize the exposure to market electricity prices, the Company evaluates on a permanent basis if there are any deviations to the pre-defined limits (measured through EBITDA at risk, Net Income at risk and total merchant exposure).

EDPR intends to eliminate Green Certificates and REC price risk with the signing of bundled PPAs with private offtakers, which include the sale of the electricity and the Green Certificate or REC. In some cases, the offtaker may be interested in contracting only the Green Certificate or the REC, thus a GCPA (Green Certificate Purchase Agreement) or a RECPA (REC Purchase Agreement) is signed. During 2014, EDPR signed or reviewed PPAs in Europe for 716 MW and in the US for 459 MW.

In those geographies with remaining merchant exposure, EDPR uses various commodity hedging instruments in order to minimize the exposure to fluctuating market prices. In some cases, due to the lack of liquidity of financial derivatives, it may not be possible to successfully hedge all merchant exposure (i.e. no financial derivatives exist for green certificates nor RECs).

In 2014, EDPR financially hedged most of its generation in Poland and Romania. In Spain, hedges were distributed along 2014 but unhedged volumes were affected by significant low prices in Q1.

As aforementioned, some US wind farms have exposure to electricity price risk or basis risk (difference in electricity price between locations). EDPR hedges electricity price and basis exposures

through financial swaps or FTR (Financial Transmission Rights).

The market of GCPA or RECPA is very illiquid and few financial derivatives exist for Green Certificates nor RECs. Therefore, all exposure to Green Certificates or REC prices cannot be eliminated.

2. II) ENERGY PRODUCTION RISK

The amount of electricity generated by EDPR's wind farms is dependent on weather conditions, which vary across locations, from season to season and from year to year. Variation on the amount of electricity that is generated affects EDPR's operating results and efficiency.

Not only the total wind production in a specific location is relevant, but also the profile of production. Wind usually blows more at night than at daytime, when energy prices are lower. Generation profile will affect the discount in price of a wind farm versus a baseload generation.

Finally, curtailment of a wind farm will also affect its production. Curtailment occurs when the production of a wind farm is stopped by the TSO (Transmission System Operators) for external reasons to the company. Examples of cases of curtailment are upgrades in transmission lines, high level of renewable generation production with low demand (very exceptional).

EDPR mitigates wind resource volatility and seasonality through geographical diversification of its asset base in different countries and regions.

- EDPR acknowledges the correlation between different wind farms in its portfolio that allows for this geographical diversification, which enables EDPR to partially offset wind variations in each region and to keep the total energy generation relatively steady. Currently, EDPR is present in 12 countries: Spain, Portugal, France, Belgium, Poland, Romania, UK (no generation), Italy, US, Canada, Brazil and Mexico (no generation).

- In some geographies there is an inverse correlation between wind volume and electricity price, implying a natural hedge.

EDPR has analysed in detail the potential use of financial products to hedge wind risk, and EDPR might use this product to mitigate risk in specific cases.

Profile risk and curtailment risk are managed ex-ante. For every new investment, EDPR factors the effect that expected generation profile and curtailment will have on the output of the wind farm. Generation profile and curtailment of EDPR's wind farms are constantly monitored by Risk department to detect potential future changes.

3. FINANCING

3. I) RISKS RELATED TO FINANCIAL MARKET

EDPR finances its wind farms through project finance or corporate debt. In both cases, a variable interest rate might imply significant fluctuations in interest payments.

On the other hand, due to EDPR's presence in several countries, revenues denominated in different currencies. Consequently, exchange rate fluctuations

may have a material adverse effect on financial results.

3. I) A) INTEREST RATE RISK

Given the policies adopted by EDPR Group, current exposure to variable interest rate is not significant and financial cash flows are substantially independent from the fluctuation of interest rates.

The purpose of interest rate risk management policies is to reduce the exposure of long term debt cash flows to market fluctuations, mainly by contracting long term debt with a fixed rate.

- When long term debt is issued with floating rates, EDPR settles derivative financial instruments to swap from floating to fixed rate.
- EDPR has a portfolio of interest-rate derivatives with maturities of up to 13 years. Sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations are periodically performed.

Taking into account risk management policy and approved exposure limits, the Finance team identifies, evaluates, and submits the financial strategy appropriate to each project/location for the Executive Committee's approval. Global Risk Area supports the Finance team in interest rate hedging decisions.

Repricing calendar of debt is continuously monitored together with interest rates in order to detect good timing for interest rate hedging.

3. I) B) EXCHANGE RATE RISK

EDPR has international operations and is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. Currently, currency exposure is to U.S. dollar, Romanian leu, Polish zloty, Brazilian real, British pound and Canadian dollar.

EDPR hedges risk against currency fluctuations by financing in the same currency as the revenues of the project. When local financing is not available, EDPR hedges debt cash flows through cross currency interest rate swaps.

EDPR also contracts foreign exchange forwards to hedge the risk in specific transactions, mainly in payments to suppliers which may be denominated in different currencies.

EDPR's hedging efforts minimize exchange rate volatility, but do not eliminate completely this risk due to high costs associated to hedging FX in certain situations.

3. II) COUNTERPARTY RISK

Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss could occur, either a direct economic loss if the transaction has a positive value at the moment of default (counterparty credit risk) or a replacement cost due to change of the counterparty (counterparty operational risk).

During 2014, EDPR updated its Global Counterparty Risk Policy to account for Counterparty Operational Risk. It is now implemented across the company.

3. II) A) COUNTERPARTY CREDIT RISK

If the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default, an economic loss would occur.

To control credit risk at EDPR, thresholds of Expected Loss and Unexpected Loss are established as defined in Basel Standards and re-evaluated monthly. If threshold is surpassed by any counterparty or by the company as a whole, mitigation measures are implemented in order to remain within the pre-established limit.

3. II) B) COUNTERPARTY OPERATIONAL RISK

If the transactions or portfolio of transactions with the counterparty does not have a positive economic value at the time of default, it will impact operations. Despite no direct loss at the time of default, the replacement of the counterparty could imply a cost to EDPR due to potential delays, higher contract value with a new counterparty (replacement costs), etc.

Construction and O&M subcontractors are counterparties to which EDPR is exposed from an operational point of view.

To minimize the probability of incurring in potential replacement costs with counterparties, EDPR's policy concerning counterparty operational risk is managed by an analysis of the technical capacity, competitiveness, credit notation and replacement cost of the counterparty.

3. III) LIQUIDITY RISK

Liquidity risk is the risk of EDPR not meeting its financial obligations.

EDPR's strategy to manage liquidity risk is to ensure that its liquidity is sufficient to meet financial liabilities when due, under both normal and stressed conditions, and without incurring unacceptable losses or risking damage to EDPR's reputation. Different funding sources are used such as Tax Equity investors, multilateral organizations, project finance, corporate debt and asset rotation.

EDPR uses a financial model to forecast liquidity risk in the medium and long term to meet strategic targets previously set (EBITDA, debt ratio and others).

4. WIND TURBINE CONTRACTS

The wind turbine generator (WTG) is a key element in the development of EDPR's wind-related energy projects, as the shortfall or an unexpected sharp increase in WTG prices can dramatically affect development of new projects and their profitability.

WTG represents on average 70 to 80% of an onshore wind farm capital expenditure, and around 40% of an offshore wind farm.

4. I) WIND TURBINE PRICE RISK

Price of wind turbines is affected, not only by market fluctuations of the materials used in the turbines, but also by the demand of wind turbines.

For every new project, EDPR secures the demand risk that might increase price of the turbines.

With regards to market risk of the materials used to manufacture wind turbines, an escalation formula is negotiated with wind turbine manufacturers. EDPR might hedge some of the market exposure of this escalation formula if exposure is above a pre-established limit and the market is liquid.

4. II) WIND TURBINE SUPPLY RISK

The demand for new wind farms may offset the offer of turbines by WTG manufacturers. Currently, the local component requirement in some geographies (Ex: Brazil) creates this shortfall situation.

EDPR faces limited risk to the availability and price increase of WTG's due to existing framework agreements with major global wind turbines suppliers. The Company uses a large mix of turbines suppliers in order to diversify wind turbine supply risk.

For geographies with specific requirements of local component, EDPR does not engage in a project before securing the supply of wind turbines.

5. PIPELINE

5. I) DEVELOPMENT RISK

Wind farms are subject to strict regulations at different authority levels (international, national, state, regional and local) relating to the development, construction, grid interconnection and operation of power plants. Among other things, these laws regulate landscape and environmental aspects, building licenses, land use and land securing and access to the grid issues.

While level of exigency might be different depending on the geographies, EDPR acknowledges a trend for legislations to align towards concentrating the most restrictive rules and development risks on the consenting (environmental and urban permissions) and interconnection (connection of the wind farm to the national grid).

In this context, EDPR's experience gathered in different countries is useful to anticipate and deal with similar situations in other countries.

During the development and design phase, EDPR focuses on the optimization of its projects. By mastering the variables, such as choice of locations, lay-out, etc, the objective is to make our projects more resilient to permitting risks.

Additionally, EDPR mitigates development risk by generating optionality, with development activities in 12 different countries (Spain, Portugal, France, Belgium, Poland, Romania, UK, Italy, US, Canada, Brazil and Mexico) and a portfolio of projects in several stages of maturity. EDPR has a large pipeline of projects that provide a "buffer" to overcome potential delays in the development of prioritized projects, ensuring growth targets and being able to compensate permitting delays in some geographies.

5. II) EXECUTION RISK

During the construction of the foundations, interconnection and substation of a wind farm, and the installation of the wind turbines, different events (bad weather, accidents, etc) might occur that could imply an over cost or a delay in the commercial operation date of the wind farm:

- The delay implies a postponement of cash flows, affecting profitability of the investment.
- When a wind farm has a PPA, a delay of the commercial operation date might imply the payment of LDs, with the consequent loss of revenues and the impact on annual financial results.

While execution risk in onshore wind farms is significant, but not relevant, for offshore wind farms it could be higher.

During the design phase, EDPR engineering teams supervise the engineering and the installation method. Construction is subcontracted to experienced construction companies, after verifying their creditworthiness.

For offshore wind farms, EDPR has partnered with large companies with previous experience in large electricity generation projects or offshore construction, in order to benefit from their knowledge and share the execution risk.

In both cases, a critical path analysis is performed to assess the reliability of construction and installation plan.

6. OPERATIONS

6. I) WIND TURBINE PERFORMANCE RISK

Wind farm output depends upon the operating availability of the turbines and the operating performance of the equipment, mainly the components of wind turbines and transformers.

EDPR mitigates this risk by using a mix of turbine suppliers which minimizes technological risk, avoiding exposure to a unique manufacturer.

EDPR also engages wind turbine suppliers through medium-term full-scope maintenance agreements to ensure alignment in minimizing technology risk. Finally, EDPR has created an O&M program with adequate preventive and scheduled maintenance program.

EDPR externalized non-core technical O&M activities of its wind farms, while primary and value added activities continue controlled by EDPR.

54. RISK FUNCTIONS AND FRAMEWORK

Risk Management at EDPR is supported by three distinct organizational functions, each one with a

different role: Strategy (Risk Profiler), Management (Risk Manager) and Controlling (Risk Controller).

