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**CORPORATE ARTICLES OF ASSOCIATION OF EDP**  
**RENOVÁVEIS, S.A.**

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**"EDP RENOVÁVEIS, S.A."**

**CORPORATE ARTICLES OF ASSOCIATION**

**TITLE I - COMPANY NAME, REGISTERED OFFICE, OBJECT AND DURATION OF THE COMPANY**

**1 - COMPANY NAME**

The Company is called "EDP RENOVÁVEIS, SOCIEDAD ANÓNIMA" and it shall be subject to the present Articles of Association, the Spanish Companies Act and any other applicable regulations.

**ARTICLE 2 - CORPORATE PURPOSE**

1. The main corporate purpose of the Company shall be the carrying out of activities related with the electricity sector, in particular the following:
  - a. The design, construction, operation, maintenance and management of electrical energy production facilities, in particular those involving a special regime, including, by way of example without being limited to, hydro or small hydro, wind, solar, solar thermal, photovoltaic, biomass and waste facilities.
  - b. The promotion and carrying out of all kinds of projects related with energy resources and electrical energy production activities, in particular within the framework of the special regime, and in the fields of cogeneration, hydraulic generation and wind generation, the use of industrial and urban waste for energy production, renewable energies, energy saving and similar, through the construction and operation of generation units and the sale of the end products.
  - c. The carrying out of studies, supervision of assemblies, quality controls, maintenance organisation, preventive maintenance, product approval, process certification and the implementation of organisations for third parties intended for the use and production of energy.
  - d. The procurement and implementation of public and private construction works generally related with energy saving, the diversification of energy sources and the environment and, in particular, with the production, use and transport of energy, the construction of hydraulic works, the construction and assembly of mechanical and electric air-conditioning systems of all types and the construction of works for water treatment,

as well as of any type of urban and industrial waste and all the civil works and installations complementary to these activities.

2. The Company may also carry out activities involving the rendering of the following services to third parties:
  - a. Drawing up of studies, analyses and tests with regard to the use, production and transport of energy.
  - b. The carrying out for third parties of systems modelling, methods and formulas with regard to the aforementioned activities.
  - c. The rendering of consulting, audit, advice and training services with regard to these same activities.
  - d. The rendering of comprehensive services with regard to the use, transport and deployment of energy, as well as research and development in all kinds of processes with regard to the energy usage and saving.
3. The various activities forming part of the corporate purpose may be carried out by the Company either directly, wholly or partially, or indirectly through the ownership of shares or stakes in companies with an identical or similar purpose, both in Spain or abroad.
4. The management and administration activities of securities representing the equity of entities not resident in Spanish territory through the attendant organisation of material and personal resources.
5. If the legal provisions require for the carrying out of any of the activities included in the corporate purpose any professional title or administrative authorisation or registration with Public Registers, said activities must be carried out by someone who holds said professional qualification and, where applicable, they may not be started until the administrative requirements laid down have been complied with.

### **ARTICLE 3 - DURATION OF THE COMPANY**

The company has an indefinite duration and it started up its corporate operations on the day of the granting of the relevant deed of incorporation.

### **ARTICLE 4 - REGISTERED OFFICE**

1. The Company has its registered office in Oviedo at Plaza de la Gesta, número 2.
2. Subject to resolution by the General Meeting, the registered office may be moved to any other location in national territory.

3. The Administration Body may decide to move the registered office within the same municipal district, as well as to create, close or move Branches, Agencies or Delegations both in Spain and abroad.

## **TITLE II - SHARE CAPITAL. SHARES**

### **ARTICLE 5 - SHARE CAPITAL**

The share capital is set at €4,802,790,810 and it is divided up into 960,558,162 shares with a nominal value of 5 euros each, represented by book entries. All the shares are part of the same class and series and they have been wholly subscribed to and paid up.

### **ARTICLE 6 - REPRESENTATION OF SHARES**

1. The shares shall be represented by means of book entries and they shall be subject to the provisions of the applicable regulations.
2. The Company may request the listing of its shares both on national and foreign stock exchanges.
3. The Company shall recognise as a shareholder anyone legitimised as such in the book entry records.
4. After their formalisation, the modification of the characteristics of the shares represented by book entries shall be published in the Official Gazette of the Registrar of Companies and in a one of the daily papers with the highest circulation in the province in which the Company has its registered office.

### **ARTICLE 7 - SHAREHOLDER STATUS**

1. The share bestows upon its legitimate holder shareholder status and assigns to the latter those rights recognised in the Law and in the present Articles of Association.
2. The ownership or possession of one or more shares of the Company implies the absolute agreement of the Shareholders with the Articles of Association, and also with the resolutions of the governing bodies of the Company, in line with their attendant duties, and they shall be enforceable and mandatory for everyone, including those absent, disqualified and in disagreement, without prejudice to the right to challenge which, where applicable, may apply.

### **ARTICLE 8 - TRANSFER OF SHARES**

1. The transfer of shares, as they are represented by book entries, shall be carried out by book transfer.
2. The registration of the transfer in the name of the purchaser shall take the same effects as the delivery of the certificates.
3. The transfer shall be enforceable upon third parties as from such time as it has been registered.

### **ARTICLE 9 - INCREASE IN CAPITAL**

1. The General Meeting of Shareholders, complying with the requirements laid down by law, may increase the share capital of the Company in any of the ways authorised by Law.

