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CORPORATE GOVERNANCE

TRANSPARENCY
MOTIVATED
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SUSTAINABILITY



7

CORPORATE GOVERNANCE

PART I

7.1

INFORMATION ON SHAREHOLDER STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE ECONOMIC ENVIRONMENT

7.1.1 ECONOMIC ENVIRONMENT

I. CAPITAL STRUCTURE

I.1. Capital structure (capital, number of shares, distribution of capital among shareholders, etc.), including information on shares not admitted to trading, different classes of shares, inherent rights and duties and percentage of capital which each class represents (Art. 245(A)(1)(a)).

The share capital of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. (REN or the company) in the amount of € 667,191,262 is represented by 667,191,262 ordinary shares with a face value of € 1.00, in the form of nominative book-entry shares.

In December 2017, REN increased capital from € 534,000,000.00 to € 667,191,262.00. This increase was achieved through a public offering of 133,191,262 new nominative, book-entry, ordinary shares, with a face value of € 1.00 each¹. The increase in capital was fully subscribed at the unit subscription price of € 1.877 with a share premium of € 0.877 per new share (thus corresponding to proceeds of approximately € 250,000,000).² This increase was intended for the partial financing of REN Gás's acquisition on 4 October 2017 of the entire share capital of EDP Gás

¹ See prospectus on the share capital increase with public offering of 133,191,262 nominative, book-entry, ordinary shares, of 16 November 2017, available at: www.ren.pt and www.cmvm.pt.

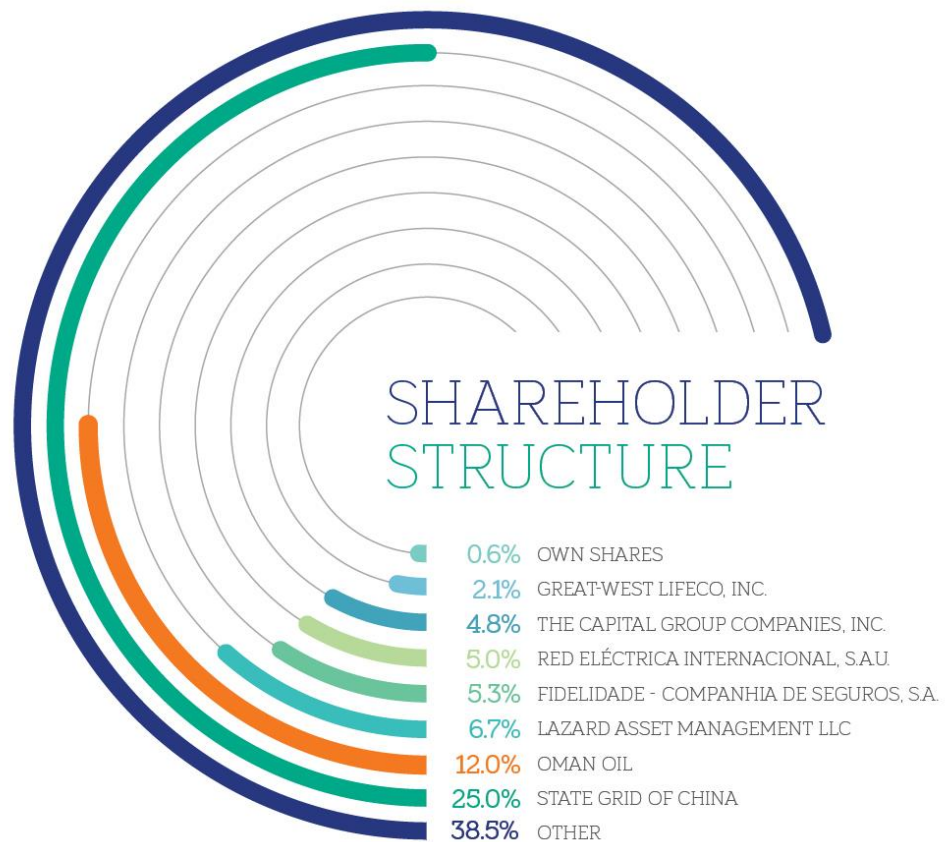
² As duly published at: <http://web3.cmvm.pt/sdi/emitentes/docs/fsd396339.pdf>.

and its subsidiaries EDP Gás Distribuição, S.A. and EDP Gás GPL (now called REN GÁS Distribuição SGPS, S.A., REN PORTGÁS Distribuição, S.A. and REN PORTGÁS GPL, S.A., respectively), further to the signing of the share purchase agreement with EDP Iberia, S.L.U., on 7 April 2017.

REN shares are ordinary shares that do not grant special rights to their holders, beyond the general rights inherent as a shareholder under the law.

Currently, all REN shares are admitted to trading on Euronext Lisbon, a regulated market managed by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A., corresponding to Code PTRELOAM0008.

SHAREHOLDER STRUCTURE AT 31 DECEMBER 2017



I.2. Restrictions on the transferability of shares, such as consent clauses for disposal, or limitations on ownership of shares (Art. 245(A)(1)(b)).

No restrictions currently exist and REN has not implemented any measures which hinder the transferability of shares. REN shares are freely tradable on the regulated market.

With respect to ownership limitations on shares, in accordance with applicable legislation, no entity, including entities which conduct business in the respective sector in Portugal or abroad, can have direct or indirect holdings greater than 25% of REN share capital³.

These limitations on the ownership of REN shares were introduced further to the transposition of European community directives applicable to the electricity and natural gas sectors to promote competition in the market and ensure equal access by operators to transmission infrastructures.

It should be further noted that on 9 September 2014⁴, ERSE – The Energy Services Regulator (ERSE) issued a decision on the certification of REN – Rede Eléctrica Nacional, S.A. and REN – Gasodutos, S.A. (both wholly owned by REN) as operators of the National Electricity Transmission System and the National Natural Gas Transmission System (the ERSE Decision), respectively, under full ownership unbundling.

In accordance with the ERSE Decision, certification was dependent on compliance with a series of conditions intended to ensure the independence of these operators, including, *inter alia*, (i) restrictions on the exercising of rights related to the REN General Shareholders' Meeting; (ii) restrictions on the exercising of positions on the Board of Directors or Audit Committee of REN or the Transmission System Operators; and (iii) the amendment to REN's Articles of Association with a view to complying with the restrictions set out in (i) and (ii).