Risk functions	Description
Strategy – General risk strategy & policy	<ul style="list-style-type: none"> • Global Risk Department provides analytically supported proposals to general strategic issues • Responsible for proposing guidelines and policies for risk management within the company
Management – Risk management & risk business decisions	<ul style="list-style-type: none"> • Implement defined policies by Global Risk • Responsible for day-to-day operational decisions and for related risk taking and risk mitigating positions
Controlling – Risk control	<ul style="list-style-type: none"> • Responsible for follow-up of the results of risk taking decisions and for contrasting alignment of operations with general risk policy approved by the board

These three Risk Functions work together following EDPR's Risk Framework, through which major strategic questions of the Executive Committee are translated into specific guidelines or policies, to be used by managers in their day-to-day decisions. The Risk Committee is the forum where the different Risk Functions discuss the policies to be implemented and control the risk exposure of the company.

EDPR's Risk Committee integrates and coordinates all Risk Functions and assures the link between corporate's risk appetite and defined strategy and the operations of the company.

In order to separate discussions on business decisions from new analyses and the definition of new policies, EDPR has created three distinct meetings of the Risk Committee with different periodicity:

- Restricted Risk Committee: Held every month, it covers the risk of new transactions such as new power purchase agreements, new investments, energy hedges along with pipeline status and the EBITDA at Risk. It helps to control the implementation of defined policies and the exposure to most important risk factors.
- Risk Committee: Held every quarter, it is the forum where new analyses are discussed and newly defined policies are proposed in order to send to the Executive Committee for approval. Additionally, EDPR's overall risk position is reviewed.
- By the end of 2014 the Executive Committee approved the creation of a Financial Risk Committee. The Committee will held meetings every quarter starting in 2015 and will be a forum to review financial strategy and mitigation measures for main financial risks (FX and interest rates).

55. DETAILS ON THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IMPLEMENTED IN THE COMPANY REGARDING THE PROCEDURE FOR REPORTING FINANCIAL INFORMATION

With the purpose of not only controlling risks, but also managing them ex-ante, EDPR has created Global Risk policies that are enforceable at a Global Level. These policies are proposed and discussed in the Risk Committee and approved by the Executive Committee.

During 2013, EDPR defined or reviewed four Global Risk Policies, which are already implemented or in the process to be implemented throughout 2014:

- Energy Price Hedging Policy
- Counterparty Credit Risk Policy
- Country Risk Policy
- FX Risk Policy

Compliance with Global Risk policies is verified every month in the Restricted Risk Committee.

INTERNAL CONTROL SYSTEM OVER FINANCIAL REPORTING

EDPR has an Internal Control System over Financial Reporting (SCIRF) updated and monitored in line with international standards of Internal Control.

This system covers the main aspects of the COSO framework: maintaining a control environment for the preparation of qualified financial information, assessment of the risks of financial reporting, existence of control activities to mitigate risks of error, information and communication and evaluation mechanisms.

SCOPE REVISION AND UPDATE

The SCIRF Manual includes the annual update of the scope that aims to identify companies, areas and processes that must be included in the scope of SCIRF, according to criteria of materiality and risk, including the risk of error or fraud.

The risk analysis included in the scoping process for SCIRF, includes both the different types of risk (operational, economic, financial, technological or legal) and the control objectives of financial reporting (existence and occurrence, completeness, measurement, presentation, disclosure and comparability, and rights and obligations in terms of their potential impact on the financial statements).

The results of the updated scope with the methodology outlined are communicated at all levels of the organization involved in the SCIRF and supervised by the Audit Committee.

CONTROL ACTIVITIES

In documented SCIRF processes and controls, information capture mechanisms are established (including identification of the scope of consolidation) and steps and checks that are carried out for the preparation of the financial information that will be part of consolidated financial statements are specified.

The procedures for review and approval of financial information are provided by the areas of Planning and Control, and Administration, Consolidation and Tax. Financial information is monitored in the scope of its competences by the Audit Committee, prior to the formulation of the accounts by the Board of Directors.

The SCIRF includes control activities related to these processes, embodied in Entity Level Controls, Process Controls and General Computer Controls. These processes include review and approval activities of the financial information which are described in the processes of elaboration of individual accounts, preparation of consolidated accounts and processing of consolidated financial statements.

EDPR has descriptions of Competency Profiles for the Positions to be carried out in the exercise of the main features of each position that includes a description of their main responsibilities. These include the descriptions of the key positions of those involved in the preparation of financial information. These descriptions include responsibilities in the preparation of financial information and compliance with internal control procedures.

The documentation of processes and associated controls designed include among others, the completion of closure activities by completing monthly closing checklists by entity, setting time limits for the closures, the identification of the relevance of the operations in order to be reviewed at the appropriate level, conducting analytical reviews of financial information, the existence of limitations in systems to prevent erroneous records or by unauthorized persons, analysis of deviations from the budget, the analysis in Executive Committees of relevant and significant facts that could cause a significant impact on the accounts, or the allocation of responsibilities for calculating amounts to be provisioned for them to be carried out by authorized personnel with the right skills.

In addition to the mentioned processes, major transactional processes resulting from the scope are documented. The description of the activities and controls are designed with the aim of ensuring the registration, evaluation, appropriate presentation and disclosure of transactions in financial reporting.

Control activities of EDPR's SCIRF also include those relating to systems and information technology (Computer General Controls) following an international reference, the COBIT framework (Control Objectives for Information and related Technologies). The importance of this area is that information systems are the tools with which financial information is prepared, and is therefore relevant for transactions conducted with them.

These control activities include those related to access control to applications and systems, segregation of duties, management of corrective and preventive maintenance, new projects implementation, administration and management of the systems,

facilities and operations (back-ups, security incidents) and their proper monitoring and planning. These activities are developed taking into account the requirements of control and supervision.

Among the activities of SCIRF's scope update, there is a periodic analysis of the existence of service suppliers that perform relevant activities in relation to the processes of preparing financial information.

SCIRF SUPERVISION

The Audit Committee supervises the SCIRF in the scope of the exercise of their activities through the monitoring and supervision of the developed mechanisms for SCIRF's implementation, evolution and evaluation, and the results of the scope analysis and the extent of the situation in terms of coverage. To this end, the Audit Committee is assisted by the Internal Audit Department.

EDPR has an Internal Audit Department under the President of the Executive Committee and is overseen by the Audit Committee as provided in the Basic Internal Audit Act.

The main functions of the Internal Audit Department are set out in the Basic Internal Audit Act, which includes, among others, the evaluation activities of internal control systems, including the internal control system over financial reporting.

The annual work plans of the Audit Department obtain the opinion of the Audit Committee, which is reported about their implementation.

Among these activities, Internal Audit supports the Audit Committee in monitoring the implementation and maintenance of SCIRF and reports the results of the evaluation, improvement actions identified and their evolution.

The entity has action plans for improvement actions identified in SCIRF's assessment processes, which are accompanied and supervised by the Internal Audit Department, considering their impact on the financial information.

Also in the year 2014, as in previous years, a process of self-certification was made by the heads of the various process owners regarding proper documentation update on SCIRF controls and processes in their area of responsibility and the implementation of controls with corresponding evidence.

SCIRF EVALUATION

Besides the monitoring and evaluation activities described in the preceding paragraph, in case the auditors identified internal control weaknesses in the scope of their financial audit work, they are expected to communicate these circumstances to the Audit Committee, which regularly monitors the results of the audit work.

Additionally, in 2014 the EDPR Group decided to have its SCIRF audited by the external auditor. As a result of its evaluation, the external auditor issued a report with a favourable opinion on SCIRF of the EDPR Group, according to ISAE 3000 (International Standard on Assurance Engagements 3000).

IV. INVESTOR ASSISTANCE

56. INVESTOR RELATIONS DEPARTMENT

EDPR seeks to provide to shareholders, investors, and stakeholders all the relevant information about the Company and its business environment, on a regular basis. The promotion of transparent, consistent, rigorous, easily accessible, and high-quality information is of fundamental importance to an accurate perception of the Company's strategy, financial situation, accounts, assets, prospects, risks, and significant events.

EDPR, therefore, looks to provide investors with accurate information that can support them in making informed, clear, and concrete investment decisions.

The Investor Relations Department was created to ensure a direct and permanent contact with all market related agents and stakeholders, to guarantee the equality between shareholders and to prevent imbalances in the information access.

The EDPR Investor Relations Department (IR) is the intermediary between EDPR and its actual and potential shareholders, the financial analysts that follow Company's activity, all investors and other members of the financial community. The main purpose of the department is to guarantee the principle of equality among shareholders, by preventing asymmetries in access the information and reducing the gap between market perception and Company's strategy and intrinsic value. The department responsibility comprises developing and implementing EDPR's communication strategy and preserving an appropriate institutional and informative relationship with the financial market, the stock exchange at which EDPR shares trade and the regulatory and supervisory entities (CMVM – Comissão de Mercado de Valores Mobiliários – in Portugal and CNMV – Comisión Nacional del Mercado de Valores – in Spain).

EDPR is clearly aware of the importance of detailed and transparent information, delivered on-time to the market. Consequently, EDPR publishes Company's price sensitive information before the opening or following the closing of the NYSE Euronext Lisbon stock exchange through CMVM's information system and, simultaneously, make that same information available on the website investors' section and through the IR department's mailing list. In 2014, EDPR made 47 press releases. Additionally, the IR Department also elaborates and makes available quarterly, semi-annual and annual results

presentations, hand-outs, key data files and interim presentations.

On each earnings announcement, EDPR promotes a conference call and webcast, at which the Company's management updates the market on EDPR's activities. On each of these events shareholders, investors and analysts had the opportunity to directly submit their questions and to discuss EDPR's results as well as the Company's outlook and strategy.

EDPR IR Department is coordinated by Rui Antunes and is located at the Company's head offices in Madrid, Spain. The department structure and contacts are as follows:

IR Contacts:

Rui Antunes, Head of Planning & Control, Investor Relations and Sustainability
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Edificio Olmo – 7th floor
28033 – Madrid – España
Website: www.edprenovaveis.com/investors
E-Mail: ir@edpr.com
Phone: +34 902 830 700 / Fax: +34 914 238 429

In 2014, EDPR promoted and participated in several events, namely EDP Group investor day, road shows, presentations to investors and analysts, meetings and conference calls. During the year, EDPR management and the IR team attended to 15 broker conferences, held 29 roadshows and 6 reverse roadshows, along with conference calls and meetings, totalling more than 400 interactions with institutional investor in 21 of the major financial cities across Europe, US, Canada, Australia and Asia.

EDPR IR Department was in permanent contact with capital markets agents, namely financial analysts who evaluate the Company. In 2014, as far as the Company is aware, sell-side analysts issued more than 170 reports evaluating EDPR's business and performance.

At the end of the 2014, as far as the Company is aware of, there were 21 institutions elaborating research reports and following actively EDPR activity. As of December 31st, 2014, the average price target of those analysts was of Euro 5.72 per share with the majority reporting "Buy" recommendations on EDPR's share: 11 Buys, 9 Neutrals and 1 Sell.