2. The General Meeting may delegate to the Board of Directors the power to decide upon an increase in share capital on one or several occasions. Said delegation which, where applicable, may be subject to substitution, may include the power to exclude the pre-emptive subscription right with regard to any share issues which are the object of delegation under the terms and in accordance with the requirements laid down by Law.
3. The General Meeting may also delegate to the Board of Directors the power to carry out a resolution to increase capital which has already been adopted, setting the date or dates for its implementation and determining the other terms thereof which have not been specified by the General Meeting. Where applicable, this delegation may be the object of substitution. The Board of Directors may make use of this delegation wholly or partially, or even not carry it out in consideration of the conditions of the Company, the market or of any facts or circumstances of particular relevance that justify said decision, which must be informed to the General Meeting upon termination of the timeframe or timeframes granted for its implementation.
4. The former shareholders and holders of convertible bonds, in increases in share capital with the issuance of new shares, ordinary or preferred, and where applicable, in accordance with the Law, may exercise the right to subscribe a number of shares proportional to the nominal value of the shares they hold or which it would fall to the holders of convertible bonds to exercise at that time of conversion, within the timeframe granted to it to this end by the Board of Directors, which shall not be any less than the timeframe legally foreseen since the publication of the announcement of the offer for subscription of the new issue in the Gazette of the Registrar of Companies.
5. Owing to the requirements of the corporate interest in those cases and under those conditions foreseen by Law, the General Meeting or, where applicable, the Board of Directors, may wholly or partially exclude the pre-emptive subscription right.
6. When the increase in capital can be put down to the conversion of bonds into shares or the absorption of another company or part of the asset spun off from another company, there shall be no entitlement to a pre-emptive subscription right. Nor shall this right exist when the new shares are issued to satisfy the exchange in any public tender offer of shares drawn up by the Company.

### **TITLE III - GOVERNING BODIES**

#### **ARTICLE 10 - GOVERNING BODIES**

1. The Governing Bodies are the General Meeting of Shareholders and the Board of Directors.
2. Pursuant to the provisions of the present Articles of Association, the Board may have delegated bodies, such as the Executive Committee or Managing Directors, as well as creating any other committees such as the Audit and Control Committee or the Appointments, Remunerations and Corporate Governance Committee, inter alia.

#### **SECTION I - GENERAL MEETING OF SHAREHOLDERS**

##### **ARTICLE 11 - GENERAL MEETING**

1. The General Meeting shall be subject to the provisions of the present Articles of Association, its Regulations and the Law.
2. The General Meeting, formed in accordance with said regulatory bodies, represents the Company,

being endowed with all the powers that pertain to its corporate personality.

3. General Meetings shall be ordinary or extraordinary.

#### **ARTICLE 12 - NOTICE OF CONVENING**

1. General Meetings will have to be convened by the Board of Directors, with the Chairman or Deputy Chairman of the Board of Directors doing so on its behalf or, where applicable, the Company liquidators.
2. The Board is required to decide upon the convening of the General Meeting to hear the proposal submitted by any Shareholders who so request in the manner determined by law, if they represent at least two (2%) per cent of the share capital; the notice of convening must be accompanied by certifications proving ownership of the shares which represent said stake in the capital as being owned by the requesting parties. Should this be the case, after having convened the Directors through a Notary, the Meeting may be convened to be held within the timeframe foreseen by law.
3. The dissemination of the notice of convening shall be carried out at least one (1) month prior to the date set for it to be held, using those means foreseen in the regulations in force.
4. In the event that the Company is listed abroad, the convening shall also be published in accordance with the provisions of the regulations applicable there.
5. The notice shall contain all those references required by Law and it shall state the place, which may be any town/city in Spain whether or not this coincides with that of the registered office, the date and time of the meeting on first convening and all the items of business that are to be dealt with. The date may also be stated on which, where applicable, the Meeting shall be held on second convening.

#### **ARTICLE 13 - ORDINARY AND EXTRAORDINARY MEETINGS**

1. The General Meeting has the competence to deliberate and decide upon the following items of business:
  - a. The approval of the annual accounts, the distribution of earnings and the approval of corporate management.
  - b. The appointment and removal of directors, liquidators and, where applicable, the accounts' auditors, as well as the exercising of any corporate liability action against any of them.
  - c. The amendment to the corporate articles of association;
  - d. The increase and reduction in share capital.
  - e. The elimination of or limitation to the pre-emptive subscription and preferential rights.
  - f. The acquisition, disposal or contribution to another company of essential assets. The essential nature of the asset is assumed when the transaction amount exceeds twenty-five per cent of the value of the assets included on the latest approved balance sheet.



- g. The transformation, merger, split or global transfer of assets and liabilities and the relocating of the registered office abroad.
  - h. The dissolution of the company.
  - i. The approval of the final liquidation balance sheet.
  - j. The transfer to subsidiaries of essential activities carried out up until now by the company itself, even if the latter maintains full control of the former.
  - k. Transactions whose effect is equivalent to that of the liquidation of the company.
  - l. The directors' remunerations' policy under the terms determined by law.
  - m. Any other items of business determined by law or the articles of association.
2. Within the first six (6) months of each year the Ordinary General Meeting shall be held in order to audit the corporate management, approving, where applicable, the Accounts for the previous financial year, the directors' report and reaching a decision about the distribution of earnings.
  3. Any General Meeting which is not that foreseen in the previous section will be regarded as extraordinary and shall be held at any time of the year whenever the Board of Directors deems this appropriate.

#### **ARTICLE 14 - RIGHT TO INFORMATION**

1. Until the fifth (5th) day prior to that foreseen for the holding of the Meeting, the Shareholders may ask the Board of Directors for any information or clarifications they deem to be necessary about those items included on the Agenda, or to set down in writing any questions they deem to be relevant. Furthermore, the shareholders may ask the directors, in writing and within the same timeframe or verbally during the Meeting, for any clarifications they deem to be necessary about the information accessible to the public that the Company has provided to the market authority on which the Company shares are admitted to trading in accordance with the stipulations of the law, as from the holding of the last general meeting and with regard to the auditor's report.
2. The Directors will be obliged to provide information in writing by the day the General Meeting is held.
3. During the General Meeting, the Shareholders may verbally request any information or clarifications they see fit about the items on the Agenda.
4. The Directors shall be required to provide any information requested under the previous two sections, in accordance with the provisions of the present Articles of Association, of the General Meeting Regulations and the Law, unless said information is not necessary for the protection of shareholder rights, or there are objective reasons for considering that it could be used for non-corporate purposes or its publicising could harm the company or the related companies.