The amendments to REN's Articles of Association required to comply with the ERSE Decision were approved by the REN General Shareholders' Meeting which was held on 17 April 2015. With regard to the exercising of rights at the REN General Shareholders' Meeting, the following changes were included:

- shareholders which, directly or indirectly, exercise control over a company which either produces or sells electricity or natural gas are not allowed to exercise voting rights at the General Shareholders' Meeting over any Company shares, except when ERSE recognizes that no risk of conflict of interest exists;
- the persons who exercise control or rights over companies which either produce or sell electricity or natural gas may not appoint members to the Board of Directors or the statutory auditor, or members of bodies which legally represent it on their own or through others with whom they are connected via shareholders' agreements, except (i) when ERSE recognizes that there is no risk of conflicts of interest due to the fact that the respective production or sale of electricity or natural gas of such a shareholder takes place in geographical locations which have no direct or indirect connection or interface with Portuguese networks and (ii) provided that there were no changes as to the grounds or objective circumstances which led ERSE to recognize no conflict of interest existed with Portuguese transmission network operators.

Therefore, limitations on the ownership of shares (as well as the exercising of rights) are exclusively due to legal and regulatory requirements or compliance with administrative decisions which the Corporate Governance Code of the Portuguese Securities Market Commission (CMVM) must not overturn. As such, the non-implementation of recommendation I.4. of the CMVM Corporate Governance Code is fully justified.

With regard to limitations on voting rights, see also I.5 below on the limitations expressed in the Articles of Association arising from the legal system applicable to the electricity and gas sectors.

³ Cf. Article 25(2)(i) of Decree-Law No 29/2006 of 15 February (current wording), and Article 20-A(3)(b) and Article 21(3)(h) of Decree-Law No 30/2006 of 15 February (current wording).

⁴ ERSE notified REN on 4 August 2015 confirming that the certification conditions determined on 9 September 2014 had been complied with, thus making the certification decision final.

I.3. Number of own shares, percentage of corresponding share capital and percentage of voting rights to which own shares would correspond (Art. 245(A)(1)(a)).

REN has 3,881,374 own shares, representing 0.6% of its capital. These shares would correspond to 0.6% of voting rights.

I.4. Significant agreements to which REN is a party that would come into force, be amended or terminate in the event of a change of control over the Company, as the result of a takeover bid, as well as the respective effects, except if, due to their nature, the disclosure of which would be seriously prejudicial for the Company, except if the Company is specifically required to disclose this information due to other legal requirements (Art. 245(A)(1)(j)).

REN and its subsidiaries are party to a number of financing contracts and debt issues which include clauses on change of control which are typical of such transactions (including, although not expressly stated, changes of control arising from takeover bids) and essential for carrying out such transactions on the market.

However, the practical application of these clauses is limited, considering the legal restrictions on the ownership of REN shares as explained in I.2.

There are no other significant agreements to which REN is a party that would come into force, be amended or terminate in the event of a change in control over the Company or as the result of a takeover bid.

In summary, REN has not adopted any measures aimed at requiring payment or the assumption of burdens by the Company in the event of changes of control or changes in the composition of the Board of Directors and which would be liable to prejudice the free transferability of shares or the free evaluation by shareholders of the performance of members of the Board of Directors. Therefore, the Recommendation I.5 of CMVM Corporate Governance Code is complied.

I.5. Framework to which the renewal or repeal of defensive measures are subject, in particular those that limit the number of votes which can be held or exercised by a sole shareholder individually or jointly with other shareholders

The only provisions in the REN Articles of Association which provide for limitations on votes which can be held or exercised by a sole shareholder or by certain shareholders (e.g. who exercise control over a company which works in the production or sale of electricity or natural gas), individually or together with other shareholders are set out in I.2 above.

Nevertheless, such provisions arise from legal requirements and from the ERSE Decision and do not seek to limit voting rights, but rather to ensure the existence of a sanctioning system for breaching the legal limit on the ownership of shares and the legal restriction on voting rights, respectively. As such, the non-implementation of CMVM Corporate Governance Code recommendation 1.3 is fully justified.

As such, there is no mechanism in the Articles of Association to renew or repeal these statutory rules, as they exist in compliance with legal and administrative requirements. Therefore, the non-implementation of recommendation I.4. of the CMVM Corporate Governance Code 2013 is fully justified.

There are no other defensive measures.

I.6. Shareholder Agreements which the company is aware of and which could lead to restrictions with regard to the transfer of securities or voting rights (Art. 245(A)(1)(g)).

The Board of Directors is not aware of any shareholders agreements in relation to REN that may result in any restrictions to the transfer of securities or exercising of voting rights.

II. SHAREHOLDINGS AND BONDHOLDINGS

II.7. Identification of natural or legal persons which, directly or indirectly, own qualified shareholdings (Art. 245(A)(1)(c) and (d) and Art. 16), with detailed information on the percentage of capital and attributable votes and the source and causes of such attribution

In accordance with that set out above⁵, an increase in REN's share capital took place through a public offering. The exercise of preferential subscription rights naturally led to an increase in the number of shares in REN capital held by shareholders. However, for purposes of compliance with the obligation to disclose qualifying holdings, the law takes into consideration the percentage of shares representing voting rights (calculated in accordance with Article 20(1) of the Securities Code) attributable to each shareholder and not the number of shares that each holds (see Article 16 of the Securities Code). The exercising of preferential rights does not interfere with the percentage of equity capital held by each shareholder — such exercising assumes that this same percentage is maintained. Therefore, REN shareholders would not have to provide any communication on qualifying holdings, which justifies the absence of updated information, in some cases, after the increase in capital.

Taking into account the communications submitted to the Company in accordance with Article 447 of the Portuguese Companies Code, Article 16 of the Portuguese Securities Code and Article 2 of CMVM Regulation No 5/2008, with reference to 31 December 2016, shareholders having a qualifying holding (representing at least 2% of REN's share capital), calculated in accordance with Article 20 of the Portuguese Securities Code, were as follows:

⁵ See point 7.1.1. (I.1).

State Grid Corporation of China	No of shares prior to capital increase	% Share capital with voting rights prior to capital increase	No of shares after capital increase	% Share capital with voting rights after capital increase
Directly	0	0%.		
Through State Grid Europe Limited (SGEL), which is controlled by State Grid International Development Limited (SGID), which is controlled by the State Grid Corporation of China	133,500,000	25.0%.		
			REN received an irrevocable commitment from State Grid Europe Limited notifying that it would exercise its preferential subscription rights in the capital increase of 7 December 2017, subscribing to a sum of shares which was proportional to its holdings before the capital increase, in accordance with information included in the prospectus which can be consulted at www.ren.pt . There has since been no indication of the number of shares actually subscribed to under the increase in capital.	
Total attributable	133,500,000	25.0%.		

Red Eléctrica Corporación, S.A.	No of shares prior to capital increase	% Share capital with voting rights prior to capital increase	No of shares after capital increase	% Share capital with voting rights after capital increase
Directly	0	0%.		
Through its subsidiary Red Eléctrica Internacional, S.A.U.	26,700,000	5.0%.		
			REN received an irrevocable commitment from Red Eléctrica Corporación, S.A. notifying that it would exercise its preferential subscription rights in the capital increase of 7 December 2017, subscribing to a sum of shares which was proportional to its holdings before the capital increase, in accordance with information included in the prospectus which can be consulted at www.ren.pt . There has since been no indication of the number of shares actually subscribed to under the increase in capital.	
Total attributable	26,700,000	5.0%.		