Company	Analyst	Price Target	Recommendation
Bank of America Merrill Lynch	Pinaki Das	€ 5.90	Neutral
Barclays	Monica Girardi	€ 4.90	Equalweight
BBVA	Daniel Ortea	€ 5.62	Outperform
Berenberg	Lawson Steele	€ 5.75	Buy
BES	Felipe Echevarria	€ 6.30	Buy
BPI	Flora Trindade	€ 7.10	Buy
Caixa BI	Helena Barbosa	€5.50	Buy
Citigroup	Antonella Bianchessi	€ 6.30	Buy
Deutsche Bank	Virginia Sanz de Madrid	€ 5.50	Hold

Company	Analyst	Price Target	Recommendation
Exane BNP	Manuel Palomo	€ 4.50	Underperform
Fidentis	Daniel Rodríguez	€ 5.78	Hold
Goldman Sachs	Manuel Losa	€ 6.40	Neutral
JP Morgan	Javier Garrido	€ 5.30	Overweight
Kepler Cheuvreux	Jose Porta	€ 5.25	Hold
Macquarie	Shai Hill	€ 5.75	Outperform
Main First	Fernando Garcia	€ 5.70	Outperform
Morgan Stanley	Carolina Does	€ 6.30	Overweight
Natixis	Philippe Ourpatian	€ 5.00	Neutral
Santander	Bosco Mugiro	€ 6.50	Buy
Société Générale	Jorge Alonso	€ 5.20	Hold
UBS	Alberto Gandolfi	€ 5.50	Neutral

57. MARKET RELATIONS REPRESENTATIVE

EDPR representative for relations with the market is the Executive Member of the Board, Rui Teixeira.

58. INFORMATION REQUESTS

In 2014, EDPR was present in several events with analysts and investors, such as EDP Group investor day, road shows, presentations, meetings and conference calls, communicating EDPR's business plan, strategy and its operational and financial performance.

During the year, IR Department received more than 600 information requests and interacted 410 times with institutional investors. On average, information requests were replied in less than 24 hours, with complex requests being replied within one week time. As of December 31st 2014 there was no pending information request.

V. WEBSITE – ONLINE INFORMATION

59-65.

EDPR considers online information a powerful tool in the dissemination of material information, updating its website with all the relevant documents. Apart from all the required information by CMVM and CNMV regulations, EDPR website also carries financial and

operational updates of Company's activities ensuring an easy access to the information.
EDPR website: www.edprenovaveis.com

Information	Link
Company information	www.edprenovaveis.com/investors/corporate-governance/companys-name www.edprenovaveis.com/our-company/who-we-are
Corporate by-laws and bodies/committees regulations	www.edprenovaveis.com/investors/corporate-governance
Members of the corporate bodies	www.edprenovaveis.com/investors/corporate-governance/directors
Market relations representative / IR department	www.edprenovaveis.com/investors/contact-ir-team
Means of access	www.edprenovaveis.com/our-company/contacts/contact-us
Financial statements documents	www.edprenovaveis.com/investors/reports-and-results
Corporate events Agenda	www.edprenovaveis.com/investors/calendar
General Shareholders' Meeting information	www.edprenovaveis.com/investors/shareholders-meeting-2

**PART I:
INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION
AND CORPORATE GOVERNANCE**

D. REMUNERATION

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I. POWER TO ESTABLISH

66. COMPETENCES TO DETERMINE THE REMUNERATION OF THE CORPORATE BODIES

The Nominations and Remunerations committee is a permanent body belonging to the Board of Directors with an informative and advisory nature. Its recommendations and reports are non-binding.

As such, the Nominations and Remunerations Committee has no executive functions. The main functions of the Nominations and Remunerations Committee are to assist and inform the Board of Directors regarding the nominations (including by co-option), re-elections, dismissals, and the remuneration of the Board Members and its position about the composition of the Board of Directors, as well as the nominations, remuneration, and dismissal of senior management personnel.

The Nominations and Remunerations Committee is the body responsible for proposing to the Board of Directors the determination of the remuneration of the Executive management of the Company; the

Declaration on Remuneration Policy; the evaluation and compliance of the KPI's (Key Performance Indicators); the annual and multi annual variable remuneration, if applicable, and also proposes the remuneration of the Non-Executive Directors and members of the Board Committees.

The Board of Directors is responsible for the approval of the above mentioned proposals except concerning the Declaration on the Remuneration Policy.

The Declaration on the Remuneration Policy is submitted by the Board of Directors to the approval of the General Shareholders' Meeting as an independent proposal. According to the Company's Articles of Association the Board of Directors remuneration is subject to a maximum value that can only be modified by a Shareholders agreement.

II. REMUNERATION COMMITTEE

67. NOMINATIONS AND REMUNERATIONS COMMITTEE

The Composition of the Nominations and Remunerations Committee is reflected on topic 29 of the report.

The Nominations and Remunerations Committee did not hire any external consultancy services corresponding to 2014.

68. KNOWLEDGE AND EXPERIENCE REGARDING REMUNERATION POLICY

The Chairman of the Nominations and Remunerations Committee has knowledge and experience regarding Remuneration Policy as member of the Remuneration Committee of a Portuguese listed company as

mentioned on his biography available in the Annex of this report, together with the biographies of all other members of the Nominations and Remunerations Committee.

III. REMUNERATION STRUCTURE

69. REMUNERATION POLICY

Pursuant to Article 26 of the Company's Articles of Association the Directors shall be entitled to a remuneration which consists of (i) a fixed amount to be determined annually by the General Shareholders' Meeting for the whole Board of Directors and of (ii) attendance fees regarding the Board Meetings.

The above mentioned 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 Shareholders' Meeting and comply with current legal provisions.

The total amount of the remunerations that the Company will pay to its Directors under the terms provided in the previous paragraphs shall not exceed the amount determined for that effect by the General

Shareholders' Meeting. The maximum remuneration approved by the General Shareholders' Meeting, for all the members of the Board of Directors was € 2,500,000 per year.

Pursuant to Article 26.4 of the Company's Articles of Association, the rights and duties of any kind derived from the condition of Board Member shall be compatible with any other rights and obligations either fixed or variable that could correspond to the Board Members as a consequence of other employment or professional engagements, if any, carried out in the Company. Variable remuneration resulting from said contracts or from any other relationship, including being a Board Member, will be limited to a maximum annual amount to be established by the General Shareholders' Meeting.

The maximum annual remuneration approved by the

General Shareholders Meeting for the variable remuneration for all the executive members of the Board of Directors was € 1,000,000 per year.

EDPR, in line with EDP Group corporate governance practice, has signed an Executive Management Services Agreement with EDP, under which the Company bears the cost for such services to some of the members of the Board of Directors to the extent their services are devoted to EDPR.

The non-executive Directors only receive a fixed remuneration, which is calculated on the basis of their work exclusively as Directors or with their membership on the Nominations and Remunerations Committee, Related Party Transactions Committee, and the Audit and Control Committee. Those members who are seated in two different Committees don't accumulate two remunerations. In these cases, the

70. REMUNERATION STRUCTURE

The remuneration policy proposed by the Nominations and Remuneration Committee and approved by the General Shareholders' Meeting on April 8th, 2014 (the Remuneration Policy), defines a structure with a fixed remuneration for all members of the Board of Directors and a variable remuneration, with an annual component and a multi-annual component for the members of the Executive Committee.

For the period 2014-2016, it was decided to maintain

71. VARIABLE REMUNERATION

Variable annual and multi-annual remuneration applies to the members of the Executive Committee.

The variable annual remuneration may range from 0 to 68% of the annual fixed remuneration and the multi-annual remuneration from 0 to 120% of the annual fixed remuneration.

For Executive Committee Members that are also Officers, there will be a qualitative evaluation of the CEO about the annual performance. This evaluation will have a weight of 20% for the final calculation in the annual variable remuneration and 32% in the multi-annual variable remuneration. The other 80%

remuneration to be received is the one that corresponds to the highest value.

EDPR has not incorporated any share remuneration or share purchase options plans as components of the remuneration of its Directors.

No Director has entered into any contract with the Company or third parties that have the effect of mitigating the risk inherent in the variability of the remuneration established by the Company.

In EDPR there aren't any payments for the dismissal or termination of Director's duties.

The remuneration policy for the Directors of the Company is submitted each year to the General Shareholders' Meeting for approval.

the remuneration structure in terms of its components, as well as to keep the same nominal value of fixed annual component as the one in force during the 2011-2013 period, having adjusted at the end of such period the fix remuneration of the CFO, COO EU and COO NA motivated by the end of their expatriation contracts, not incurring in any cost increase to the company, revising the KPIs (Key Performance Indicators) for variable multi-annual and annual components.

will be calculated based on the weights indicated in the next paragraph for the annual variable remuneration and 68% for the multi-annual variable.

The KPIs (Key Performance Indicators) used to determine the amounts of the annual and multi-annual variable regarding to each year of the term are aligned with the strategic grounds of the Company: growth, risk control and efficiency. These are the same for all members of the Executive Committee, although with specific targets for the platforms in the case of COO's:

Target Group	Key Performance Indicator	Weight
	Total Shareholder Return vs. Peers & PSI 20	15%
Growth	Incremental MW (EBITDA + Net Equity)	15%
	ROIC Cash %	8%
Risk - Return	EBITDA	12%
	Net Income	12%
	Technical Availability	6%
Efficiency	Opex / MW	6%
	Capex / MW	6%
	Sustainability	10%
Other	Employee satisfaction	5%
	Appreciation of the Remuneration Committee	5%

According to the Remuneration Policy approved by the General Shareholders' Meeting, the maximum variable remuneration (annual and multi-annual) is applicable

if all the above mentioned KPI's were achieved and the performance evaluation is equal or above 110%.

72. MULTI-ANNUAL REMUNERATION

EDPR Shareholders approved on the last General Shareholders' Meeting that took place on April 8th, 2014, a modification in the remuneration policy to

incorporate the deferral for a period of three years of the multi-annual variable remuneration, subject to the positive performance of the Company, in line with

CMVM corporate governance practices.

73. VARIABLE REMUNERATION BASED ON SHARES

EDPR has not allocated variable remuneration on shares and does not maintain Company shares that the Executive Directors have had access to.

74. VARIABLE REMUNERATION BASED ON OPTIONS

EDPR has not allocated variable remuneration on options.

75. ANNUAL BONUS AND NON-MONETARY BENEFITS

The key factors and grounds for any annual bonus scheme are described on topics 71 and 72. Additionally, the Officers, with the exception of the CEO received the following non-monetary benefits: company car and Health Insurance. Given the end of the expatriation contracts of EDPR's Officers, there is

no longer house allowance benefits. In 2014, the non-monetary benefits corresponded to €63,532,47.

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

76. RETIREMENT SAVINGS PLAN

The retirement savings plan for the members of the Executive Committee that are also Officers, acts as an effective retirement supplement with a range between 3% to 6% of their annual salary. The percentage is defined according with the retirement savings plan

applicable in their home country. The retirement savings plan has been approved by the General Shareholders' Meeting on April 8th, 2014 (the Remuneration Policy included the retirement plan).