#### **ARTICLE 15 - RIGHT TO ATTENDANCE, REPRESENTATION AND VOTE**

1. All Shareholders may attend the General Meetings.

2. In order to be able to exercise the right to attendance, the Shareholders must be registered as legitimate holders of the shares on the attendant register of book entries at least five (5) days prior to the holding of the General Meeting.
3. Any shareholder entitled to attend may be represented at the General Meeting by someone else, even if the latter is not a shareholder. The same shareholder may not be represented by more than one representative at the same Meeting, unless it holds shares in different securities' accounts for different amounts, in which case it may appoint more than one representative to attend the Meeting. Representation is always revocable. Personal attendance of the Meeting of the represented party shall serve as revocation. Representation is always revocable. Personal attendance of the Meeting of the represented party shall serve as revocation. The Board of Directors may require in the notice of convening of the General Meeting that the delegations of representation of the Shareholders must be in the possession of the Company, giving notice of up to two (2) días, stating the name of the representative.
4. Each share affords entitlement to one vote. Any shares issued without this right shall not have voting rights, except in those cases foreseen in the prevailing legislation.
5. With the authorisation of the Chairman, the General Meetings may be attended by Directors, Managers and anyone else who forms part of the Company organisation and guests.
6. The possibility of electronic attendance of the Meeting is envisaged, provided that the identity of the party concerned is guaranteed and the latter should be provided beforehand with information about the timeframes and manners of exercising rights of the shareholders foreseen by the Board of Directors to allow the appropriate staging of the Meeting.
7. The option is also authorised of convening Meetings by the Board of Directors to be held solely by electronic media without the physical attendance of the shareholders or their representatives, provided that their identity and legitimacy have been duly guaranteed and that all those attending may effectively participate in the meeting by appropriate remote media. Any Meeting held solely via electronic media shall be deemed, in any case, to have been held at the registered office, irrespective of where the Chairman of the Meeting is located.
8. Furthermore, it is envisaged that the Shareholders may cast their vote on the proposals pertaining to those items included on the agenda by post or electronic communication and for them to be valid it is vital that they should be received by the Company before 12 midnight on the day prior to that foreseen for the staging of the General Meeting.
9. Postal votes shall be cast by sending the Company the duly completed, signed voting slip, accompanied by the certificate of ownership of shares issued in accordance with the legal requirements.
10. Votes via electronic communication shall be cast by way of recognised electronic signature or some other system which, in the opinion of the Board of Directors, is sufficient to ensure the authenticity and identification of the shareholder who is exercising its right to vote. In any case, the electronic communication shall be accompanied by a copy of the certificate of ownership of the shares issued in accordance with the legal requirements.
11. Votes cast remotely as set out in this article shall be rendered null and void:

- a. By way of subsequent, specific revocation carried out by the same means used for the casting of the vote and within the timeframe set for the latter.
  - b. Owing to the personal attendance of the General Meeting by the Shareholder who cast it or its representative.
12. Shareholders casting their votes remotely shall be regarded as present for the purposes of the formation of the General Meeting in question.
13. The Board of Directors may carry out the previous voting system, determining the appropriate rules, media and procedures in line with the state-of-the-art to put into effect the casting of the vote and the granting of the representation by electronic media.

#### **ARTICLE 16 - CHAIRMANSHIP OF THE MEETING**

1. The Chairmanship of the General Meeting shall pertain to the Chairman of the Board of Directors and, in the absence of the latter, the Deputy Chairman. In the absence of the latter, it shall be assigned to the oldest Director. The Chairman of the Board of Directors, or whosoever replaces him, along with the other Directors, shall form the Board, and whosoever is the Secretary on the Board of Directors shall fulfil the same role.
2. The Board of Directors determines the Agenda General Meetings may not deliberate on nor discuss any items of business that are not included on the Agenda.
3. The list of those present shall be drawn up, stating the capacity and representation, where applicable, of each, and the number of own and third-party shares they hold, duly separating, where applicable, those shares that have voting rights from those that do not possess said rights. At the end of the list the number of Shareholders present and represented shall be stated - and any mechanical or electronic procedure may be used to this end - and the amount of capital they hold. Any queries or complaints arising about these items shall be decided upon by the Chairman. The Chairman shall then declare the Meeting to have been validly formed, where applicable.
4. It is incumbent upon the Chairman of the Meeting:
  - a. To verify the valid formation of the General Meeting and that the delegations of representation granted by the Shareholders are sufficient;
  - b. To conduct the meeting in such a way that decisions are taken in accordance with the Agenda;
  - c. To grant the floor to any Shareholders who so request and he may withdraw this granting when he deems that a subject has been sufficiently discussed;
  - d. To organise the vote and announce the results, and;
  - e. In general, all those powers required for the proper staging of the Meeting or que which are recognised in the regulations in force.