Fidelidade Companhia de Seguros, S.A.⁶	No of shares prior to capital increase	% Share capital with voting rights prior to capital increase	No of shares after capital increase	% Share capital with voting rights after capital increase
Directly	28,115,216	5.265%.	35,176,796 ⁷	5.272%.
Through Via Directa – Companhia de Seguros, S.A., which is controlled by Fidelidade	95,816	0.018%.	95,816	0.018%.
Through Companhia Portuguesa de Resseguros, S.A., which is controlled by Fidelidade	30,000	0.006%.	30,000	0.006%.
Through Fidelidade Assistência – Companhia de Seguros, S.A., which is controlled by the common shareholder Longrun ⁸	78,907	0.015%.	78,907	0.015%.
Through Multicare – Seguros de Saúde, S.A., which is controlled by the common shareholder LongRun ⁹	50,726	0.009%.	50,726	0.009%.
Total attributable	28,370,665	5.313%.	35,432,245	5.31%.

⁶ These qualified holdings, calculated in accordance with Article 20 of the Securities Code, are also attributable to LongRun Portugal, SGPS, S.A., Millennium Gain Capital, Fosun Financial Holdings Limited, Fosun International Limited, Fosun Holdings Limited, Fosun International Holdings, Ltd. and to Guo Guangchang, as natural or legal persons, direct and indirect controllers of Fidelidade - Companhia de Seguros, S.A.

⁷ In accordance with information provided on 23 January 2018, Fidelidade having notified REN through a correction to a communique of 15 December 2017 on a transaction conducted by management relating to REN shares involving the sale of 1,848 REN shares and the acquisition of 7,063,428 REN shares as set out in <http://web3.cvm.pt/sdi/emitentes/docs/fsd430880.pdf>. In this table, REN assumes that no other transactions existed influencing its qualified holdings, calculated in accordance with Article 20 of the Securities Code.

⁸ LongRun also holds 80% of the share capital of Fidelidade Assistência – Companhia de Seguros, SA.

⁹ LongRun also holds 80% of the share capital of Multicare – Seguros de Saúde, SA.

Oman Oil Company SAOC	No of shares prior to capital increase	% Share capital with voting rights prior to capital increase	No of shares after capital increase	% Share capital with voting rights after capital increase ¹⁰
Directly	0	0%.	0	0%.
Through Mazoon B.V. and Oman Oil Holding Europe, B.V. Which are controlled by Oman Oil Company SAOC	80,100,000	15%.	80,100,000	12%.
Total attributable	80,100,000	15%.	80,100,000	12%.

The Capital Group Companies, Inc.	No of shares prior to capital increase	% Share capital with voting rights prior to capital increase	No of shares after capital increase	% Share capital with voting rights after capital increase
Directly	0	0%.		
Through SMALLCAP World Fund, Inc.	20,085,000	3.7612%.		
Through accounts under the discretionary management of fund management companies in a controlling or group relationship with The Capital Group Companies, Inc.	5,280,000	0.9888%.	No updated information sent by the shareholder to REN after the capital increase operation. ¹¹	
Total attributable	25,365,000	4.75%.		

¹⁰ On 13 December 2017, Oman Oil Company S.A.O.C. notified REN that it had reduced its indirect qualified holdings of 15% to 12% in REN capital and voting rights, as set out in: <http://web3.cmvm.pt/sdi/emitentes/docs/PQ66755.pdf>.

¹¹ REN has not been notified whether The Capital Group Companies, Inc. exercised its subscription rights under the capital increase operation.

GreatWest Lifeco, Inc. ¹²	No of shares prior to capital increase	% Share capital with voting rights prior to capital increase	No of shares after capital increase	% Share capital with voting rights after capital increase
Directly	0	0%.		
Through PanAgora Asset Management, Inc. a company controlling Great-West Lifeco, Inc.	82	0.00002%.		
Through the collective investment undertakings managed by Setanta Asset Management Limited ¹⁴ , a company in a controlling relationship with Great-West Lifeco, Inc.	10,740,000	2.011%.	No updated information sent by the shareholder to REN after the capital increase operation. ¹³	
Through collective investment undertakings managed by GLC Asset Management Group LTD ¹⁵	218,682	0.041%.		

¹² According to notification received by the company on 5 October 2016, the final controlling shareholders of Great-West Lifeco, Inc. are The Desmarais Family Residuary Trust and its trustees Jacqueline Desmarais, Paul Desmarais, Jr., André Desmarais, Michel Plessis-Bélair and Guy Fortin, to whom the 2.056% of REN voting rights are attributed under Article 20(1)(b) of the Securities Code. The same voting rights are also attributable to the following companies controlled by The Demarais Trust: Power Financial Corporation; 17123 Canada Inc.; Power Corporation of Canada; and Pansolo Holdings Inc.

¹³ REN has not been notified whether the Great West Lifeco, Inc exercised its subscription rights under the capital increase operation.

¹⁴ Nomination of the collective investment undertakings and respective holdings: Balanced Fund, sub-fund of Summit Investment Funds plc (52 347 shares corresponding to 0.01% of the share capital); Balanced Fund, sub-fund of Summit Mutual Funds plc (16 733 shares corresponding to 0.003% of the share capital); Canada Life Assurance Europe Limited (2 715 969 shares corresponding to 0.509% capital); CF Canlife Global Equity Income Fund (209 682 shares corresponding to 0.039% capital); Growth Fund, sub-fund of Summit Investment Funds plc (109 317 shares corresponding to 0.020% of the share capital); Growth Fund, sub-fund of Summit Mutual Funds plc (73 262 shares corresponding to 0.014% of the share capital); Irish Life Assurance Plc (4 696 070 shares corresponding to 0.879% of the share capital); Little Company of Mary Limited (30 861 shares corresponding to 0.006% of the share capital); London Life Insurance Company (639 014 shares corresponding to 0.120% of the share capital); Quadrus Global Dividend Class (946 989 shares corresponding to 0.177% of the share capital); Quadrus Global Dividend Fund (21 094 shares corresponding to 0.004% of the share capital); Quadrus Global Equity Class (28 636 shares corresponding to 0.005% of the share capital); Setanta Global Equity Fund, sub-fund of Beresford Funds plc (125 943 shares corresponding to 0.024% of the share capital); Setanta Income Opportunities Fund, sub-fund of Beresford Funds plc (130 804 shares corresponding to 0.024% of the share capital); Setanta Reditus Global Balanced Fund, sub-fund of Beresford Funds plc (18 587 shares corresponding to 0.003% of the share capital); Setanta Reditus Global Equity Fund, sub-fund of Beresford Funds plc (82 979 shares corresponding to 0.016% of the share capital); The Great-West Life Assurance Company (268 316 shares corresponding to 0.050% of the share capital); The Canada Life Assurance Company (207 807 shares corresponding to 0.039% of the share capital); Setanta Reditus Income Fund, sub-fund of Beresford Funds plc (365 590 shares corresponding to 0.068% of the share capital). The voting rights inherent to the abovementioned shares are also attributable, under Article 20(1)(b) of the Securities Code, to the following companies controlled by Great-West Lifeco, Inc.: The Great-West Life Assurance Company; Canada Life Financial Corporation; The Canada Life Assurance Company; Canada Life Capital Corporation Inc; Canada Life International Holdings Limited; and The Canada Life Group (U.K.) Limited.

