

**ORDER NO. 1/2010**

The Chairman of the General Shareholders' Meeting received, on the 8<sup>th</sup> of April 2010, from the shareholders PARPUBLICA – Participações Públicas (SGPS), S.A. and CAPITALPOR – Participações Portuguesas, SGPS, S.A., a *“Proposal on the Remuneration Policy of the Members of the Executive Board of Directors of EDP – Energias de Portugal, S.A.”* concerning Item 6 of the Agenda of this company General Shareholders' Meeting, convened for the next 16<sup>th</sup> April.

This item, already foreseen on the Articles of Association, but which introduction was reinforced by the terms of Law 28/2009, dated 19<sup>th</sup> June, refers the following: *“Resolve on the members of the Executive Board of Directors remuneration policy presented by the Remuneration Committee of the General and Supervisory Board.”*

Hence, the only proposal which is proper to be accepted within this item of the agenda is the one presented by the Remuneration Committee of the General and Supervisory Board duly disclosed to the market and conveyed to the Shareholders, which is expressly foreseen in article 27<sup>o</sup> of the Articles of Association, provision that also defines the respective competence.

In compliance with the Articles of Association and of the agenda, it is not admitted the presentation of different proposals by the Shareholders, who clearly require legitimacy for the respective presentation.

It is an own competence, that the Articles of Association and the Law define as exclusive of the referred specialized Committee, appointed by the General and Supervisory Board especially for that purpose in accordance with the terms of no. 1 of article 444<sup>o</sup> of the Portuguese Companies Code: *“When convenient, the general and supervisory board shall appoint, within its members, one or more committees for the exercise of certain functions, namely for (...) establish the remuneration of the members of the board.”*

Law no. 28/2009, dated 19<sup>th</sup> June confirms this understanding, when restricting legitimacy on the presentation to the general shareholders' meeting of a statement regarding the remuneration policy, to the remuneration committee and to the board of directors (article 2, no. 1).

It is important to clarify that the aforementioned is not a constraint to the exercise of shareholders participation rights on the resolution making process, namely in this case, where the shareholders that present the proposal own category B shares and so are able to discuss and vote – in favour, against or waiving - the proposal duly presented by the Remuneration Committee of the General and Supervisory Board.

Therefore, and without needing to analyze the exact terms of its contents, from a legal point of view, I decide not to admit this proposal.

Lisbon, 13<sup>th</sup> April 2010

The Chairman of the General Shareholders' Meeting