#### **ARTICLE 17 - FORMATION OF THE MEETING. ADOPTION OF RESOLUTIONS**

1. General Meetings, both Ordinary and Extraordinary, shall be validly formed:

- a. upon first convening, when the Shareholders present or represented have at least twenty-five per cent (25%) of the capital subscribed with voting rights;
  - b. upon second convening the formation of the meeting shall be valid whatever the capital present or represented at the latter;
2. In order for the Ordinary or Extraordinary General Meeting to validly decide upon the issuance of bonds, any increase or reduction in capital, the transformation, global transfer of assets and liabilities, merger or split of the Company, moving the registered office abroad, the removal or limitation of the right of first refusal to acquire new shares and, in general, any amendment to the Corporate Articles of Association, it shall be necessary:
  - a. upon first convening, for the Shareholders present or represented to have at least fifty cent (50%) of the capital subscribed with voting rights;
  - b. upon second convening, for the Shareholders present or represented to have at least twenty-five per cent (25%) of the capital subscribed with voting rights.
3. Any other eventualities whereby these Articles of Association or the legislation in force require some quorum different from the above are excluded.
4. The General Meeting, Ordinary or Extraordinary, shall adopt its resolutions by a simple majority of votes of the shares present or represented, with the right to cast them. By way of exception, to adopt the resolutions referred to in article 17.2:
  - a. if the capital present or represented exceeds fifty per cent (50%) of the subscribed capital with voting rights, it shall suffice for the resolution to be adopted by absolute majority.
  - b. when, upon second convening, shareholders are present who represent twenty-five per cent (25%) or more of the subscribed capital with voting rights without attaining fifty per cent (50%), the vote in favour shall be required of two thirds (2/3) of the capital present or represented at the Meeting.
5. Resolutions may be adopted through the general approval of the Meeting, without prejudice to the stipulations of the provisions in force with regard to the need to record in the minutes the opposition of those Shareholders who object to said resolutions.

#### **ARTICLE 18 - DOCUMENTATION OF THE CORPORATE RESOLUTIONS**

1. As regards the documentation, notarisation and the form of proving the corporate resolutions, the provisions of the regulations in force shall be complied with.
2. The Secretary of the Board of Directors, merely by dint of his/her appointment, even when he/she does not have capacity as a Member thereof, shall be entitled to appear before the Notary to grant the Public Deeds in which the resolutions of the Board of Directors and of the General Meeting of Shareholders are contained; furthermore, to request the Registrars of Companies to register any applicable resolutions and to remedy any possible defects of the deeds by dint of the classification made by the Registrar; acting on his/her own behalf, or in those cases where necessary, carrying out any remedying resolutions of the General Meeting de Shareholders and/or of the Board of Directors.

3. The powers set out herein shall also apply to the Vice secretary, if there is one.

## **SECTION II - REGARDING THE BOARD OF DIRECTORS**

### **ARTICLE 19 - BOARD OF DIRECTORS**

1. The Board of Directors shall be subject to the provisions of the present Articles of Association, its Regulations and the Law.
2. The Board of Directors is endowed with the broadest powers for the administration, management and governance of the Company, without any further limitation than the responsibilities specifically bestowed upon the exclusive competence of the General Meetings, in article 13 above or in the applicable regulations. In this regard it shall fall to the Board and it is specifically empowered to:
  - a. Acquire, for valuable consideration or profit, any movable or immovable assets, rights, shares and stakes that the Company desires.
  - b. Dispose of and mortgage or encumber any movable and immovable assets, rights, shares and stakes of the Company and cancel any mortgages and other rights in rem.
  - c. Negotiate and carry out any loans or credit transactions it sees fit.
  - d. Enter into and formalise all kinds of acts or contracts with public or private entities.
  - e. Bring any civil and criminal actions and of any type that are incumbent upon the Company, representing it before any employees, authorities, corporations and governmental, administrative, economic-administrative and litigious-administrative and judicial courts, Labour Courts and Labour Chambers of the Supreme Court and of the Higher Courts of Justice of the Autonomous Communities, without any limitation, including the Court of Justice of the European Communities and, in general before the Public Administration at all levels and hierarchies, and taking part in and promoting, following up and completing through all their procedures and instances, trials and procedures; consenting to decisions, lodging all kinds of appeals, including appeals for reversal and any other extraordinary appeals, withdrawing or agreeing, settling, reaching agreements in arbitration as regards any litigious issues, carrying out all kinds of notifications and requests and bestowing Powers of Attorney on Court Representatives or other proxies, with the powers applicable to the case and the usual ones set out in general powers of attorney for lawsuits and any special ones applicable, and revoking these powers of attorney.
  - f. Agree to the distribution of amounts by way of dividends.
  - g. Convene General Meetings and submit any proposals it deems appropriate to their consideration.
  - h. Conduct the progress of the Company and the organisation of its works and operations, finding out about the progress of business and corporate transactions, having at its disposal the investment of funds, carrying out extraordinary depreciation of Bonds in circulation and doing whatever it sees fit to best achieve the corporate purposes.
  - i. Freely appoint and remove the Directors and all the technical and administrative staff of the

Company, indicating their responsibilities and remuneration.

- j. Decide upon any move of the registered office within the same municipal district.
- k. Form and assign, in accordance with the law, all kinds of legal persons, contributing and granting all kinds of assets and rights, as well as signing concentration and cooperation, association and grouping agreements, as well as joint ventures or Companies or businesses and the formation of communities of property, and agreeing upon their modification, transformation and extinguishing.
- l. Any other responsibilities specifically assigned to it under these Articles of Association or in the applicable regulations, without this listing being limitative, solely serving as an illustration

#### **ARTICLE 20 - COMPOSITION OF THE BOARD**

1. The number of members going to make up the Board of Directors may not be any less than five (5), nor greater than seventeen (17).
2. Independent Directors shall be taken to mean those who can perform their duties without being constrained by relationships with the Company, its major Shareholders or its managers and, where applicable, who comply with the requirements laid down by the applicable regulations.

#### **ARTICLE 21 - TERM OF OFFICE**

The post of Director shall last for three years and the people who hold the post may be re-elected on one or more occasions for the same period.

#### **ARTICLE 22 - CHAIRMAN AND SECRETARY OF THE BOARD**

1. The Board shall designate from its members the person who has to be the Chairman thereof who shall perform said post for as long as the office of Director lasts that he/she held at the time of designation.
2. The Board may also designate a Deputy Chairman and it may grant executive powers to the latter.
3. The Board shall also designate a Secretary of the latter and, where applicable, if it sees fit, a Vice secretary, neither of whom will necessarily have to have status as a Director, though they will have to be Lawyers. In the absence of the Incumbent Secretary or, where applicable, of the Vice secretary, the youngest Director shall act as the Secretary.
4. The Chairman of the Board shall deal with the Chairmanship of the Company and shall have full representation with the use of the corporate signature for the implementation of the resolutions of the General Meeting, the Board of Directors and, where applicable, of the Executive Committee of the latter.