¹⁵ Breakdown of the funds and companies and respective holdings: London Life Insurance Company (177 122 shares corresponding to 0.033% of the share capital); Quadrus U.S. and International Specialty Class (2 125 shares corresponding to 0.0003% of the share capital); The Great-West Life Assurance Company (14 247 shares corresponding to 0.0027% of the share capital); The Canada Life Assurance Company (17 511 shares corresponding to 0.0033% of the share capital); CF Canlife Global Infrastructure Fund (7 677 shares corresponding to 0.001% of the share capital).

GreatWest Lifeco, Inc. ¹²	No of shares prior to capital increase	% Share capital with voting rights prior to capital increase	No of shares after capital increase	% Share capital with voting rights after capital increase
Through the sub-fund Indexed World Small Cap Equity, sub-fund of Beresford Funds plc, managed by Irish Life Investment Managers Limited.	22,223	0.004%.		
Total attributable	10,980,987	2.056%.		

Lazard Asset Management LLC	No of shares prior to capital increase	% Share capital with voting rights prior to capital increase	No of shares after capital increase	% Share capital with voting rights after capital increase
Directly	0	0	No updated information sent by the shareholder to REN after the capital increase operation. ¹⁶	
Indirectly ¹⁷	36,043,972	6.75%.		
Total attributable	36,043,972	6.75%.		

II.8. Information on the number of shares and bonds held by members of management and supervisory bodies

In accordance with and for the purposes of Article 447 of the Portuguese Companies Code, in particular paragraph 5 thereof, the number of shares held by the members of the REN management and supervisory bodies and by the persons related to them pursuant to paragraph 2 of the abovementioned article¹⁸, as well as all their acquisitions, encumbrances or disposals with reference to the financial year 2017, based on communications with the company, were as follows:

¹⁶ REN has not been notified whether Lazard Asset Management LLC exercised its subscription rights under the capital increase operation.

¹⁷ These qualified holdings, calculated in accordance with Article 20 of the Securities Code, are held by Lazard Asset Management LLC for clients, and attributable to Lazard as it has agreed to exercise the voting rights on their behalf. The qualified holdings are also attributable to (i) Lazard Freres & Co, which owns all of the former; (ii) Lazard Group LLC, which owns all of the latter; and (iv) Lazard Limited, a company with shares admitted to trading on the NYSE, as the respective controller.

¹⁸ This comprises the shares held by members of the REN management and supervisory bodies and also, if applicable, (i) by the spouse not judicially separated, regardless of the matrimonial property regime; (ii) by under aged descendants; (iii) by persons in whose name shares are registered, in the event that they have been acquired on behalf of a member of the management or supervisory bodies and by persons referred to in (i) and (ii); and (iv) by companies of which a member of the management or supervisory bodies and the persons referred to in (i) and (ii) are shareholders with unlimited responsibility, are engaged in the management or exercise any management or supervisory duties or hold, individually or jointly with the persons referred to in (i) to (iii), at least half of the share capital or corresponding voting rights.

BOARD OF DIRECTORS (INCLUDING THE AUDIT COMMITTEE)

BOARD OF DIRECTORS	ACQUISITIONS (IN 2017)	ENCUMBRANCES (IN 2017)	DISPOSALS (IN 2017)	NO OF SHARES AT 31.12.2017
Rodrigo Costa	-	-	-	0 (zero)
João Faria Conceição	-	-	-	500
Gonçalo Morais Soares	-	-	-	0 (zero)
Guangchao Zhu - representing SGID	-	-	-	0 (zero)
Mengrong Cheng	-	-	-	0 (zero)
Longhua Jiang	-	-	-	0 (zero)
Omar Al-Wahaibi	-	-	-	0 (zero)
Jorge Magalhães Correia	-	-	-	35,176,796 ¹⁹
José Luís Arnaut ²⁰	-	-	-	7,587
Manuel Ramos de Sousa Sebastião	23,000	-	-	30.0000
Gonçalo Gil Mata	-	-	-	0 (zero)
Maria Estela Barbot	-	-	-	0 (zero)

In accordance with and for the purposes of Article 447 of the Portuguese Companies Code, in particular paragraph 5 thereof, the number of bonds held by the members of the REN management and supervisory bodies and by the persons related to them pursuant to paragraph 2 of the abovementioned article²¹, as well as all their acquisitions, encumbrances or disposals with reference to the financial year of 2017, based on communications sent to the company, were as follows:

¹⁹ Corresponding to the shares held by Fidelidade Companhia de Seguros, S.A., which are attributable for the purposes of art. 447 of the Portuguese Companies Code, due to the exercise of the functions of member of the board of directors of that company, as set out in: <http://web3.cvm.pt/sdi/emittentes/docs/fsd430883.pdf>.

²⁰ 480 shares held directly and the remainder held by Platinum details - Consultoria e Investimentos, Lda, in which 68% of the share capital is held.

²¹ This comprises the shares held by members of the REN management and supervisory bodies and, if applicable, (i) of the spouse not judicially separated, regardless of the matrimonial property regime; (ii) of under aged descendants; (iii) of persons in whose name shares are registered, in the event that they have been acquired on behalf of a member of the management or supervisory bodies and of persons referred to in (i) and (ii); and (iv) the shares held by companies of which a member of the management or supervisory bodies and the persons referred to in (i) and (ii) are shareholders with unlimited responsibility, are engaged in the management or exercise any management or supervisory duties or hold, alone or together with the persons referred to in (i) to (iii), at least half of the share capital or corresponding voting rights.