IV. REMUNERATION DISCLOSURE

77. BOARD OF DIRECTORS REMUNERATION

The remuneration paid by EDPR to the members of the Board of Directors for the year ended on December 31st 2014 was as follows:

Remuneration	Fixed (€)	Variable (€)		Total (€)
		Annual	Multi-annual	
Executive Directors:				
João Manso Neto (CEO) ^{a)}	-	-	-	-
Nuno Alves ^{a)}	-	-	-	-
Rui Teixeira ^{b)}	61,804	-	-	61,804
Gabriel Alonso ^{b)}	-	-	-	-
João Paulo Costeira ^{b)}	61,804	-	-	61,804
Non-Executive Directors:				
António Mexia ^{a)}	-	-	-	-
João Lopes Raimundo	60,000	-	-	60,000
João Manuel de Mello Franco	73,333	-	-	73,333
Jorge Santos	66,667	-	-	66,667
José Araújo e Silva	45,000	-	-	45,000
Manuel Menéndez Menéndez	45,000	-	-	45,000
Rafael Caldeira Valverde	55,000	-	-	55,000
Gilles August	45,000	-	-	45,000
João Marques da Cruz ^{a)}	-	-	-	-
Acácio Piloto	45,000	-	-	45,000
António Nogueira Leite	55,000	-	-	55,000
José Ferreira Machado	60,000	-	-	60,000
Total	673,608	-	-	673,608

^{a)} António Mexia, João Manso Neto, Nuno Alves and João Marques da Cruz do not receive any remuneration from EDPR. EDPR and EDP signed an Executive Management Services Agreement according to which EDPR pays to EDP a fee for the services rendered by these Board Members.

^{b)} Rui Teixeira, Gabriel Alonso and João Paulo Costeira, as Officers and members of the Executive Committee receive their remuneration as Directors and/or other Group companies' employees, as described on the table below.

According to the Executive Management Services Agreement signed with EDP, EDPR is due to pay an amount to EDP, for the services rendered by the Executive Managers and the Non-executive Managers. The amount due under said Agreement for the management services rendered by EDP in 2014 is € 1,107,341, of which € 1,017,341 refers to the management services rendered by the Executive Members and €90,000 to the management services rendered by the non-executive Members. The

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

The non-executive Directors may opt between a fixed remuneration or attendance fees per meeting, in a value equivalent to the fixed remuneration proposed for a Director, taking into consideration the duties carried out.

78. REMUNERATION FROM OTHER GROUP COMPANIES

As mentioned on the 2013 Corporate Governance Report, due to the termination of the expatriation conditions of three Officers (Rui Teixeira, CFO; João Paulo Costeira, COO EU, BR & South Africa; and Gabriel Alonso COO NA & Mexico), new employment contracts were signed with other group companies, as follows:

- Rui Teixeira with EDP Energias de Portugal S.A. Sucursal en España;
- João Paulo Costeira with EDP Energias de Portugal S.A. Sucursal en España; and,
- Gabriel Alonso with EDP Renewables North America LLC.

The total remuneration of the Officers, ex-CEO, was the following:

Member	Fixed (€)	Variable (€)	
		Annual (*)	Multi-annual (*)
Rui Teixeira	228,196	75,000	235,000
João Paulo Costeira	228,196	75,000	235,000
Gabriel Alonso	301,874	75,000	235,000
Total	758,266	225,000	705,000

(*) Corresponds to the 2014 annual variable and multi annual variable 2011-2013.

79. REMUNERATION PAID IN FORM OF PROFIT SHARING AND/OR BONUS PAYMENTS

In EDPR there is no payment of remuneration in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

80. COMPENSATION FOR RESIGNED BOARD MEMBERS

In EDPR there is no compensation paid or owed to former executive Directors concerning contract termination during the financial year.

81. AUDIT AND CONTROL COMMITTEE REMUNERATION

Member	Position	Remuneration (€) (*)
Jorge Santos	Vocal / Chairman since April 8th 2014	66,667
João Manuel de Mello Franco	Chairman up to April 8th 2014 / Vocal	73,333
João Lopes Raimundo	Vocal	60,000

(*) The non-executive Directors receive only a fixed remuneration, which is calculated based on their work exclusively as Directors or with their membership on the Nominations and Remunerations Committee, Related-Party Transactions Committee, and/or the Audit and Control Committee.

82. REMUNERATION OF THE CHAIRPERSON OF THE GENERAL SHAREHOLDERS' MEETING

In 2014, the remuneration of the Chairman of the General Shareholders' Meeting of EDPR was € 15,000.

V. AGREEMENTS WITH REMUNERATION IMPLICATION

83-84.

EDPR has no agreements with remuneration implication.

VI. SHARE-ALLOCATION AND/OR STOCK OPTION PLANS

85-88.

EDPR does not have any Share-Allocation and/or Stock Option Plans.

**PART I:
INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION
AND CORPORATE GOVERNANCE**

E. RELATED-PARTY TRANSACTIONS

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I. CONTROL MECHANISMS AND PROCEDURES

89. RELATED-PARTY TRANSACTIONS CONTROLLING MECHANISMS

In order to supervise the transactions between the Group Companies' and its qualified shareholders, the Board of Directors has created the Related-Party Transactions Committee, a permanent body with delegated functions. The Related-Party Transactions Committee duties are described on topic 29 of the Report. The Audit and Control Committee also supervises the transactions with qualified shareholders when requested by the Board of

Directors according to Article 8.2, i) of its Regulations. This information is included on the annual report of the Audit and Control. The mechanisms established on both committees regulation and also the fact that one of the members of the Related-Party Transactions Committee is member of the Audit and Control Committee constitutes a relevant element for an adequate evaluation of the relations established between EDPR and third entities.

90. TRANSACTIONS SUBJECT TO CONTROL DURING 2014

During 2014, EDPR has not signed any contracts with the members of its corporate bodies or with holders of qualifying holdings, excluding EDP, as mentioned below.

However, EDPR closed a transaction with China Three Gorges (CTG), qualified shareholder of EDP, but not of EDPR, through its subsidiary EDP Renováveis Brasil S.A. ("EDPR Brasil"), for the sale of an equity shareholding of 49% in both operational and under development wind farms in Brazil. The transaction scope covers 84 MW in operation, with an average age of 4 years, as well as 237 MW under development, remunerated according to long-term awarded contracts to sell the electricity produced for 20 years. The financial closing is pending approval of regulatory authorities in Brazil and China. For this transaction, EDPR's Audit and Control Committee issued a favourable opinion according to Recommendation V.2 of CMVM.

Regarding related-party transactions, EDPR 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 EDPR subgroup.

The contracts signed between EDPR and its related parties have been analysed by the Related-Party Transactions Committee according to its competences, as mentioned on the previous topic, and have been concluded according to the market conditions.

The total amount of supplies and services in 2014 incurred with or charged by the EDP Group was € 16.6 million, corresponding to 6.5% of the total value of Supplies & Services for the year (€ 256.6 million).

The most significant contracts in force during 2014 are the following:

FRAMEWORK AGREEMENT

The framework agreement was signed by EDP and EDPR on May 7th, 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 EDPR and its subsidiaries can engage in activities in the field of renewable energies without the consent of EDPR.

EDPR shall have worldwide exclusivity, with the exception of Brazil, where it shall engage its activities through a joint venture with EDP Energias do Brasil S.A., for the development, construction, 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.

It lays down the obligation to provide EDP with any information that it may request from EDPR 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 EDPR or nominates more than 50% of its Directors.

EXECUTIVE MANAGEMENT SERVICES AGREEMENT

On November 4th, 2008 EDP and EDPR signed an Executive Management Services Agreement that was renewed on May 4th, 2011 and effective from March 18th, 2011 and renewed again on May 10th, 2012.

Through this contract, EDP provides management services to EDP Renováveis, including matters related to the day-to-day running of the Company. Under this agreement EDP nominates four people from EDP to be part of EDPR's Management: i) two Executive Managers which are members of the EDPR Executive Committee, including the CEO, and (ii) two Non-Executive Managers, for which EDP Renováveis pays EDP an amount defined by the Related Party Committee, and approved by the Board of Directors and the Shareholders Meeting. Under this contract, EDPR incurred an amount of EUR1,107,341 for the management services rendered in 2014.

POTENTIAL ACQUISITION OF 45% OF THE SHARE CAPITAL OF EDP RENOVÁVEIS BRASIL S.A. BY EDP RENOVÁVEIS S.A.

EDP Renováveis, S.A. ("EDPR") and EDP Energias do Brasil, S.A. ("EDP Brasil") have signed a Memorandum of Understanding ("MoU") envisaging the acquisition by EDPR of 45% of the share capital of EDP Renováveis Brasil, S.A. ("EDPR Brasil") controlled by EDP Brasil. Following this transaction EDPR will control

100% of the share capital of EDPR Brasil. The purchase price to be paid will be agreed between the parties in consideration of the value attributed to EDPR Brasil and its subsidiaries and certified by a fairness opinion issued by a renowned financial institution. Completion of this transaction is subject to regulatory approval and other customary closing conditions, and is expected to occur until the end of the first half of 2015.

FINANCE AGREEMENTS AND GUARANTEES

The most significant finance agreements between EDP Group companies and EDPR Group companies were established under the above described Framework Agreement and currently include the following:

LOAN AGREEMENTS

EDPR (as the borrower) has loan agreements with EDP Finance BV (as the lender), a Company 100% owned by EDP Energias de Portugal S.A. Such loan agreements can be established both in EUR and USD, usually have a 10-year tenor and are remunerated at rates set at an arm's length basis. As of December 31st 2014, such loan agreements totalled EUR 1,451,042,386 and USD 1,836,699,611.

COUNTER-GUARANTEE AGREEMENT

A counter-guarantee agreement was signed, under which EDP or EDP Energias de Portugal Sociedade Anónima, Sucursal en España (hereinafter guarantor or EDP Sucursal) undertakes on behalf of EDPR, EDP Renewables Europe SLU (hereinafter EDPR EU), and EDPR North America LLC (hereinafter EDPR NA) to provide corporate guarantees or request the issue of any guarantees, on the terms and conditions requested by the subsidiaries, which have been approved on a case by case basis by the EDP executive board.

EDPR will be jointly liable for compliance by EDPR EU and EDPR NA. The subsidiaries of EDPR undertake to indemnify the guarantor for any losses or liabilities resulting from the guarantees provided under the agreement and to pay a fee established in arm's length basis. Nonetheless, certain guarantees issued prior to the date of approval of these agreements may have different conditions. As of December 31st 2014, such counter-guarantee agreements totalled € 34,181,464 and USD 211,500,000.

There is another counter-guarantee agreement signed, under which EDP Energias do Brasil, SA or EDPR undertakes on behalf of EDPR Brasil, to provide corporate guarantees or request the issue of any guarantees, on the terms and conditions requested by the subsidiaries, which have been approved on a case by case basis by the EDPR executive board. Each party undertakes to indemnify the other pro-rata to its stake of any losses or liabilities resulting from the guarantees provided under the agreement and to pay a fee established in arm's length basis. As of December 31st 2014, such counter-guarantee agreements totalled BRL 87,858,811.

CURRENT ACCOUNT AGREEMENT

EDP Servicios Financieros España SLU and EDPR

signed an agreement through which EDP Servicios Financieros España manages EDPR's cash accounts. The agreement also regulates a current account between both companies, remunerated on arm's length basis. As of December 31st 2014, there are two different current accounts with the following balance and counterparties:

- in USD, EDPR SF with EDP SFE for a total amount of €32,308,521 in favour of EDPR SF;
- in EUR, EDPR SF with EDP SFE for a total amount of €136,625,957 in favour of EDPR SF.

The agreements in place are valid for one year as of date of signing and are automatically renewable for equal periods.