#### **ARTICLE 23 - LIMITATIONS IN ORDER TO BE A DIRECTOR. VACANCIES.**

1. The following may not be Directors of the Company:
  - a. Anyone who is a director or has any relationship with a competing company of EDP

RENOVÁVEIS, S.A., as well as those who have any family relationship with the latter. To this end, it shall be assumed in any case that a company is a rival of EDP RENOVÁVEIS, S.A. when, directly or indirectly, it is involved in the production, storage, transport, distribution, marketing or supply of electrical fluid or combustible gases; and also when the competing company or any of the companies in its Group and the Directors, employees, lawyers, advisors or representatives of any of the latter have interests opposing those of EDP RENOVÁVEIS, S.A. Under no circumstances shall companies belonging to the same Group as EDP RENOVÁVEIS, S.A., including abroad, be regarded as competitors.

- b. People who find themselves in any other eventuality involving incompatibility or a prohibition determined by law or in the articles of association.
2. If, during the timeframe, for which the Directors were appointed, any vacancies arise, for whatsoever reason, the Board may designate those people who have to occupy them until the first General Meeting meets up.
3. The election of the members of the Board shall be voted on. With this in mind, those shares which voluntarily group together, until forming an amount of the share capital equal to or greater than that deriving from dividing the latter by the number of members of the Board, shall be entitled to designate those who, when exceeding whole numbers, are deducted proportionately.
4. In the event that this power of proportional representation is used, any shares grouped together in this way shall not take part in voting on the other members of the Board

#### **ARTICLE 24 - BOARD MEETINGS**

1. The Board of Directors must meet up at least once a quarter.
2. The sessions shall be convened by the Chairman who may order the Secretary to see to the material implementation of the convening.
3. Board meetings shall be valid when half plus one of the Directors in office are present or represented.
4. Resolutions shall be taken by an absolute majority of those in attendance, with each Director present or represented having a vote, and the Chairman himself having the casting vote.
5. Where necessary, the Board meetings may be held remotely by electronic media such as multiconference or videoconferencing, provided that the latter allow the privacy of communication, the recognition of identification of those present, their intervention and the casting of their votes. All in real time. Electronic attendance is equivalent to physical attendance of the Board meeting which shall be deemed to have been held at the place where it was formally convened, failing that, where the majority of its members are situated and, if equal, where the Chairman or whoever is replacing him is located.
6. If no Director objects, resolutions may be adopted in writing without any meeting.
7. Directors may be represented at each meeting by another member of the Board whose representation shall be bestowed in a letter which must be written by the Chairman himself. Non-executive directors may only do so through another non-executive director.

#### **ARTICLE 25 - BASIC OBLIGATIONS OF THE DIRECTOR**

1. Directors shall fulfil their roles with the diligence of an organised businessman and a faithful representative.
2. They must keep secret any resolutions, confidential information and deliberations, even after they have left office.
3. The representation of the Company in and out of court pertains to the Directors in the manner determined by the Articles of Association.
4. Said representation shall extend to all the acts included in the corporate purpose stated in the Articles of Association. Any limitation to the representative powers of the Directors, even if registered with the Registrar of Companies, shall not be effective vis-à-vis third parties.
5. The Company shall be bound vis-à-vis any third parties who have acted in good faith and without gross negligence, even when it can be gleaned from the Articles of Association registered at the Registrar of Companies that the act is not included in the corporate purpose.

#### **ARTICLE 26 - REMUNERATION OF THE DIRECTORS**

1. The Directors, in their capacity as such, shall be paid and their remuneration shall consist of (i) a fixed amount and (ii) fees for attending the Board meetings.
2. The members of the Board of Directors who perform executive duties shall also be entitled to receive, for performing said duties, those remunerations foreseen in the contracts which, where applicable, they have signed to this end. Said remunerations shall comply with the Directors' remunerations policy.
3. In addition, it is specifically envisaged that the Directors may be remunerated upon delivery of the Company shares, option rights over shares or any other securities granted by the right to obtain shares, or by means of remuneration systems referenced to the value of the shares. The application of said remuneration systems shall require, in any case, a resolution by the General Meeting of Shareholders, in accordance with the terms and conditions required by the legal provisions in force.
4. The total amount of the remunerations that the Company can pay to its Directors as a whole on those bases set out in the preceding paragraphs shall not exceed the amount determined to this end by the General Meeting of Shareholders and which is included in the Directors' remunerations' policy.
5. The rights and duties of any kind deriving from belonging to the Board of Directors shall be compatible with any other fixed or variable rights and obligations that may lie with the Directors owing to any other employment or professional relationships which, where applicable, they perform at the Company. The variable remunerations deriving from the attendant contracts or on whatsoever other basis, including their belonging to the administration body, shall be paid whilst respecting the maximum annual amount determined by the General Meeting of Shareholders and foreseen in the remunerations' policy of the Directors.
6. The amounts determined by the General Meeting shall remain unchanged until they have been modified by some other resolution thereof.



7. The distribution and precise amount pertaining to each Director, the frequency and other details of the amount received shall be determined by the Board of Directors itself, subject to a proposal from the Appointments, Remunerations and Corporate Governance Committee which shall be empowered in the broadest terms to this end, provided that they have not been determined by the General Meeting.
8. Every year the Board of Directors shall draw up an annual report on the remuneration of the members of the Board of Directors in accordance with the applicable law.