BOARD OF DIRECTORS

BOARD OF DIRECTORS	ACQUISITIONS (IN 2017)	ENCUMBRANCES (IN 2017)	DISPOSALS (IN 2017)	NO OF BONDS AT 31.12.2017
Rodrigo Costa	-	-	-	0 (zero)
João Faria Conceição	-	-	-	0 (zero)
Gonçalo Morais Soares	-	-	-	0 (zero)
Guangchao Zhu - representing SGID	-	-	-	0 (zero)
Mengrong Cheng	-	-	-	0 (zero)
Longhua Jiang	-	-	-	0 (zero)
Omar Al-Wahaibi	-	-	-	0 (zero)
Jorge Manuel Magalhães Correia	-	-	-	1,200,000 ²²
José Luís Arnaut	-	-	-	0 (zero)
Manuel Ramos de Sousa Sebastião	-	-	-	0 (zero)
Gonçalo Gil Mata	-	-	-	0 (zero)
Maria Estela Barbot	-	-	-	0 (zero)

II.9 Special powers of the management body, notably regarding resolutions on capital increase (Art. 245(A)(1)(i)), indicating, as to such resolutions, the date on which the powers were attributed to the management body, time limit until such powers may be exercised, maximum quantitative limit on capital increase, amount already issued under the attribution of such powers and method of applying the attributed powers

The Board of Directors has the competences and powers conferred by the Portuguese Companies Code and the Articles of Association²³ (see summary of these competences and powers in II.21), and as such, the management body does not have special powers.

Particularly, concerning resolutions on capital increase, it should be noted that REN's Articles of Association do not authorize the Board of Directors to increase the Company's share capital.

²² Corresponding to the bonds held by Fidelidade – Companhia de Seguros, S.A., which are attributable for the purposes of art. 447 of the Portuguese Companies Code, due to the exercise of the functions of member of the board of directors of that company.

²³ Cf. Article 15(1) of the Articles of Association and Article 3(2) and (3) of the Board of Directors Regulations.

II.10 Information on significant relationships of a commercial nature between the owners of qualified holdings and the Company

In accordance with internal regulations on the assessment and control of transactions with related parties²⁴ and prevention of conflict of interests²⁵, significant transactions with related parties are considered to be those which:

- a) are based on the purchase and/or sale of assets, provision of services or a contracted project with an economic value greater than one million euros;
- b) are based on the acquisition or disposal of shareholdings;
- c) require new loans, financing or subscription of financial investments resulting in an overall annual indebtedness exceeding € 100,000,000, except when referring to a simple renewal of existing circumstances or operations undertaken within the framework of pre-existing contractual conditions;
- d) should none of the materiality criteria set out in the subparagraphs above be met, (i) which have a value exceeding € 1,000,000 or (ii) are considered relevant for this purpose by the management body, by virtue of its nature or its particular susceptibility to giving rise to a conflict of interests.

The Board of Directors is required to submit significant transactions with related parties to the Audit Committee for prior appraisal²⁶. Therefore, transactions considered significant are subject to prior opinion from the Audit Committee, while others are only subject to subsequent appreciation.

Moreover, in accordance with the Board of Directors internal regulations, transactions with related parties for sums exceeding € 500,000 or, regardless of the sum, any transaction which may be considered as not being executed under market conditions are matters which may not be delegated to the Executive Committee.

In light of the abovementioned criteria – set out in Board of Directors regulations and in internal regulations on the assessment and control of transactions with related parties and prevention of conflicts of interests – during 2017, there was one significant commercial transaction with related parties, which was subject to prior control by the Audit Committee, as detailed below in I.90.

²⁴ The definition of “related party” in accordance with this regulation includes owners of qualified holdings calculated in accordance with Article 20 of the Securities Code.

²⁵ Cf. section II, paragraph I., p. 3.

²⁶ Cf. section III, p. 3 and section VI, p.5.

7.1.2 CORPORATE BODIES AND COMMITTEES

I. GENERAL MEETING

- a) Composition of the Board of the General Meeting in the year of reference

I.11. Identification and position of the members of the Board of the General Meeting and respective term of office (start and end)

The following members of the Board of the General Meeting were elected for the term of office 2015-2017:

NAME	POSITION	DATE OF 1 ST APPOINTMENT	TERM OF OFFICE IN COURSE
Pedro Maia	Chairman	27.03.2012	2015-2017
Francisco Santos Costa	Vice-Chairman	17.04.2015	2015-2017

In the performance of his duties, the Chairman of the Board of the General Meeting also had the support of the Company Secretary, Marta Almeida Afonso.

- b) Exercise of Voting Rights

I.12. Possible restrictions with regard to voting rights, such as limitations on exercising voting rights depending on the ownership of a number or percentage of shares, terms imposed for exercising voting rights or systems for detaching ownership content (Art. 245(A)(1)(f))

Following the best practices on shareholder participation in the general meetings of companies with shares admitted to trading in a regulated market, REN's Articles of Association set out the principle of 'one share one vote'.²⁷

Without prejudice to that referred to in 1.2 and 1.5, there are no restrictions on voting rights, such as limitations on exercising voting rights depending on the number or percentage of shares.

Owners of one or more shares on the 'Record Date' may attend, participate in and vote at the REN General Shareholders' Meeting, as long as they comply with the following requirements:

- a) Shareholders wishing to participate in the General Meeting should express this intention in writing to the Chairman of the Board of the General Meeting and the financial intermediary, with whom they have opened the relevant individual securities account, up to the day before the 'Record Date'.²⁸ This communication may be sent by e-mail²⁹.

²⁷ Cf. Article 12(2) of Articles of Association.

²⁸ Cf. Article 23-C of the CSC.

²⁹ Cf. Article 12(9) of the Articles of Association.

- b) In turn, the abovementioned financial intermediary shall send to the Chairman of the Board of the General Meeting, up to the end of the day corresponding to the 'Record Date', information on the number of shares registered in the name of the shareholder on that date. This communication may be sent by e-mail³⁰.
- c) Shareholders who exercise direct or indirect control over a company which either produces or sells electricity or natural gas and wishes to participate, personally or through a representative, in the General Meeting are required to provide a declaration to the Chair of the General Meeting up to the day prior to the 'Record Date', stating that they are not prohibited from exercising voting rights as ERSE has recognized that there are no conflicts of interest.
- d) Shareholders wishing to participate, personally or through a representative in the General Meeting, are required to provide a written declaration to the Chair of the General Meeting before the day prior to the 'Record Date', stating that they are not prohibited from exercising voting rights in accordance with the subparagraph c). The content of the abovementioned declaration is a condition of the exercising of voting rights at the General Meeting and may be established in standard terms by the Chair of the Meeting.³¹
- e) Shareholders which are recognized by ERSE as not having a risk of conflict of interest – as the respective production or sale of electricity or natural gas by such shareholders takes place in locations which have no direct or indirect connection or interface with Portuguese networks – and provided that no changes have occurred with regard to the grounds or objective circumstances which led ERSE to recognize no conflict of interest existed with Portuguese transmission network operators, are not required to provide proof of this recognition with the abovementioned declaration. The exception will only be should changes have taken place to the grounds and objective circumstances which led to such recognition which determines the prohibition of the respective policy rights and/or re-examination of certification conditions by ERSE.³²

Shareholders with voting rights may be represented at the General Shareholders' Meeting by means of a person with full legal capacity, by written document addressed to the Chairman of the Board of the General Shareholders' Meeting, communicating the name(s) of the representative(s), under the law and of the notice to convene. This communication may be sent by e-mail.³³

REN's shareholders who hold shares on a professional basis in their own name but on behalf of clients, may vote differently with their shares, as long as they submit this fact to the Chairman of the Board of the General Shareholders' Meeting in advance and deliver proportional and sufficient proof of: (a) the identification of each client and the corresponding number of shares that will be voted on his behalf; (b) the specific voting instructions on each of the items on the agenda as provided by each of their clients.

