

**Annual General  
Shareholders' Meeting**

April 16<sup>th</sup>, 2010

**ITEM 3 OF THE AGENDA**

**Opinion of the General and Supervisory Board on the vote of confidence to the  
Executive Board of Directors for their work in 2009**

Dear shareholders,

1. As established on the article 22º nº 1 h) of the Articles of Association of EDP, the General and Supervisory Board 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 Societies'.*

2. Based on the methodology developed by the Corporate Governance and Sustainability Committee, on 21st January 2010, the General and Supervisory Board decided to conduct an assessment exercise on the activity and performance of the Executive Board of Directors, based on a questionnaire for individual completion by the General and Supervisory Board members.

The process implemented by the General and Supervisory Board has a dimension that deserves to be highlighted, as it represents a reinforcement of EDP's governance practices. This will give EDP national and international prominence, being one of the assessment parameters that will improve the company's position on the "Dow Jones Sustainability Index".

According to those rules, which were approved in line with corporate governance best practices, the General and Supervisory Board would like to register the following conclusions, based on the Executive Board of Directors activity and performance during 2009:

- a) The Executive Board of Directors general activity was deemed excellent, namely the level of execution of EDP Business Plan and 2009 Budget.
- b) The composition, organization and operation of the Executive Board of Directors was deemed excellent assessment.
- c) Concerning the quality of the Executive Board of Directors activity:

**Annual General  
Shareholders' Meeting**

April 16<sup>th</sup>, 2010

- Were deemed excellent: i) Strategy; ii) Financing; iii) Cost control.
  - Were deemed as quite positive: i) Investment; ii) Risk management; iii) Human Resources Management.
- d) Attending to the critical aspects of the Executive Board of Directors activity:
- Were deemed excellent: i) Preparation of financial and accounting information; ii) Management control; iii) Sustainability and environment; iv) Organizational culture; v) Communication and image; vi) Conflicts of interest.
  - Were deemed as quite positive the fulfillment of the rules on the independence of the Statutory Auditor and External Auditor.
- e) Concerning the quality of the interaction between General and Supervisory Board and Executive Board of Directors:
- Were deemed excellent:
    - The good collaborative relationship.
    - Executive Board of Directors's openness to initiatives promoted by the General and Supervisory Board.
    - Adequacy of information provided by the Executive Board of Directors to the request made by the General and Supervisory Board and the presentations made at the General and Supervisory Board meetings.
    - Adequacy of technical and material means made available to the General and Supervisory Board.
    - Level of fulfillment of dispositions defined by the General and Supervisory Board in terms of previous opinion issuance (or release from); treatment of conflict of interests; Human Resources management.
  - Were deemed as quite positive:
    - Speed in providing information to the General and Supervisory Board on EDP's activities.
    - Treatment of conflict of interests.
  - Despite deemed positive, it should be improved the time given for analyzing the documents, after these have been distributed.
- f) In terms of projecting EDP image and its relationship with other relevant economical agents:

**Annual General  
Shareholders' Meeting**

April 16<sup>th</sup>, 2010

- Were deemed excellent:
  - The relationship with shareholders, stakeholders, EDP workers, public authorities and investors.
  - Executive Board of Directors and EDP reputation in the relevant markets.
  - Effectiveness of Executive Board of Directors's communication strategy
- Was deemed positive the relationship held with competitors.

**3. Conclusion**

Following the performed analysis and the conclusions reached on the referred meeting on March 4<sup>th</sup> 2010, the General and Supervisory Board unanimously decided to issue its favorable opinion on the activity and performance of the Executive Board of Directors during 2009 and to transmit to the shareholders its support to the vote of confidence and praise to the Executive Board of Directors, to its Chairman, Dr. António Mexia, and to each of its Members.

Lisbon, 4<sup>th</sup> March 2010

**António de Almeida  
Chairman of the General and Supervisory Board**