### **SECTION III - - REGARDING THE COMMITTEES OF THE BOARD OF DIRECTORS**

#### **ARTICLE 27 - EXECUTIVE COMMITTEE**

1. The Board of Directors is entitled, if it sees fit, to create, from its members, an Executive Committee with the composition, responsibilities and operating rules that it sees fit. The Executive Committee may have delegated to it all those powers of the Board of Directors which may be delegated under the articles of association and by law. The Executive Committee shall comprise those Directors that the Board of Directors designates with the vote in favour of two thirds of the Directors and their renewal shall be carried out in the time, form and number determined in its operating rules.
2. Under no circumstances may those powers of the Board which cannot be delegated under the prevailing legislation, as well as those which, where applicable, are foreseen in the Board of Directors' Regulations, be delegated by the Board of Directors to the Executive Committee.
3. The Executive Committee shall comprise at least four (4) Directors and no more than seven (7), and it is the competence of the Board to determine the precise number of its members. The Chairman of the Executive Committee shall be the Chairman of the Board of Directors or the Director appointed by the Board of Directors to this end and, in his absence, the member of the Executive Committee designated to this end by the Board. The Secretary of the Executive Committee shall be the same as that of the Board of Directors and, in his absence, his Vice secretary. In the absence of both, it shall be the Secretary who designates the specific Executive Committee for each meeting.
4. The meetings of the Executive Committee shall take place at least once (1) time per month, as well as whenever its Chairman sees fit and the latter may also suspend or postpone meetings when he sees fit. The Executive Committee shall also meet up when so requested by at least two (2) of its members. The Executive Committee, within its competences, shall deal with all those items of business which, in its opinion, have to be resolved without delay, with the sole exceptions being the drawing up of the accounts, the submission of balance sheets to the General Meeting, the powers that the latter grants to the Board of Directors without authorising it to delegate them and those powers of the Board of Directors which may not be delegated by law and under the articles of association. The Executive Committee shall inform the Board of Directors about the resolutions it adopts, which must be carried out at the first Board meeting held after each meeting of the Committee.
5. The meetings of the Executive Committee shall be valid when at least half plus one of its constituent Directors are present or represented.
6. Resolutions shall be taken by a majority of the Directors who for part of the Committee present or represented at the meeting. If the votes are tied, the Chairman shall have the casting vote.

7. The provisions of the present Corporate Articles of Association pertaining to the operation of the Board of Directors and, in particular, those pertaining to the convening of its meetings, the representation of its members, those meetings held which are attended by all the shareholders, the adoption of resolutions in writing and without any meeting and the approval of the minutes of the meetings shall be applicable to the Executive Committee, insofar as they are not incompatible with their nature.

#### **ARTICLE 28 - AUDIT, STEERING AND RELATED-PARTY COMMITTEE**

1. The Board of Directors shall form an Audit, Steering and Related-Party Committee on a permanent basis which shall be formed by between three (3) and five (5) of its members, the majority of whom must Independent Directors.
2. The Audit, Steering and Related-Party Committee shall carry out supervision tasks on an independent basis from the actions of the Board of Directors.
3. This Committee shall have a Chairman, who must have status as an Independent Director, and a Secretary, and the latter does not have to have status as a Company Director. Both posts shall be designated by the Board.
4. The term of the office of a member of the Audit, Steering and Related-Party Committee shall coincide with that of a Director of each member. The members of the Audit, Steering and Related-Party Committee may be re-elected and removed at the wishes of the Board of Directors.
5. The post of Chairman shall last no more than four (4) consecutive years and he may be re-elected once a year has elapsed since his removal. Where applicable, the outgoing Chairmen may continue to be members of the Audit, Steering and Related-Party Committee.
6. Without prejudice to any other tasks assigned to it by the Board of Directors or responsibilities attributed to it by law, the competences of the Audit, Steering and Related-Party Committee shall be, by way of example and without being limited to, the following:
  - A. Audit and Steering Duties:
    - a. To inform, through its Chairman, at the General Meetings, about any issues falling within its competences.
    - b. To propose to the Board of Directors for its submission to the General Meeting the appointment of the Accounts' Auditors of the Company, as well as the terms of their hiring, the scope of their work– in particular as regards audit services, “*audit related*” and “*non-audit*” –, the annual evaluation of their activity and the revocation and renewal of their post.
    - c. To supervise the financial information process and the operation of the internal control and risk management systems, as well as to evaluate said systems and propose the respective adjustments to suit the needs of the Company, as well as to supervise the reliability of the preparation and publication process of the financial information by the Board of Directors, including the reliability of the accounting policies, estimates, judgments, attendant publication and their constant application between tax years with an appropriate form of

communication and documentation.

- d. To supervise internal auditing activities, in particular:
  - I. Approving and supervising, in coordination with the CEO, the Annual Internal Audit Account;
  - II. Approving and reviewing the Internal Audit Regulation; and
  - III. Supervising, in coordination with the CEO and the Management Team, the implementation of the recommendations made by the Internal Audit.
- e. To set up a permanent relationship with the Accounts' Auditor , striving to ensure that the conditions of independence are guaranteed and the appropriate rendering of the services by the auditors acting as the liaison of the Company in any of those matters related with the accounts' auditing process; as well as to receive and maintain information about any issue related with accounts auditing.
- f. To draw up an annual report about its supervisory action, including any limitations found, and issue its opinion about the directors' report on the accounts and the proposals drawn up by the Board of Directors. To receive communications about any irregularities in financial and accounting matters which have been submitted by the employees, shareholders of the Company or entities that have a direct, legally protected interest with regard to the activity of the Company.
- g. To hire the services of experts to cooperate with any of the members of the Committee during the course of their duties, and the hiring and remuneration of said experts must bear in mind the importance of the matters assigned to them and the economic situation of the Company.
- h. To draw up Reports at the request of the Board and its Committees.
- i. To approve and supervise, in coordination with the Management Team, the Annual Activity Plan of the Corporate Compliance Department.
- j. To analyse and monitor any recommendations about the measures to be adopted in situations involving significant non-compliance.
- k. To supervise compliance with the regulations and alignment of the business processes with the requirements of the Compliance Management System in order to install a sustainable compliance culture at the Company.