CROSS CURRENCY INTEREST RATE SWAPS

Due to the net investment in EDPR NA, EDPR Brazil, and Polish companies, EDPR's accounts were exposed to the foreign exchange risk. With the purpose of hedging this foreign exchange risk, EDPR settled the following Cross Currency Interest Rate Swap (CIRS):

- in USD/EUR, with EDP Sucursal for a total amount of USD 2,632,613,000;
- in BRL/EUR, with EDP Energias de Portugal SA for a total amount of BRL 118,000,000;
- in PLN/EUR, with EDP Energias de Portugal SA for a total amount of PLN 710,132,653.

HEDGE AGREEMENTS – EXCHANGE RATE

EDP Energias de Portugal S.A., EDPR and EDP Servicios Financieros España SLU entered into several hedge agreements with the purpose of managing the transaction exposure related with the short term positions in the North American, Polish, and Romanian subsidiaries, fixing the exchange rate for EUR/USD, EUR/PLN and EUR/RON in accordance to the prices in the forward market in each contract date. As of December 31st 2014, the total amount of Forwards and Non Delivery Forwards by geography and currency are as following:

- Polish operations, for EUR/PLN, a total amount of PLN 218,036,836 (NDFs) and PLN 156,608,820 (FWDs);
- Romanian operations, for EUR/RON a total amount of RON 63,648,349 (FWDs);
- US operations, for EUR/USD a total amount of USD 329,000,000 (NDF).

HEDGE AGREEMENTS – COMMODITIES

EDP and EDPR EU entered into hedge agreements for 2014 for a total volume of 1.802.056 MWh (sell position) and 612.230 MWh (buy position) at the forward market price at the time of execution related with the expected sales of energy in the Spanish market.

CONSULTANCY SERVICE AGREEMENT

On June 4th, 2008, EDP and EDPR signed a consultancy service agreement. Through this

agreement, and upon request by EDPR, EDP (or through EDP Sucursal) shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

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% based on an independent expert on the basis of market research. For 2014 the estimated cost of these services is €2,407,776. This was the total cost of services provided for EDPR, EDPR EU, and EDPR NA.

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

RESEARCH AND DEVELOPMENT AGREEMENT

On May 13th, 2008, EDP Inovação S.A. (hereinafter EDP Inovação), an EDP Group Company, and EDPR 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 project and develop new renewable energy technologies that are already in the pilot or economic and/or commercial feasibility study phase, whenever EDPR 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 nominate the majority of the members of the Board and Executive Committee of the parties to the agreement.

MANAGEMENT SUPPORT SERVICES AGREEMENT BETWEEN EDP RENOVÁVEIS PORTUGAL S.A., AND EDP VALOR – GESTÃO INTEGRADA DE RECURSOS S.A.

On January 1st, 2003, EDPR - Promoção e Operação S.A., 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 EDPR – Promoção e Operação S.A. 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 EDPR Promoção e Operação S.A. and its subsidiaries for the services provided in 2014 totalled €797,062,29. 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 January 1st, 2008.

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

INFORMATION TECHNOLOGY MANAGEMENT SERVICES AGREEMENT BETWEEN EDP RENOVÁVEIS S.A. AND EDP ENERGIAS DE PORTUGAL S.A.

On January 1st, 2010 EDPR and EDP signed an IT management services agreement.

The object of the agreement is to provide to EDPR the information technology services described on the contract and its attachments by EDP.

The amount incurred for the services provided in 2014 totalled €265,293,77.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year.

Either party may renounce the contract with one (1) month notice.

REPRESENTATION AGREEMENT WITH HIDROELÉTRICA DEL CANTÁBRICO S.A. FOR THE EDP RENOVÁVEIS S.A. PORTFOLIO IN SPAIN

On October 27th, 2011 EDPR and Hidroeléctrica del Cantábrico S.A. signed an Agreement for Representation services.

The object of this agreement was to provide EDPR representation services in the market and risk management for a fix tariff based in volume (€0.12/MWh) in the electricity market.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year.

CONSULTANCY AGREEMENT BETWEEN EDP RENOVÁVEIS BRASIL S.A., AND EDP ENERGIAS DO BRASIL S.A.

The object of the agreement is to provide to EDP Renováveis Brasil S.A. (hereinafter EDPR Brasil) the consultancy services described on the contract and its attachments by EDP – Energias do Brasil S.A. (hereinafter EDP Brasil). Through this agreement, and upon request by EDPR Brasil, EDP Brasil shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

The amount incurred to EDP Brasil for the services provided in 2014 totalled BRL 41,916,35.

The amount incurred in 2014 is significantly lower comparing with 2013 since most of the services in the scope of this contract have been internalized in EDPR Brasil.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a

new period of one (1) year.

SUPPLY SERVICES AND INFRA-STRUCTURES AGREEMENT BETWEEN EDP RENEWABLES EUROPE S.L.U, HIDROCANTÁBRICO DISTRIBUCIÓN ELÉCTRICA S.A.U AND HIDROELÉCTRICA DEL CANTÁBRICO S.A.

On January 10th, 2012 EDP Renewables Europe S.L.U, Hidrocantábrico Distribución Eléctrica S.A.U (HCDE) and Hidroeléctrica del Cantábrico S.A. signed a supply

services and infra-structures agreement.

The object of this agreement is the provision to EDPR Europe S.L.U of communication services and technical assistance related to the infra-structures of energy production.

The amount incurred to HCDE for the services provided in 2014 totalled € 20,095,54.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year.

91. DESCRIPTION OF THE PROCEDURES APPLICABLE TO THE SUPERVISORY BODY FOR THE ASSESSMENT OF THE BUSINESS DEALS

The most significant contracts signed between EDPR and its Qualified Shareholders are analysed by the Related-Party Transactions Committee according to its competences, as mentioned on topic 89 of the report and by the Audit and Control Committee when requested.

According to Article 9.1 c) of the Related-Party Transactions Committee Regulation, the committee analyses and supervises, according to the necessities of each specific case, the transactions between Qualifying Holdings other than EDP with entities from

the EDP Renováveis Group whose annual value is superior to € 1.000.000. This information is included on the annual report of the Audit and Control Committee regarding those cases whose previous opinion was requested. The mechanisms established on both committees regulations and also the fact that one of the members of the Related-Party Transactions Committee is a member of the Audit and Control Committee constitutes a relevant element for an adequate evaluation of the relations established between EDPR and third entities.

II. DATA ON BUSINESS DEALS

92. DETAILS OF THE PLACE WHERE THE FINANCIAL STATEMENTS INCLUDING INFORMATION ON BUSINESS DEALINGS WITH RELATED PARTIES ARE AVAILABLE, IN ACCORDANCE WITH IAS 24, OR ALTERNATIVELY A COPY OF SAID DATA.

The information on business dealings with related parties is available on Note 37 of the Financial Statements.

PART II:

CORPORATE GOVERNANCE ASSESSMENT

1. DETAILS OF THE CORPORATE GOVERNANCE CODE IMPLEMENTED

According to article 2 of CMVM Regulation 4/2013, EDPR informs that the present Report has been drafted under the Recommendations of CMVM'S Corporate Governance Code published on July, 2013.

The CMVM Corporate Governance Code and its Regulations are available at CMVM website, www.cmvm.pt.

2. ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE IMPLEMENTED

The following table shows the CMVM recommendations set forth in the code and indicates EDPR's compliance with it and the place in this report in which they are described in more detail.

During 2014, EDPR has continued its consolidation task as to the Company's governance principles and practices. The high level of compliance with the best governance practices by EDPR was once again recognised by an independent study developed in 2014 by the Universidade Católica Portuguesa (Portuguese Catholic University) at the request of AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado (Portuguese Listed Companies Association), within which the Company was given the maximum rating – AAA - based on the Company's 2013 Governance Report and compliance with the abovementioned CMVM Recommendations.

Also in order to comply with the Recommendation II.2.5 of the Portuguese Corporate Governance Code, and according to the results of the reflection made by

the Audit and Control Committee, the governance model that was adopted has been ensuring an effective performance and articulation of EDPR Social Bodies and proved to be adequate to the Company's governance structure without any constraints to the performance of its checks and balances system adopted to justify the changes made in the Governance practices of EDPR.

The explanation of CMVM's recommendations that EDPR does not adopt or that the Company deems not applicable, reasoning and other relevant comments as well as reference to the part of the report where the description may be found, are in the table below.

In this context, EDPR states that it has adopted the CMVM recommendations on the governance of listed companies provided in the Portuguese Corporate Governance Code, with the exceptions indicated below.

#.#.	CMVM RECOMMENDATIONS
Statement of compliance	
I. VOTING AND CORPORATE CONTROL	
I.1. Adopted	Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically. <i>Chapter B – I, b), topic 12 and 13</i>
I.2. Adopted	Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law. <i>Chapter B – I, b), topic 14</i>
I.3. Adopted	Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders. <i>Chapter B – I, b) topic 14</i>
I.4. Not Applicable	The Company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction. <i>Chapter A – I, topic 5</i>

#.#.	CMVM RECOMMENDATIONS
I.5.	Measures that require payment or assumption of fees by the Company in the event of change of control or change in the composition of the Board and that which appear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board Members, shall not be adopted.

Adopted

Chapter A – I, Topic 2 and 4

II. SUPERVISION, MANAGEMENT AND OVERSIGHT

II.1. SUPERVISION AND MANAGEMENT

II.1.1.	Within the limits established by law, and except for the small size of the Company, the board of Directors shall delegate the daily management of the Company and said delegated powers shall be identified in the Annual Report on Corporate Governance.
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Adopted

Chapter B – II, Topic 21, 28 and 29

II.1.2.	The Board of Directors shall ensure that the Company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the strategy and general policies of the Company, ii) define business structure of the group iii) decisions considered strategic due to the amount, risk and particular characteristics involved.
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Not Applicable

("According to the previous wording of the Spanish Companies Law, the matters referred to in this recommendation could be delegated by the Board of Directors on the Executive Committee. On December 24th, 2014, a new wording of the Spanish Companies Law, Ley 31/2014, entered into force introducing modifications regarding the delegation of powers by the Board of Directors (articles 249 bis and 529 ter). This new wording is applicable from 2015 onwards. On the next General Shareholders' Meeting foreseeing to take place on April 9th, 2015, will be submitted to the shareholders' approval a proposal for the modification of some of the Clauses of EDPR's Articles Association. One of those modifications is that the Board of Director will not be able to delegate these responsibilities")

II.1.3.	The General and Supervisory Board, in addition to its supervisory duties supervision, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall enshrine the requirement for this body to decide on the strategy and major policies of the Company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the Company.
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Not Applicable

(The governance model adopted by EDPR, as it is compatible with its personal law, corresponds to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit and Control Committee.)

