



ANNUAL GENERAL SHAREHOLDERS' MEETING

6th May, 2013

PROPOSAL OF POINT 3 OF THE AGENDA

Opinion of the General and Supervisory Board on the vote of confidence to the Executive Board of Directors regarding 2012 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 (EBD), on the annual vote of confidence which is referred in the article 455º of the Portuguese Code of Commercial Companies”.

The General and Supervisory Board, 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 remains one of the few listed companies in Portugal and abroad that has 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 effort of excellence in corporate governance practices that the General and Supervisory Board has sought to develop.

At the beginning of this year, the members of the General and Supervisory Board were invited to complete a questionnaire concerning the assessment of the Executive Board of Directors that was divided into two major areas:

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



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The purpose of the questionnaires was to comprise an impartial support document for the General and Supervisory Board appraisal with a view to the opinion on the assessment of the Executive Board of Directors that this body must issue and submit to EDP's Shareholders for voting on.

Based on the answers to the questionnaires, the GSB jointly analysed these data at the meeting of 5th March 2013, 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 process of assessment of the work and performance of the Executive Board of Directors in 2012.

The General and Supervisory Board assessed all aspects under evaluation as adequate in terms of:

- Organisation and competences of the EBD (internal rules and composition).
- Compliance with the provisions defined by the General and Supervisory Board on:
 - The issue and waiving of prior opinions.
 - Handling conflicts of interest.
 - Additional audit services.

The General and Supervisory Board considered the overall performance of the Executive Board of Directors in 2012 to be excellent, with particular emphasis on the following areas of activity:

- Strategy.
- Financing.
- Communication and image.

Regardless of the assessment made, the work of the Executive Board of Directors is guided by the continual improvement of its performance, both in terms of the performance of its duties and the relationship with the other corporate bodies of EDP, 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 2012 as excellent.

Therefore, the GSB unanimously decided to issue its favorable opinion on the activity and performance of the EBD during 2012 and to transmit to the Shareholders its support to the vote of confidence and praise to the EBD, to its Chairman, Mr. António Mexia, and to each of its Members.

Lisbon, 5th March 2013

Eduardo de Almeida Catroga
Chairman of the General and Supervisory Board