**B. Operations' duties between Related Parties:**

The Audit, Steering and Related-Party Committee shall carry out the following tasks commissioned to it by the Board of Directors, without prejudice to the Board of Directors commissioning others to it:

- a. By delegation of the Board of Directors:

- (i) to analyse and, where applicable, approve in advance any related transactions (i) (a) intragroup or (b) between the EDP Renováveis Group and the EDP Group, whose amount or value is 10 % less than the total items of the assets in accordance with the latest annual balance sheet approved by the Company, provided that they are carried out in the context of ordinary management and under market conditions; and (ii) any transactions which are arranged under contracts whose standard terms apply in masse to a high number of customers, are carried out at prices or rates determined on a general basis by whosoever acts as the supplier of the good or service in question, and whose amount does not exceed 0.5 per cent of the net turnover of the company; and
    - (ii) to periodically inform the Board of Directors about the transactions that the Committee has approved as a result of the aforementioned delegation, about the fairness and transparency thereof and, where applicable, about compliance with the legal criteria applicable.
  - b. To analyse and inform any modification to the Framework Agreement formalised by EDP and EDP Renováveis on 7 May 2008.
  - c. To submit a report to the Board of Directors of the Company about the transactions between related parties which have to be approved by the Board of Directors of EDPR SA or by its Shareholders' Meeting in accordance with the law, and which includes: (i) information about the nature of the transaction and about the relationship with the related party, (ii) the identity of the related party, (iii) the date and value or amount of the recompense for the transaction and (iv) any other information required to assess whether the latter is fair and reasonable from the perspective of the company and of the shareholders who are not related parties.
  - d. To ask EDP for access to any information necessary to fulfil its competences.
- 7. The Audit, Steering and Related-Party Committee shall meet at least once a quarter or whenever deemed opportune by the Chairman. The Audit, Steering and Related-Party Committee shall be validly formed when half plus one of its members attend the meeting, in person or represented.
- 8. Furthermore, the resolutions of the Audit, Steering and Related-Party Committee shall be adopted with the vote in favour of the majority of its members, with the Chairman having the casting vote if there is a tie.
- 9. The operating rules of the Audit, Steering and Related-Party Committee shall be drawn up by the Board of Directors.

#### **ARTICLE 29 - APPOINTMENTS, REMUNERATIONS AND CORPORATE GOVERNANCE COMMITTEE**

- 1. The Board of Directors shall form on a permanent basis an Appointments, Remunerations and Corporate Governance Committee.
- 2. The Appointments, Remunerations and Corporate Governance Committee shall be an informative

and advisory body and shall not have any executive functions.

3. The Appointments, Remunerations and Corporate Governance Committee shall be formed by between three (3) and six (6) Directors, at least two of whom shall be independent. The members of the Executive Committee may not be members of the Appointments, Remunerations and Corporate Governance Committee. The designation of the members of the Appointments, Remunerations and Corporate Governance Committee shall fall to the Board of Directors.
4. This Committee shall have a Chairman, who shall be independent, and a Secretary, and the latter does not have to have status as a Company Director. Both posts shall be designated by the Board.
5. Without prejudice to any duties assigned legally, the main duties of the Appointments, Remunerations and Corporate Governance Committee consist of assisting and informing the Board of Directors about any appointments (including co-optings), re-elections, removal and remunerations of the Board and its posts, as well as about the composition of the different Committees of the Board and the appointment, remuneration and removal of any senior management staff Furthermore, the Appointments, Remunerations and Corporate Governance Committee shall inform the Board of Directors about the general remunerations and incentives' policy for them and for the senior management. These duties shall encompass the following:
  - a. Defining the principles and criteria with regard to the composition of the Board of Directors and the selection and appointment of its members.
  - b. Proposing appointment and re-elections of Directors when they have to be co-opted, or in any case for their submission to the General Meeting by the Board.
  - c. Proposing to the Board of Directors the members of the various Committees.
  - d. Proposing to the Board, within the stipulations of the present Articles of Association, the system, distribution and amount for the Directors' remunerations. Furthermore, and where applicable, the terms of the contracts with the Directors shall be proposed to the Board.
  - e. Informing, and where applicable proposing, to the Board of Directors about the appointment and/or removal of senior managers, as well as the terms of their contracts and, in general, the definition of the hiring and remuneration policies for senior managers.
  - f. Reviewing and informing about the incentives' plans, pension supplements and remuneration programmes.
  - g. Supervising and evaluating the reliability of the corporate governance model adopted by the Company and its compliance with internationally accepted governance models, making relevant recommendations in this regard.
  - h. Supervising compliance with and the correct application of the corporate governance standards in force, promoting and requesting the exchange of information required to this end.
  - i. Any other duties assigned to it by law, these Corporate Articles of Association or the Board of Directors itself.

6. The Appointments, Remunerations and Corporate Governance Committee shall meet at least once a quarter or whenever deemed opportune by its Chairman. The Appointments, Remunerations and Corporate Governance Committee shall be validly formed when half plus one of its members attend the meeting, in person or represented. Furthermore, the resolutions of the Appointments, Remunerations and Corporate Governance Committee shall be adopted with the vote in favour of the majority of its members, with the Chairman having the casting vote if there is a tie.
7. The operating rules of the Appointments, Remunerations and Corporate Governance Committee shall be drawn up by the Board of Directors.

#### **ARTICLE 30 - OTHER COMMITTEES**

The Board of Directors is empowered to, if it sees fit, create any other Committees, as well as to define, their denomination, composition, duties and other characteristics.

#### **SECTION IV - ANNUAL REPORT ON CORPORATE GOVERNANCE**

##### **Article 31 - ANNUAL REPORT ON CORPORATE GOVERNANCE**

1. Without prejudice to the provisions of the regulations of the specific Jurisdictions in which, where applicable, the Company is listed, every year the Board of Directors shall draw up an Annual Report on Corporate Governance which shall include at least those mentioned by law.
2. Said report shall be made available to the Shareholders along with the other documentation that has to be provided upon the convening of the Ordinary General Meeting. In addition, said report shall be subject to the publication provided for by the applicable regulations.