REN's shareholders may submit their votes by correspondence for each item on the agenda, by letter signed with the same signature as on their identification document, enclosing a legible photocopy of such document, if the shares are held by an individual shareholder, or duly notarized signature of the proxy, in the event that the shares are held by a legal person³⁴.

This letter should be addressed to the Chairman of the Board of the General Shareholders' Meeting and sent by post with acknowledgement of receipt to REN's registered office at least three business days prior to the date of the General Shareholders' Meeting, except if the relevant notice of meeting establishes a different time. The Chairman of the Board of the General Shareholders' Meeting shall verify the authenticity and regularity of the votes cast by correspondence as well as ensure that they remain confidential until the voting takes place³⁵.

³⁰ Cf. Article 12(10) of the Articles of Association.

³¹ Cf. Article 12(12)(13) and (15) of the Articles of Association.

³² Cf. article 12(14) of the Articles of Association.

³³ Cf. Article 12(11) of the Articles of Association.

³⁴ Cf. article 12(5) of the Articles of Association.

³⁵ Cf. Article 12(5) and (7) of the Articles of Association.

It is also established that votes cast by correspondence are considered to be votes against, in the case of resolution proposals submitted after the date on which they were cast.

In order to facilitate votes by correspondence, REN provides a voting ballot on its website³⁶ which may be used for such purpose, and upon request, may also send a voting ballot and an envelope to shareholders for the purpose of postal submission.

Should there be express indication in the notice to convene the General Shareholders' Meeting, shareholders may exercise voting rights electronically, in accordance with the terms, time and conditions set out in the respective call.³⁷

In any case, REN considers the participation of its shareholders to be fully ensured through vote by correspondence and methods of representation (as outlined above). Moreover, REN considers that voting by electronic means would not represent added value for shareholders, especially taking into account the reduced number of votes cast by correspondence at its recent General Shareholders' Meetings³⁸.

In summary, REN considers that it provides all the necessary mechanisms to encourage its shareholders to participate and vote in General Shareholders' Meetings.

REN's Articles of Association do not provide for any systems for detaching ownership content and there is no mechanism in place to cause any conflict between the right to receive dividends or the underwriting of new securities and the principle of 'one share, one vote', with the exception of the provision set out in the Articles of Association as described in 1.2 and 1.5 above, which seeks to make current regulations and the legal regime effective.

I.13. Information on the maximum percentage of voting rights that can be exercised by a sole shareholder or by shareholders with whom they maintain a relationship pursuant to Article 20(1) of the Securities Code.

As referenced above in 1.5, the maximum percentage of voting rights that can be exercised by a sole shareholder or by shareholders with whom they maintain a relationship pursuant to paragraph 1 of Article 20 of the Portuguese Securities Code, on his behalf or as representative of another shareholder, is 25% of the votes corresponding to REN share capital.

As also referred to in 1.2 and 1.5 above, shareholders which, directly or indirectly, exercise control over a company which either produces or sells electricity or natural gas are not allowed to exercise voting rights at the General Shareholders' Meeting over any Company shares, except when ERSE has recognized that no risk of conflict of interest exists.

The persons who exercise control or rights over companies which either produce or sell electricity or natural gas may not appoint members to the Board of Directors or the statutory auditor, or members of bodies which legally represent it, on their own or through others with whom they are connected through shareholders' agreements, except when ERSE recognizes that there is no risk of conflicts of interest.

I.14. Identification of shareholder resolutions that, in accordance with Articles of Association, shall only be passed with a qualified majority, aside from those legally provided for, and indication of these majorities.

³⁶ www.ren.pt

³⁷ Cf. article 12(6) of the Articles of Association.

³⁸ There was only one vote by correspondence at the annual General Meeting of 11 May 2017.

In accordance with paragraph 1 of Article 11 of the Articles of Association, the attendance or representation of shareholders holding at least 51% of capital is essential in order that the General Shareholders' Meeting can be held and can resolve on the first call.

In accordance with Article 11(2) of the Articles of Association, the quorum for adopting resolutions on amendments to the Articles of Association, splits, mergers, transformation or dissolution of the company shall be two thirds of the votes issued, both for the first call and the second call, regardless of the percentage of capital represented.

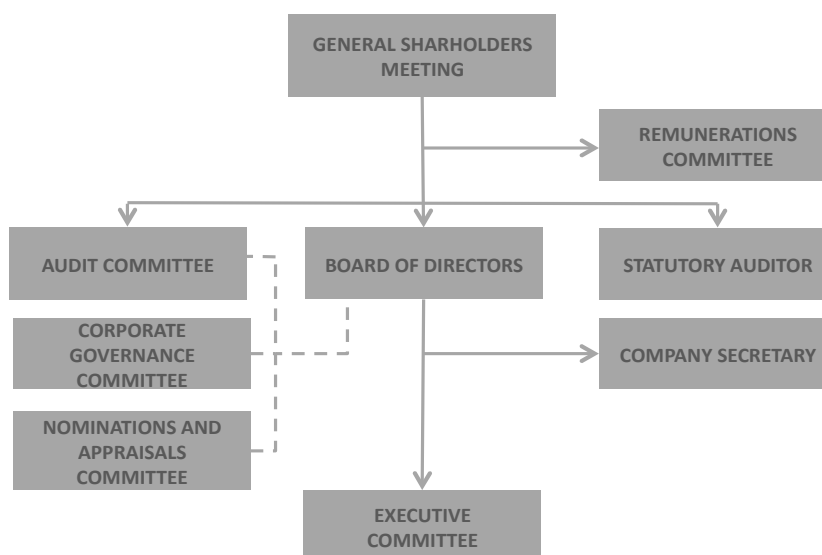
Furthermore, in accordance with paragraph 3 of the same Article in the Articles of Association, resolutions for changes relating to Articles 7(A), 12(3) and 11 of the Articles of Association require the approval of three quarters of the votes issued.

II. MANAGEMENT AND SUPERVISION

(BOARD OF DIRECTORS, EXECUTIVE BOARD OF DIRECTORS AND GENERAL AND SUPERVISORY BOARD)

II.15. Identification of the model of governance adopted

REN has adopted a corporate governance model based on an Anglo-Saxon model which consists of the following corporate bodies elected by the General Shareholders' Meeting³⁹: (i) a Board of Directors, responsible for the management of the Company's business, which delegates the day-to-day management of the Company to the Executive Committee⁴⁰ which is supported by specialized committees (described in further detail below), and (ii) an Audit Committee and the Statutory Auditor, as supervision bodies. The Audit Committee consists exclusively of non-executive directors⁴¹.