II.1.4.	Except for small-sized companies, the Board of Directors and the General and Supervisory Board, depending on the model adopted, shall create the necessary committees in order to: <ol style="list-style-type: none"> Ensure a competent and independent assessment of the performance of the executive Directors and its own overall performance, as well as of other committees; Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.
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Adopted

Chapter B – II, C), Topic 27, 28 and 29

II.1.5.	The Board of Directors or the General and Supervisory Board, depending on the applicable model, should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.
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Adopted

Chapter B – III, C), III – Topic 52, 53, 54 and 55

II.1.6.	The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board.
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Adopted

Chapter B – II, Topic 18 and Topic 29

#.#.	CMVM RECOMMENDATIONS
II.1.7.	<p>Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the Company, its shareholder structure and the relevant free float. The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as per the law in force. The other members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the Company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to:</p> <p>a. Having been an employee at the Company or at a Company holding a controlling or group relationship within the last three years;</p> <p>b. Having, in the past three years, provided services or established commercial relationship with the Company or Company with which it is in a control or group relationship, either directly or as a partner, board member, manager or Director of a legal person;</p> <p>c. Being paid by the Company or by a Company with which it is in a control or group relationship besides the remuneration arising from the exercise of the functions of a board member;</p> <p>d. Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of Board Members or natural persons that are direct and indirectly holders of qualifying holdings;</p> <p>e. Being a qualifying shareholder or representative of a qualifying shareholder.</p>
Adopted	
	<i>Chapter B – II, Topic 18</i>
II.1.8.	When Board Members that carry out executive duties are requested by other Board Members, said shall provide the information requested, in a timely and appropriate manner to the request.
Adopted	
	<i>Chapter B – II, C) - Topic 29</i>
II.1.9.	The Chair of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chair of the Board of Directors, the Chair of the Supervisory Board, the Chair of the Audit Committee, the Chair of the General and Supervisory Board and the Chairperson of the Financial Matters Board, the convening notices and minutes of the relevant meetings.
Adopted	
	<i>Chapter B – II, C) - Topic 29</i>
II.1.10.	If the chair of the board of Directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that said can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.
Not applicable	
	<i>(The Chairperson of EDPR's Board of Directors does not have executive duties)</i>
	<i>Chapter B – II, A) – Topic 18</i>
II.2	SUPERVISION
II.2.1.	Depending on the applicable model, the Chair of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties.
Adopted	
	<i>Chapter B – II – Topic 18; Chapter B – II, C) - Topic 29; and Chapter B – III, A) – Topic 32</i>
II.2.2.	The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the Company
Adopted	
	<i>Chapter B – C), Topic 29; and Chapter B – V, Topic 45</i>
II.2.3.	The supervisory board shall assess the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.
Adopted	
	<i>Chapter B – II, Topic 29; Chapter B – III, C) – Topic 38; and Chapter B – III – V, Topic 45</i>
II.2.4.	The supervisory board shall assess the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.
Adopted	
	<i>Chapter B – II, Topic 29; and Chapter B – III, C) – III, Topic 50 and 51</i>
II.2.5.	The Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the Company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential improprieties.
Adopted	
	<i>Chapter B – II, Topic 29</i>

#.#.	CMVM RECOMMENDATIONS
II.3. REMUNERATION SETTING	
II.3.1. Adopted	All members of the Remuneration Committee or equivalent should be independent from the executive Board Members and include at least one member with knowledge and experience in matters of remuneration policy. <i>Chapter D – II – Topic 67 and 68</i>
II.3.2. Not Applicable	Any natural or legal person that provides or has provided services in the past three years, to any structure under the board of Directors, the board of Directors of the Company itself or who has a current relationship with the Company or consultant of the Company, shall not be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related by employment contract or provision of services with the above. <i>Chapter D – II – Topic 67</i>
II.3.3. Adopted	A statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following: a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies; b) Information regarding the maximum potential, in individual terms, and the maximum potential, in aggregate form, incurred to members of corporate bodies, and identify the circumstances whereby these maximum amounts may be payable; d) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of Board Members. <i>Chapter D – III – Topic 69</i>
II.3.4. Not Applicable	Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to Board Members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said plan. <i>Chapter V – III, Topic 73 and 85</i>
II.3.5. Adopted	Approval of any retirement benefit scheme established for members of corporate members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said system. <i>Chapter D – III, Topic 76</i>
III. REMUNERATION	
III.1. Adopted	The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk-taking. <i>Chapter D – III, Topic 69, 70, 71 and 72</i>
III.2. Adopted	The remuneration of non-executive Board Members and the remuneration of the members of the supervisory board shall not include any component whose value depends on the performance of the Company or of its value. <i>Chapter D – III, Topic 69; and Chapter D – IV, Topic 77</i>
III.3. Adopted	The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and maximum limits should be set for all components. <i>Chapter D – III, Topic 71 and 72</i>
III.4. Adopted	A significant part of the variable remuneration should be deferred for a period not less than three years, and the right of way payment shall depend on the continued positive performance of the Company during that period. <i>Chapter D – III, Topic 72</i>
III.5. Adopted	Members of the Board of Directors shall not enter into contracts with the Company or with third parties which intend to mitigate the risk inherent to remuneration variability set by the Company. <i>Chapter D – III, Topic 72</i>
III.6. Not Applicable	Executive Board Members shall maintain the Company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares, until the end of their mandate. <i>Chapter D – III, Topic 73</i>

##. CMVM RECOMMENDATIONS

III.7. Not Applicable When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years.

Chapter D – III, Topic 74

III.8. Adopted When the removal of board member is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is yet due on inadequate performance, the Company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable.

Chapter D – III, Topic 69 and 72

IV. AUDITING

IV.1. Adopted The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the supervisory body of the Company.

Chapter B – III – V, Topic 45

IV.2. Adopted The Company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for hiring such services - which must be approved by the supervisory board and explained in its Annual Report on Corporate Governance - said should not exceed more than 30% of the total value of services rendered to the Company.

Chapter B – III – V, Topic 46

IV.3. Adopted Companies shall support auditor rotation after two or three terms whether four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the supervisory board that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.

Chapter B – III – V, Topic 44

V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

V.1. Adopted The Company's business with holders of qualifying holdings or entities, with which they are in any type of relationship pursuant to article 20 of the Portuguese Securities Code, shall be conducted during normal market conditions.

Chapter B – C), Topic 90

V.2. Adopted The supervisory or oversight board shall establish procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying holdings - or entities with which they are in any of the relationships described in article 20/1 of the Portuguese Securities Code – thus significant relevant business is dependent upon prior opinion of that body.

Chapter B – C), Topic 89 and 91

VI. INFORMATION

VI.1. Adopted Companies shall provide, via their websites in both the Portuguese and English languages, access to information on their progress as regards the economic, financial and governance state of play.

Chapter B – C) – V, Topics 59-65

VI.2. Adopted Companies shall ensure the existence of an investor support and market liaison office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing, shall be kept.

Chapter B – C) – IV, Topic 56

ANNEX - PROFESSIONAL QUALIFICATIONS AND BIOGRAPHIES OF THE MEMBERS OF THE BOARD OF DIRECTORS



ANTÓNIO MEXIA
Born: 1957

Current positions in EDPR or EDP group of companies:

- Chairman of the Board of Directors of EDP Renováveis SA
- Chairman of the Executive Board of Directors of EDP Energias de Portugal SA
- Permanent Representative of EDP Energias de Portugal SA Sucursal en España, and Representative of EDP Finance BV
- Chairman of the Board of Directors of EDP Energias do Brasil SA

Current positions in companies outside EDPR and EDP group of companies:

- Member of the General Supervisory Board of Banco Comercial Português (BCP), 2008

Main positions in the last five years:

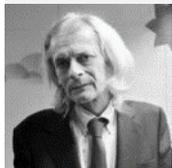
- Minister of Public Works, Transport and Communication for Portugal's 16th Constitutional Government
- Chairman of the Portuguese Energy Association (APE)
- Executive Chairman of Galp Energia
- Chairman of the Board of Directors of Petrogal, Gás de Portugal, Transgás and Transgás-Atlântico
- Vice-Chairman of the Board of Directors of Galp Energia
- Chairman of the Board of Directors of Gás de Portugal and Transgás
- Director of Banco Espírito Santo de Investimentos
- Vice-Chairman of the Board of Directors of ICEP (Portuguese Institute for Foreign Trade)
- Assistant to the Secretary of State for Foreign Trade

Other previous positions:

- Assistant Lecturer in the Department of Economics at Université de Genève (Switzerland)

Education:

- BSc in Economics from Université de Genève (Switzerland)
- Postgraduate lecturer in European Studies at Universidade Católica



JOÃO MANSO NETO
Born: 1958

Current positions in EDPR or EDP group of companies:

- Executive Vice-Chairman of the Board of Directors and Chairman of the Executive Committee (CEO) of EDP Renováveis SA
- Chairman of the Board of Directors of EDP Renewables Europe SL, EDP Renováveis Brasil SA and EDP Renováveis Servicios Financieros S.L.
- Executive Director of EDP Energias de Portugal SA, Hidroeléctrica del Cantábrico SA, EDP Energía Gás SL, EDP Energía Ibérica SA, Naturgás Energia Grupo SA
- Permanent Representative of EDP Energias de Portugal SA Sucursal en España, and Representative of EDP Finance BV
- Chairman of the Board of Directors of EDP Gás.com Comércio de Gás Natural SA and ENEOP Eólicas de Portugal SA

Current positions in companies outside EDPR and EDP group of companies:

- Member of the Board of the Operador del Mercado Ibérico de Energía, Polo Español (OMEL)
- Member of the Board of OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A

Main positions in the last five years:

- Member of the Executive Board of Directors of EDP Energias de Portugal SA
- Chairman of EDP Gestão da Produção de Energia SA
- CEO and Vice-Chairman of Hidroeléctrica del Cantábrico SA
- Vice-Chairman of Naturgás Energia Grupo SA
- Member of the Board of the Operador del Mercado Ibérico de Energía, Polo Español (OMEL)
- Member of the Board of OMIP – Operador do Mercado Ibérico (Portugal) SGPS SA

Other previous positions:

- Head of the International Credit Division, and General Manager responsible for Financial and South Retail areas at Banco Português do Atlântico,
- General Manager of Financial Management, General Manager of Large Corporate and Institutional Businesses, General Manager of the Treasury, Member of the Board of Directors of BCP Banco de Investimento and Vice-Chairman of BIG Bank Gdansk in Poland at Banco Comercial Português
- Member of the Board of Banco Português de Negócios
- General Manager and Member of the Board of EDP Produção

Education:

- Degree in Economics from Instituto Superior de Economia
- Post-graduate degree in European Economics from Universidade Católica Portuguesa
- Professional education course through the American Bankers Association (1982), the academic component of the Master's Degree program in Economics at the Faculty of Economics, Universidade Nova de Lisboa
- Advanced Management Program for Overseas Bankers at the Wharton School in Philadelphia



NUNO ALVES
Born: 1958

Current positions in EDPR or EDP group of companies:

- Executive Member of the Board of Directors and Member of the Executive Committee of EDP Renováveis SA
- Chairman of the Board of Directors of EDP Estudos e Consultoria SA, EDP Imobiliária e Participações SA, Energia RE SA, Sâvida Medicina Apoiada SA, SCS Serviços Complementares de Saúde SA
- Executive Director of EDP Energias de Portugal SA, EDP Energias do Brasil SA and Hidroeléctrica del Cantábrico SA
- Permanent Representative of EDP Energias de Portugal SA Sucursal en España, and Representative of EDP Finance BV
- Manager of Balwerk Consultadoria Económica e Participações Sociedade Unipessoal Lda

Main positions in the last five years:

- Member of the Executive Board of Directors of EDP Energias de Portugal SA (CFO)

Other previous positions:

- In 1988, he joined the Planning and Strategy Department of Millennium BCP
- Associate Director of the Millennium BCP bank's Financial Investments Division
- Investor Relations Officer for the Millennium BCP Group
- Coordinating Manager of Millennium BCP Retail network
- Head of the Capital Markets Division of Millennium BCP Investimento
- Co-Head of Millennium BCP Investment Banking Division
- Chairman and CEO of CISF Dealer, the brokerage arm of Millennium BCP Investimento
- General Manager of Millennium BCP
- Executive Board Member of Millennium BCP Investimento, responsible for BCP Group Treasury and Capital Markets