#### **TITLE IV - ANNUAL ACCOUNTS AND DISTRIBUTION OF PROFITS**

##### **ARTICLE 32 - FINANCIAL YEAR. CONTENTS OF THE ANNUAL ACCOUNTS AND APPROVAL**

1. The financial year shall start on the first (1st) January and end on thirty-first (31st) December of each year.
2. The Annual Accounts shall comprise: (i) the Balance Sheet, (ii) the Profit and Loss Account, (iii) a statement that reflects the changes in equity of the financial year, (iv) a cash flow statement and (v) the Report and/or any other documents determined by the regulations in force at any time.
3. The Annual Accounts and the Directors' Report shall be drawn up in accordance with the principles and structure determined in the provisions in force.
4. The Board of Directors shall draw up within no more than three (3) months subsequent to closure of the business year the Annual Accounts, the Directors' Report and the Proposed Distribution of Earnings as well as, where applicable, the consolidated Directors' Report and Accounts.
5. The Annual Accounts and the Directors' Report must be signed by all the Directors, in such a way that if the signature of any of them is missing, this shall be indicated in each of the documents where

it is missing, specifically indicating the reason why.

6. The Annual Accounts and the Directors' Report must be reviewed by accounts' auditors. Those people who have to carry out accounts' auditing shall be appointed by the General Meeting before the end of the financial year to be audited for an initial time period that cannot be any shorter than three (3) years, nor longer than nine (9) years as from the date on which the first financial year to be audited starts and they may be re-elected by the General Meeting for maximum periods of three (3) years once the initial period has ended.
7. the General Meeting may not revoke the auditors before the initial period ends for which they have been appointed, or before each of the works ends for which they were hired once the initial period has ended, unless there is just cause.
8. The Annual Accounts shall be approved by the General Meeting. As from the convening of the General Meeting, any shareholder may obtain from the Company, forthwith and free-of-charge, the documents that have to be submitted to the approval thereof, as well as, where applicable, the directors' report and the report of the accounts' auditors. This right shall be mentioned in the notice of convening.

#### **ARTICLE 33 - DISTRIBUTION OF EARNINGS**

1. The General Meeting shall decide on the distribution of the earnings for the financial year in accordance with the approved Balance sheet.
2. The profits shall be distributed as follows:
  - a. The amounts which need to be assigned to the funds of the legal reserves.
  - b. The amount decided by the same Meeting for dividends for the shares in circulation.
  - c. The amount decided upon by the General Meeting for the formation of or increase in provision funds or freely available reserves.
  - d. The balance or surplus shall be transferred as a balance to a new account.

#### **ARTICLE 34 - INTERIM DIVIDEND**

1. The Board of Directors or the Executive Committee of the Board of Directors, where applicable, may decide upon the distribution of amounts by way of interim dividends, under the following terms:
  - a. The Board shall draw up an accounting statement which shall show whether there is sufficient liquidity for distribution. Said statement shall then be included in the Report.
  - b. The amount to be distributed may not exceed the amount of the earnings obtained since the end of the last financial year, deducting any losses deriving from previous financial years and any amounts which must be assigned to obligatory reserves by law or by statutory provision, as well as an estimate of the tax payable on said earnings.

#### **ARTICLE 35 - PAYMENT OF DIVIDENDS**

The payment of the interest and dividends shall be made at the registered office or wherever the Board of Directors duly decides or, where applicable, the Executive Committee of the Board of Directors. The same bodies shall determine the period and timeframe for receipt.

#### **TITLE V - REGARDING THE DISSOLUTION AND LIQUIDATION OF THE COMPANY**

##### **ARTICLE 36 - DISSOLUTION OF THE COMPANY**

1. The Company shall be dissolved when the reasons determined by the regulations in force to this end occur and, to be precise:
  - a. By resolution of the General Meeting, in accordance with the quorums and majorities required to amend the Articles of Association.
  - b. In compliance with the term set in the Articles of Association.
  - c. Owing to the termination of the company that is its purpose or the evident impossibility of fulfilling the corporate purpose owing to the immobilisation of the governing bodies, in such a way that its operation is impossible.
  - d. Owing to losses that reduce the equity to an amount less than half the share capital, unless the latter is increased or reduced sufficiently, and provided that there are no grounds to file for bankruptcy in accordance with bankruptcy regulations.
  - e. Owing to a reduction in the share capital under the legal minimum.
  - f. Owing to the merger or total split of the Company.
  - g. When any of the grounds foreseen in sections c, d and e above occur, the dissolution of the Company shall require a resolution by the General Meeting formed in accordance with the ordinary quorums.

##### **ARTICLE 37 - LIQUIDATION OF THE COMPANY**

1. Once the Company has been dissolved, the liquidation period shall commence, except in the event of the merger or total split or any other involving the global transfer of the assets and liabilities.
2. From such time as the Company declares it is in liquidation, the representation of the Board of Directors shall cease and its members shall become Liquidators.
3. The number of liquidators must always be odd so that, where necessary, the Director who has been in the post for the least time shall be removed.
4. During the liquidation period, the provisions of these Articles of Association shall be observed with regard to the convening and staging of Ordinary and Extraordinary Meetings, at which the Liquidators shall report on the progress of the liquidation so that they can decide upon whatever best suits the common interest.
5. Liquidation operations shall be carried out in accordance with the provisions in force.



**FINAL PROVISIONS**

**ARTICLE 38 - SETTLEMENT OF DISPUTES**

1. Any issues which may arise between the Company and any of its Shareholders, regardless of whoever has raised them, shall be subject to the Courts.
2. In any case, and for applicable purposes, the Shareholders specifically agree to be subject to the competence of the Courts pertaining to the place where the registered office of the Company is established.

**ARTICLE 39 - NEED FOR A PRIOR COMPLAINT**

No shareholder may file a lawsuit against the Company without first making a complaint to the Board of Directors.