II.16. Statutory rules relating to the procedural requirements and applicable provisions for the appointment and substitution of members of,

³⁹ Cf. article 8(2)(b) of the Articles of Association.

⁴⁰ Cf. article 8(1) of the Board of Directors regulations.

⁴¹ Cf. article 3(3) of the Audit Committee regulations.

where appropriate, the Board of Directors, Executive Management Board and General and Supervisory Board (Art. 245-A(1)(h)).

In accordance with the law and the Articles of Association⁴², the appointment and dismissal of members of the Board of Directors is the responsibility of the General Shareholders' Meeting, being carried out through lists of candidates selected by the nominating shareholder(s). With these lists put to the vote, the shareholders assume a very important role in the respective candidate selection process, without any interference from the directors in this process. It is also the responsibility of the General Shareholders' Meeting to elect the Chairman and Vice-Chairman of the Board of Directors.

According to the Articles of Association⁴³, a minority of shareholders voting against the winning proposal may appoint at least one director, provided that this minority represents at least 10% of the Company's share capital.

The Portuguese Companies Code rules apply⁴⁴ with regard to the substitution of members of the Board of Directors, given that neither the Company's Articles of Association, nor the Board of Directors or Audit Committee Regulations have special rules on this matter. The Board of Directors of the Company will only participate in said process in the event of replacement by co-option of missing directors, as described below. In this case, since it is non-delegable competence of the Board of Directors, all Directors are involved in the resolution of co-option, except in the event of conflicts of interest.

The Company's Articles of Association⁴⁵ state that the unjustified absence of any director at more than half of the ordinary meetings of the Board of Directors during one financial year, whether consecutive or non-consecutive absences, equates to the permanent absence of said director. Permanent absence must be declared by the Board of Directors, and they must also substitute the director in question.

II.17. Composition of the Board of Directors, Executive Board of Directors and General and Supervisory Board, with indication of the minimum and maximum members and duration of term of office in accordance with the Articles of Association, number of full members, date of first appointment and date of termination of term of office of each member

The Board of Directors, including the Audit Committee, consists of a minimum of seven and maximum of 15 members, as determined by the General Shareholders' Meeting that elects the said members⁴⁶.

Currently, the Board of Directors consists of 12 members, including a total of 9 non-executive members.

⁴² Cf. Article 8(2)(b), and Article 14(3), both in the Articles of Association; and Article 2(1) of the Board of Directors Regulations.

⁴³ Cf. article 14(2).

⁴⁴ Cf. article 393(3).

⁴⁵ Cf. article 8(19) and (9).

⁴⁶ Cf. Articles 8(2)(b) and 14(1) both of the Articles of Association.

At 31 December 2017, the REN Board of Directors consisted of the following members, who have been appointed for the 2015-2017 term of office:

NAME	POSITION	YEAR OF FIRST APPOINTMENT	FINAL YEAR OF TERM OF OFFICE
Rodrigo Costa	Chairman of the Board of Directors and the Executive Committee	2014	2017
Gonçalo Morais Soares	Executive Director	2012	2017
João Faria Conceição	Executive Director	2009	2017
Guangchao Zhu (representing State Grid International Development Limited)	Vice-Chairman	2012	2017
Mengrong Cheng	Director	2012	2017
Longhua Jiang	Director	2014	2017
Omar Al-Wahaibi	Director	2015	2017
Jorge Magalhães Correia	Director	2015	2017
Manuel Ramos de Sousa Sebastião	Director/Chairman of the Audit Committee	2015	2017
Gonçalo Gil Mata	Director/Member of the Audit Committee	2015	2017
Maria Estela Barbot	Director/Member of the Audit Committee	2015	2017
José Luís Arnaut	Director	2012	2017

In accordance with the Articles of Association⁴⁷, members of corporate bodies carry out their respective duties for periods of three calendar years, a period which is renewable, considering as complete, the calendar year of appointment.

II.18. Distinction of the executive and non-executive members of the Board of Directors and, with regard to the non-executive members, identification of the members who can be considered independent, or, if applicable, identification of the independent members of the General and Supervisory Board

The Board of Directors shall include a number of non-executive members which ensure the effective ability to supervise, monitor and assess the activity of the executive members, particularly bearing in mind the shareholder structure and breakdown of REN capital. Therefore, on 31 December 2017 and on this date, nine of the twelve members of the REN Board of Directors were non-executive directors.

⁴⁷ Cf. Article 27(1).

Taking into account the assessment criteria on independence laid down in Article 414(5) of the Portuguese Companies Code with regard to members of the Audit Committee, in recommendation II.1.7 of the CMVM Corporate Governance Code of 2013 and item 18.1 of CMVM Regulation 4/2013, with regard to other non-executive directors, and based on the respective internal assessment, the REN Board of Directors and Audit Committee consider the following directors performing duties during the 2017 financial year to be independent:

NAME	POSITION
Manuel Ramos de Sousa Sebastião	Chairman of the Audit Committee
Gonçalo Gil Mata	Member of the Audit Committee
Maria Estela Barbot	Member of the Audit Committee
José Luís Arnaut	Director

Furthermore, all non-executive members of the Board of Directors (in addition, naturally, to the directors that are also members of the Audit Committee) would comply, if applicable, with all incompatibility rules laid down in Article 414-A(1) of the Portuguese Companies Code, save as provided for in sub-paragraphs b) and h).

REN considers that the proportion of independent directors is suitable given the number of executive directors and the total number of directors, taking particularly into account:

- (i) the adopted governance model, in other words an Executive Committee consisting of three executive directors and an Audit Committee, also consisting of three independent members and a further six non-executive directors, which ensures the effectiveness of the oversight of the executive directors;
- (ii) the size of the company, its shareholder structure and the relevant free float (which was 38.5% of share capital until 31 December 2017).

In light of the above, REN fully complies with CMVM recommendations II.1.6 and II.1.7, as the Board of Directors consists of an adequate number of non-executive members and, among these, independent members.

Moreover, Article 7(A) and 7(B) of the Articles of Association govern the special system of incompatibilities applicable to the election and performance of duties at any REN corporate body. The aim of the provisions of Article 7(A) of the Articles of Association is to establish a system of incompatibilities relating to the potential conflicts of interest arising from the direct or indirect exercising of activities in the electric or natural gas sectors, either in Portugal or abroad. Furthermore, the system set out in Article 7(B) of the Articles of Association also seeks to prevent persons who exercise control or rights over companies which either produce or sell electricity or natural gas to appoint members to the Board of Directors or the statutory auditor, or members of bodies which legally represent it, on their own or through others with whom they are connected through shareholders' agreements, except when ERSE recognizes that there is no risk of conflicts of interest.

