



Non-binding translation
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EDP – ENERGIAS DE PORTUGAL, S.A.

ANNUAL GENERAL SHAREHOLDERS' MEETING

21st April, 2015

PROPOSAL OF ITEM 3 OF THE AGENDA

**Opinion of the General and Supervisory Board on the vote of confidence to the
Executive Board of Directors regarding 2014 exercise**

As established on the article 22º nº 1 h) of the Articles of Association of EDP, the General and Supervisory Board (GSB) must “Issue an opinion, by its own initiative, or when so requested by the Chairman of the Executive Board of Directors, on the annual vote of confidence which is referred in the article 455º of the Portuguese Code of Commercial Companies”.

The GSB, in the uncompromising pursuit of the interests of the EDP and in the exercise of its powers and without prejudice to the principle of institutional cooperation that steers the relationship with the Executive Board of Directors, believes and has also put into practice a principle of maximum exigency and accountability, which has special significance in terms of the assessment of the work and performance of the Executive Board of Directors.

EDP voluntarily established a formal and impartial process to assess the work of the Executive Board of Directors. This distinctive practice adopted by the General and Supervisory Board directly contributes to the Dow Jones Sustainability Index evaluation, and it acknowledges the continued endeavor for excellence in corporate governance practices that the General and Supervisory Board has sought to develop.

At the beginning of 2015, the members of the General and Supervisory Board were invited to complete a questionnaire to assess the Executive Board of Directors, which was divided into two major areas:

- Assessment of the adequacy of aspects of a formal and organizational nature
- Material assessment of the work of the Executive Board of Directors

The purpose of the questionnaire was to be an impartial support document for the General and Supervisory Board's appraisal with a view to the assessment of the Executive Board of Directors that it has to issue and present to EDP's shareholders to vote on.



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Based on the answers to the questionnaires, the General and Supervisory Board jointly analysed these data at the meeting of 3 March 2015, and drew its conclusions. Hence, pursuant to its rules, which were approved in line with best corporate governance practices, the General and Supervisory Board wishes to record the following conclusions on the assessment of the work and performance of the Executive Board of Directors in 2014.

The GSB assessed all aspects under evaluation as satisfactory. These being:

- Organization and powers of the Executive Board of Directors
- Compliance with the provisions defined by the General and Supervisory Board concerning:
 - The issue and waiving of prior opinions.
 - Handling conflicts of interest.
 - Independence of the Statutory Auditor and of the External Auditor.

The General and Supervisory Board considered the overall performance of the Executive Board of Directors in 2014 to be excellent, with particular emphasis on the following areas of activity:

- Strategy
- Financing
- Information and management control
- Preparation of financial and accounting information

Regardless of the assessment results obtained, the work of the Executive Board of Directors is underpinned by the continual improvement of its performance, both in terms of carrying out its duties and the relationship with the other bodies and corporate bodies of Executive Board of Directors, and also in the best interests of the shareholders.



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Proposal

On the basis of this analysis, at the aforementioned meeting the General and Supervisory Board decided to classify the overall work of the Executive Board of Directors during the business year 2014 as excellent.

Therefore, the General and Supervisory Board unanimously decided to issue its favorable opinion on the activity and performance of the EBD during 2014 and to transmit to the Shareholders its support to the vote of confidence and praise to the Executive Board of Directors, to its Chairman, Mr. António Mexia, and to each of its Members.

Lisbon, 3rd March 2015

Eduardo de Almeida Catroga
Chairman of the General and Supervisory Board