Education:

- Degree in Naval Architecture and Marine Engineering
- Master in Business Administration by the University of Michigan



RUI TEIXEIRA
Born: 1972

Current positions in EDPR or EDP group of companies:

- Member of the Board of Directors, Member of the Executive Committee and Chief Financial Officer of EDP Renováveis SA
- Director of EDP Renewables Canada Ltd, EDP Renewables Europe SL, EDP Renewables Polska SP zoo, EDP Renewables SGPS SA, EDP Renewables UK Ltd, EDP Renováveis Brasil SA, EDP Renováveis Portugal SA, EDP Renováveis Servicios Financieros SL, EDPR PT Promoção e Operação SA and South Africa Wind & Solar Power SLU

Current positions in companies outside EDPR and EDP group of companies:

(none)

Main positions in the last five years:

- Chief Financial Officer of EDP Renováveis SA
- Member of the Executive Committee of EDP Renováveis SA
- Member of the Board of Directors of EDP Renováveis SA

Other previous positions:

- Assistant Director of the commercial naval department of Gellweiler - Sociedade Equipamentos Marítimos e Industriais, Lda
- Project Manager and ship surveyor for Det Norske Veritas, with responsibilities for offshore structures, shipbuilding, and ship repair
- Consultant at McKinsey & Company, focussing on energy, shipping, and retail banking
- Head of the Corporate Planning and Control within the EDP Group
- Chief Financial Officer of EDP Renewables Europe SL (former NEO)

Education:

- Master of Science degree in Naval Architecture and Marine Engineering from the Institute Superior Técnico de Lisboa
- Master in Business and Administration from the Universidade Nova de Lisboa
- Advance Management Program from Harvard Business School



GABRIEL ALONSO
Born: 1973

Current positions in EDPR or EDP group of companies:

- Member of the Board of Directors, Member of the Executive Committee and Chief Operating Officer for North America of EDP Renováveis SA
- Director of EDP Renewables North America LLC and EDP Renewables Canada Ltd

Current positions in companies outside EDPR and EDP group of companies:

- Member of the Board of Directors and of the Executive Committee of the American Wind Energy Association (AWEA)

Main positions in the last five years:

- Chief Operating Officer for North America of EDP Renováveis SA
- Member of the Executive Committee of EDP Renováveis SA
- Member of the Board of Directors of EDP Renováveis SA

Other previous positions:

- He joined EDP in early 2007 as Managing Director for North America
- Chief Development Officer (CDO) and Chief Operating Officer (COO) of EDPR NA

Education:

- Law Degree and a Master of Science Degree in Economics, each from the University of Deusto in Spain
- Advanced Management Program at The University of Chicago Booth School of Business



JOÃO PAULO COSTEIRA
Born: 1965

Current positions in EDPR or EDP group of companies:

- Member of the Board of Directors, Member of the Executive Committee and Chief Operating Officer for Europe & Brazil of EDP Renováveis SA
- Chairman of the Board of Directors of EDP Renewables Italia SRL, EDP Renewables France Holding SA, EDP Renewables SGPS SA, EDP Renewables South Africa Ltd, EDP Renováveis Portugal SA, EDPR PT Promoção e Operação SA, ENEOP 2 SA, Greenwind SA and South Africa Wind & Solar Power SLU
- Director of EDP Renewables Europe SL, EDP Renewables Polska SP zoo, EDP Renewables Romania SRL, EDP Renewables UK Ltd, EDP Renováveis Brasil SA and EDP Renováveis Servicios Financieros SL

Current positions in companies outside EDPR and EDP group of companies:

(none)

Main positions in the last five years:

- Chief Operating Officer for Europe, Brazil and South Africa of EDP Renováveis SA
- Member of the Executive Committee of EDP Renováveis SA
- Member of the Board of Directors of EDP Renováveis SA

Other previous positions:

- Commercial Director of Portgás
- General Manager of Lisboagás (Lisbon's Natural Gas LDC), Managing Director of Transgás Industria (Liberalized wholesale customers), and Managing Director of Lusitaniagás (Natural gas LDC) at Galpenergia Group (Portugal's National Oil & Gas Company)
- Member of the Management Team of GalpEmpresas and Galpgás
- Executive Board Member for Natural Gas Distribution and Marketing (Portugal and Spain)

Education:

- Degree in Electrical Engineering by the Faculdade Engenharia da Universidade do Porto
- Master in Business Administration by IEP/ESADE (Oporto and Barcelona)
- Executive Development Program at École des HEC (Université de Lausanne)
- Strategic Leadership Development Program at INSEAD (Fontainebleau)
- Advanced Management Program of IESE (Barcelona)



JOÃO LOPES RAIMUNDO
Born: 1960

Current positions in EDPR or EDP group of companies:

- Member of the Board of Directors and of the Audit and Control Committee of EDP Renováveis SA

Current positions in companies outside EDPR and EDP group of companies:

- CEO and Board Member of Millennium BCP Capital SA
- Chairman of the Board of BCP Holdings (USA), Inc., General Manager of Banco Comercial Português
- Member of the Board of OMIP – Operador do Mercado Ibérico (Portugal), SGPS SA
- Member of the Investment Committees of the Fundo Revitalizar Norte, FCR (managed by Explorer Investments, SCR SA), Fundo Revitalizar Centro, FCR (Managed by Oxy Capital, SCR, SA) and Fundo Revitalizar Sul, FCR (Managed by Capital Criativo, SCR SA)

Main positions in the last five years:

- Member of the Board of Directors of CIMPOR - Cimentos de Portugal, SGPS SA
- Managing Director of Millennium BCP's Investment Banking Division

Other previous positions:

- Senior auditor of BDO—Binder Dijker Otte Co.
- Director of Banco Manufacturas Hanover (Portugal) SA
- Member of the Boards of TOTTAFactor SA (Grupo Banco Totta e Açores) and Valores Ibéricos, SGPS SA In 1993, held positions with Nacional Factoring, da CISF - Imóveis and CISF Equipamentos
- Director of CISF - Banco de Investimento
- Member of the Board of Directors of Leasing Atlântico, Comercial Leasing, Factoring Atlântico, Nacional Leasing and Nacional Factoring
- Member of the Board of Directors of BCP Leasing, BCP Factoring and Leasefactor SGPS
- Chairman of the Board of Directors of Banque BCP (Luxemburg)
- Chairman of the Executive Committee of Banque BCP (France)
- Member of the Board of Banque Privée BCP (Switzerland)
- General Manager of BCP's Private Banking Division
- Member of the Board of Directors of Banco Millennium BCP de Investimento SA
- General Manager of Banco Comercial Português SA
- Vice-Chairman of the General Assembly Board of Millennium Angola
- Vice-Chairman and CEO of Millennium BCP Bank NA (USA)

Education:

- BSc in Business Administration from Universidade Católica Portuguesa
- Master in Business Administration from INSEAD



JOÃO MANUEL DE MELLO FRANCO
Born: 1946

Current positions in EDPR or EDP group of companies:

- Member of the Board of Directors, Chairman of the Nominations and Remunerations Committee, Member of the Audit and Control Committee and Member of the Related-Party Transactions Committee of EDP Renováveis SA

Current positions in companies outside EDPR and EDP group of companies:

- Chairman of the Board of Directors of Portugal Telecom SGPS, SA.
- Member of the Evaluation Committee of Portugal Telecom SGPS SA
- Member of the Board of Villas Boas ACP – Corretores de Seguros, Lda

Main positions in the last five years:

- Chairman of the Audit Committee of Sporting Clube de Portugal SAD

Other previous positions:

- Member of the Board of Directors of Tecnologia das Comunicações, Lda
- Chairman of the Board of Directors of Telefones de Lisboa e Porto SA
- Chairman of Associação Portuguesa para o Desenvolvimento das Comunicações
- Chairman of the Board of Directors of Companhia Portuguesa Rádio Marconi
- Chairman of the Board of Directors of Companhia Santomense de Telecomunicações e da Guiné Telecom
- Vice-Chairman of the Board of Directors and CEO of Lisnave (Estaleiros Navais) SA
- CEO and Chairman of the Board of Directors of Soponata
- Director and Member of the Audit Committee of International Shipowners Reinsurance Co SA
- Vice-Chairman of José de Mello Imobiliária SGPS SA
- Chairman of the Audit Committee, Member of the Corporate Governance Committee, Member of the Evaluation Committee and Member of the Remuneration Committee of Portugal Telecom SGPS SA

Education:

- BSc in Mechanical Engineering from Instituto Superior Técnico de Lisboa
- Certificate in strategic management and company boards
- Holder of a grant of Junta de Energia Nuclear



JORGE SANTOS
Born: 1951

Current positions in EDPR or EDP group of companies:

- Member of the Board of Directors and Chairman of the Audit and Control Committee of EDP Renováveis SA

Current positions in companies outside EDPR and EDP group of companies:

- President of the General Assembly of IDEFE
- Director at "Fundação Económicas"
- Coordinator of the Master Program in Economics of ISEG

Main positions in the last five years:

- President of the Economics Department of Instituto Superior de Economia e Gestão of the Universidade de Lisboa (ISEG)

Other previous positions:

- Coordinator of the committee for evaluation of the EC Support Framework II
- Member of the committee for the elaboration of the ex-ante evaluation of the EC Support Framework III. From 1998 to 2000
- Chairman of the research unit "Unidade de Estudos sobre a Complexidade na Economia (UECE)"
- Chairman of the scientific council of Instituto Superior de Economia e Gestão (ISEG) of the Universidade de Lisboa
- Coordinator of the committee for the elaboration of the Strategic Programme of Economic and Social Development for the Peninsula of Setúbal

Education:

- Degree in Economics from Instituto Superior de Economia e Gestão
- Master degree(MSc) in Economics from the University of Bristol
- Ph.D. in economics from the University of Kent
- Doctorate Degree in Economics from the Instituto Superior de Economia e Gestão of Universidade de Lisboa



JOSÉ ARAÚJO E SILVA
Born: 1951

- Current positions in EDPR or EDP group of companies:**
- Member of the Board of Directors of EDP Renováveis SA

Current positions in companies outside EDPR and EDP group of companies:

- Consultant
- Professor at Católica Oporto Business School

Main positions in the last five years:

- Member of the Executive Committee of Rádio e Televisão de Portugal (RTP)
- Member of the Executive Board of Caixa Geral Depósitos SA
- Chairman of Caixa Seguros e Saúde
- Non-Executive Board Member of Banco Caixa Totta de Angola
- Non-Executive Board Member of AdP – Aguas de Portugal SGPS
- Non-Executive Board Member of Atlant, SA

Other previous positions:

- Executive Board Member of Corticeira Amorim SGPS
- CFO and Controller, Sonae Industria
- CFO Sonae Investimentos SGPS
- Executive Board Member, Tafisa, Sonae Industria - Spain
- Executive Committee, Sonae Participações Financeiras; CEO MDS – In Company Risk management & Insurance Broker services
- Vice-Chairman Sonae Industria
- International Department Banco Espírito Santo
- Professor at FEUP and Católica University

Education:

- Faculdade Economia, University Porto (FEP)
- Post-Graduation University Paris IX, Dauphine and International Banker's Course, Midland Bank, London



MANUEL MENÉNDEZ MENÉNDEZ
Born: 1960

- Current positions in EDPR or EDP group of companies:**
- Member of the Board of Directors of EDP Renováveis SA
 - Chairman of the Board of Directors Hidroeléctrica del Cantábrico SA
 - Chairman of the Board of Directors of Naturgás Energía Grupo SA

Current positions in companies outside EDPR and EDP group of companies:

- CEO of Liberbank SA

Main positions in the last five years:

- Chairman and CEO of Liberbank SA
- Chairman of Banco de Castilla-La Mancha
- Chairman of Cajastur
- Chairman of Hidroeléctrica del Cantábrico SA
- Chairman of Naturgás Energía Grupo SA
- Member of the Board of Directors of EDP Renewables Europe SL
- Representative of Peña Rueda, SL in the Board of Directors of Enagas SA
- Member of the Board of Confederación Española de Cajas de Ahorro (CECA)
- Member of the Board of UNESA

Other previous positions:

- University Professor in the Department of Business Administration and Accounting at the University of Oviedo

Education:

- BSc in Economics and Business Administration from the University of Oviedo
- PhD in Economic Sciences from the University of Oviedo



RAFAEL CALDEIRA VALVERDE
Born: 1953

- Current positions in EDPR or EDP group of companies:**
- Member of the Board and Member of the Nominations and Remuneration Committee of EDP Renováveis SA

Current positions in companies outside EDPR and EDP group of companies:

- Executive Vice-Chairman of the Board of Directors of Banco Espírito Santo de Investimento

Main positions in the last five years:

- Executive Vice-Chairman of the Board of Directors of Banco Espírito Santo de Investimento
- Vice-Chairman and Member of the Executive Committee of Banco Espírito Santo de Investimento, SA
- Member of the Board of Directors of BES Investimento do Brasil SA - Banco de Investimento
- Member of the Board of Directors of ESSI S.G.P.S. SA
- Member of the Board of Directors of ESSI Comunicações SGPS SA
- Member of the Board of Directors of ESSI Investimentos SGPS SA
- Member of the Board of Directors of Espírito Santo Investment Holdings Limited
- Member of the Board of Directors of EDP Renováveis SA
- Member of the Supervisory Board of Academia de Música de Sta. Cecília
- Vice-Chairman of Federação Portuguesa de Rugby
- Member of the Supervisory Board TRANS-POR

Other previous positions:

- Lecturer of Economics at the Universidade de Economia de Coimbra (1976-78)
- Manager at Instituto do Investimento Estrangeiro

Education:

- BSc in Economics from the Instituto de Economia da Faculdade Técnica de Lisboa

**GILLES AUGUST**

Born: 1957

Current positions in EDPR or EDP group of companies:

- Member of the Board of Directors of EDP Renováveis SA

Current positions in companies outside EDPR and EDP group of companies:

- Lawyer and founder of August & Debouzy Law Firm
- Lecturer at Ecole Supérieure des Sciences Economiques et Commerciales, at Collège de Polytechnique and at CNAM (Conservatoire National des Arts et Métiers)

Main positions in the last five years:

- Lawyer and founder of August & Debouzy Law Firm

Other previous positions:

- Lawyer at Finley, Kumble, Wagner, Heine, Underberg, Manley & Casey Law Office in Washington DC
- Associate and later became Partner at Baudel, Salés, Vincent & Georges Law Firm in Paris
- Partner at Salés Vincent Georges

Knight of the Légion d'Honneur and Officer in the Ordre National du Mérite

Education:

- Master in Laws from Georgetown University Law Center in Washington DC (1986)
- Post-graduate degree in Corporate Law from University of Paris II Phantéon, DEA (1984)
- Master in Private Law from the same University (1981)
- Graduated from the Ecole Supérieure des Sciences Economiques et Commerciales (ESSEC)

**JOÃO MARQUES DA CRUZ**

Born: 1958

Current positions in EDPR or EDP group companies:

- Member of the Board of Directors of EDP Renováveis SA
- Executive Director of EDP Energias de Portugal SA
- Permanent Representative of EDP Energias de Portugal SA Sucursal en España, and Representative of EDP Finance BV
- Chairman of the Board of Directors of Companhia de Eletricidade de Macau CEM SA, EDP Ásia Investimentos e Consultoria Lda, EDP Ásia Soluções Energéticas Lda, EDP Internacional S.A.

Current positions in companies outside EDPR and EDP group of companies:

- Chairman of the Board of Directors of CEM – Macao Electrical Company

Main positions in the last five years:

- Member of the Board of EDP Internacional SA
- Chairman of the Board of Directors of CEM – Macao Electrical Company
- Member of the Executive Board of Directors of EDP Energias de Portugal SA

Other previous positions:

- General Director at TAP Group (Transportes Aéreos de Portugal)
- Member of the Board of TAPGER
- Member of the Board of several companies within the CP – Portuguese Railways, namely EMEF.
- CEO of AirLuxor between 2002 and 2005.
- Chairman and CEO of ICEP (later AICEP), Portuguese State Owned Agency for International Trade and Promotion

Education:

- Degree in Management at the Lisbon's ISE (Technical University of Lisbon) - Instituto Superior de Economia da Universidade Técnica de Lisboa.
- MBA in Management at the Technical University of Lisbon - Universidade Técnica de Lisboa
- Post-Graduation in Marketing and Management of Airlines at Bath University / International Air Travel Association – United Kingdom

**ACÁCIO PILOTO**

Born: 1957

Current positions in EDPR or EDP group of companies:

- Member of the Board of Directors of EDP Renováveis SA

Current positions in companies outside EDPR and EDP group of companies:

(none)

Main positions in the last five years:

- Member of the Board of Directors and Member of the Audit Committee of INAPA IPG SA
- Millennium BCP General Manager responsible for the Asset Management business
- CEO of Millennium Gestão de Activos SGFIM
- Chairman of Millennium SICAV
- Chairman of BII International

Other previous positions:

- International Division of Banco Pinto e Sotto Mayor
- International and Treasury Division of Banco Comercial Português
- Head of International Corporate Banking
- Head of Treasury and Capital Markets Division at CISF- Banco de Investimento (BCP investment bank)
- Seconded to the Groups Subsidiary in charge of Asset Management, AF Investimentos, joining its Executive Committee and acting as Chairman of the following group companies: AF Investimentos, Fundos Mobiliários; AF Investimentos, Fundos Imobiliários; BPA Gestão de Patrimónios; BCP Investimentos Internacional; AF Investimentos International and Prime International and member of the Executive Committee
- Executive Board Member of BCP - Banco de Investimento, in charge of Investment Banking
- Head of Treasury and Capital Markets of BCP – Banco de Investimento

Education:

- Law degree by the Law School of Lisbon University
- During 1984 and 1985 he was a scholar from the Hanns Seidel Foundation, Munich where he obtained a Post- Graduation in Economic Law by Ludwig Maximilian University
- Post- Graduation in European Community Competition Law by Max Planck Institut
- Trainee at the International Division of Bayerische Hypoteken und Wechsel Bank
- Professional education courses, mostly in banking and financial management, namely the International Banking School (Dublin, 1989), the Asset and Liability Management Seminar (Merrill Lynch International) and the INSEAD Executive Program (Fontainebleau)



ANTÓNIO NOGUEIRA LEITE
Born: 1962

Current positions in EDPR or EDP group of companies:

- Member of the Board of Directors and Member of the Nominations and Remunerations Committee of EDP Renováveis SA

Current positions in companies outside EDPR and EDP group of companies:

- Member of the Board at HipogesIberia--Advisory, SA
- Director of MP - Microprocessador, SA
- Member of the Advisory Committee at Incus Capital Advisors
- Vice-President of "Fórum para a Competitividade"

Main positions in the last five years:

Group Caixa Geral de Depósitos (Portugal's largest banking group):

- Vice-Chairman of the Executive Committee of Caixa Geral de Depósitos SA
- Chairman of the Board Caixa Banco de Investimento SA, Caixa Capital SCR SGPS SA, Caixa Leasing e Factoring SA, Partang SGPS SA

Group José de Mello (one of Portugal's leading private groups):

- Director of José de Mello Investimentos and General Manager of José de Mello SGPS SA
- Director of Companhia União Fabril CUF SGPS SA, Quimigal SA (2002-2006), CUF - Químicos Industriais SA, ADP SA - CUF - Aduos, SEC SA, Brisa SA, Efacec Capital SGPS SA, Comitur SGPS SA, Comitur Imobiliária SA, José de Mello Saúde SGPS SA
- Chairman of the Board of OPEX SA (2003 -2011)
- Member of the Advisory Council of IGCP, Portugal's National Debt Agency, (2002-2011)

Other previous positions:

- Director of Soporcel SA (1997-1999)
- Director of Papercel SGPS SA (1998-1999)
- Director of MC Corretagem SA (1998-1999)
- Chairman of the Board, Lisbon Stock Exchange (1998-9)
- Secretary of State for Treasury and Finance and Alternate Governor (IMF, EBRD, EIB, WB)
- Member of the Economic and Financial Committee of the European Union

Education:

- Degree, Universidade Católica Portuguesa, 1983
- Masters of Science in Economics, University of Illinois at Urbana-Champaign
- Ph.D. in Economics, University of Illinois at Urbana-Champaign



JOSÉ FERREIRA MACHADO
Born: 1957

Current positions in EDPR or EDP group of companies:

- Member of the Board and Chairman of the Related-Party Transactions Committee of EDP Renováveis SA

Current positions in companies outside EDPR and EDP group of companies:

- Dean of Nova School of Business and Economics (Nova SBE), Universidade Nova de Lisboa

Main positions in the last five years:

- Professor of Economics, Associate Professor, Assistant Professor and Teaching Assistant at Nova SBE
- Visiting Assisting Professor at University of Illinois at Urbana Champaign
- Consultant at GANEC
- Op-ed columnist at O Sol

Other previous positions:

- Associate Dean at Nova SBE
- Consultant for the Research Department at Banco de Portugal
- Member of the Advisory Board of Instituto de Gestão de Crédito Público

Education:

- Degree in Economics by Universidade Técnica de Lisboa
- Agregação (Habilitation) in Statistics and Econometrics by Universidade Nova de Lisboa
- PhD in Economics by the University of Illinois at Urbana-Champaign

SECRETARY OF THE BOARD OF DIRECTORS



EMILIO GARCÍA-CONDE NORIEGA
Born: 1955

Current positions in EDPR or EDP group of companies:

- General Secretary and General Counsel of EDP Renováveis SA
- Member and/or Secretary of several Board of Directors of EDPR's subsidiaries in Europe

Current positions in companies outside EDPR and EDP group of companies:

(none)

Main positions in the last five years:

- General Secretary and General Counsel of EDP Renováveis SA
- Member and/or Secretary of several Board of Directors of EDPR's subsidiaries in Europe

Other previous positions:

- Legal Counsel of Soto de Ribera Power Plant (consortium comprising Electra de Viesgo, Iberdrola and Hidrocantábrico)
- General Counsel of Soto de Ribera Power Plant
- Chief of administration and human resources of the consortium
- Legal Counsel of Hidrocantábrico
- General Counsel of Hidrocantábrico and member of the management committee

Education:

- Law Degree from the University of Oviedo