Accumulation of the positions of Chairman of the Board of Directors and Chairman of the Executive Committee

In the financial year of 2017, the duties of Chairman of the Board of Directors and Chairman of the Executive Committee were once again performed by the same person - Rodrigo Costa.

According to the Board of Directors Regulation, this corporate body established efficient mechanisms for the coordination of the work of its members having non-executive functions, in particular in order to facilitate the exercising of their right to information, as follows⁴⁸.

- a) Without prejudice to the exercising of powers not delegated to the Executive Committee, Company directors having a non-executive function assume a supervisory role of the performance of the executive management;
- b) In order to make independent and informed decisions, the directors with non-executive functions may obtain the information they deem necessary or appropriate to perform their roles, powers and duties (in particular, information relating to the powers delegated to the Executive Committee and its performance), by requesting such information from any member of the Executive Committee, and the answer should be provided in an adequate and timely manner;

Whenever they consider it necessary or convenient, directors with non-executive duties also hold ad hoc meetings with the aim of analysing company management.

In addition, all supporting documentation for meetings of the Board of Directors will be provided in a timely fashion to the non-executive members of the Board of Directors and the Executive Committee's resolutions and supporting documentation shall be always available for consultation⁴⁹.

Therefore, through the mechanisms described above, all the conditions are established in order for the directors with non-executive functions to discharge their functions in order to make independent and informed decisions.

II.19. Professional Qualifications and other relevant information on the resúmes of each of the members of the Board of Directors, the General and Supervisory Boards and the Executive Board of Directors at 31.12.2017

RODRIGO COSTA

Co-Founder of several technology and retail companies and IT consultant at national and international corporations. Manager at Microsoft Corporation, carrying out different duties over a period of 15 years: founder and General Manager of Microsoft Portugal 1990-2000, General Manager of Microsoft Brazil, 2000, and, from 2001 to 2005, Corporate Vice-President of Microsoft Corporation in Redmond, Washington, USA. He was also Director and Executive Vice-Chairman of the PT Group and CEO of PTC between December 2005 and September 2007. He was CEO of ZON Multimédia (Telecommunications and Media Group) between 2007 and 2013. He also held the position of Chairman and CEO Unice (Electronic Payments and Credit Cards). Non-executive Board Member at NOS SGPS (ZON Multimedia and Optimus merger) from 2013-2015.

He was appointed REN non-executive board member in December 2014, CEO in February 2015, and put forward for the position of REN Chairman and CEO at the General Meeting of April 2015.

Over the years contributed to different organizations, in the past he was: member of Coimbra University General Counsel and also from Porto Business School the General Counsel; Vice-President of the Portuguese – American Chamber of Commerce; Member of the Portuguese Council for Foreign Investment; Member of the Advisory Board for the National Technological Plan. He was awarded by the Portuguese Republic President as Grande Oficial da Ordem do Infante D. Henrique for services to Portugal; He is frequently invited as Speaker/Moderator - to local and international forum's (Industry, Government, Universities, Investors Conferences). Holds a Certificate of Corporate Governance from Insead and attended Corporate Governance training at the Harvard Business School.

⁴⁸ Cf. article 11 of the Board of Directors Regulations.

⁴⁹ Cf. Article 5 of the Executive Committee Regulations.

GONÇALO MORAIS SOARES

Holds a degree in Economy from the Universidade Nova de Lisboa. Also awarded an MBA at Georgetown University (Washington) and completed an Advanced Management Program at the Kellogg Business School (Chicago) and the Lisbon Catholic University. Was director at ZON TV Cabo and ZON Lusomundo Audiovisuais from 2007 to 2012.

He has been a member of the REN Board of Directors and member of the Executive Committee since 2012.

JOÃO FARIA CONCEIÇÃO

Holds a degree in Aerospace Engineering from the Instituto Superior Técnico, and completed his Master's Degree in Aerodynamics at the Von Karman Institute for Fluid Dynamics (Belgium) and an MBA at Insead (France). From 2000 to 2007 he was a consultant at the Boston Consulting Group. Between 2007 and 2009 he was a consultant to the Minister for the Economy and Innovation.

Since 2009, he has been a member of the REN Board of Directors and member of the Executive Committee.

GUANGCHAO ZHU

Holds a degree in Relay Protection Systems from the University of Shandong (China), and completed his Master's Degree in Electrical Systems and Automation at the same faculty. He later concluded an MBA at Baylor University (USA). Between 2007 and 2009, he was Vice-Chairman of the preparatory group for the National Grid Corporation of the Philippines, and Consultative Chairman, Chief Executive Advisor and in 2009 a member of the Board of Directors of the National Grid Corporation of the Philippines. From that date until 2010, he was General Director at the Department of International Cooperation at the State Grid Corporation of China. From 2010 to 2011, he was senior executive Vice-Chairman and member of the Board of Directors of State Grid Development Co. Ltd. From 2012 to 2015, he was President, Chief Executive Officer and member of the Board of Directors of State Grid International Development Co. Ltd., Chairman of the Board of Directors of State Grid Brazil Holding S.A., and Chairman of the Board of Directors of State Grid Europe Limited. He currently holds the positions of Deputy Head Engineer of the State Grid Corporation of China and General Director of the Department of International Cooperation of the State Grid Corporation of China.

Since 2012, he has been Vice-Chairman of the REN Board of Directors.

MENGRONG CHENG

Holds a degree in English from the Beijing Second Foreign Language Institute and concluded a Master's Degree in Company Management at the Tsinghua University (Beijing, China). Between 2006 and 2011, Mengrong Cheng carried out the duties of deputy General Director of the Department of International Cooperation at the State Grid Corporation of China. From 2012 to 2015, she was a Member of the Chinese Expert Committee of IEC MSB; Co-Chair of the Department of International Cooperation and a Member of the Foreign Investment Management Committee at the State Grid Corporation of China. Currently, Mengrong Cheng is a member of the Chinese Expert Committee of IEC MSB, deputy General Director of the Department of International Cooperation at the State Grid Corporation of China and Chair of the State Grid Corporation of China, US Office.

Since 2012, she has been a member of the REN Board of Directors.

LONGHUA JIANG

Holds a degree in Electrical Insulation Technologies from the Xi'an Jiaotong University (China), and completed his Master's Degree in the same subject at the same university. From May 2011 to December 2012, he was head engineer at the Shandong Electric Power Company of the State Grid Corporation of China. From December 2012 to November 2014, he was Deputy Director at State Grid Australia Representative Office and a member of the Board of Directors of ElectraNet in South Australia. From December 2014 to July 2015 he was Deputy General Director at the European Representative Office at the State Grid Corporation of China and was appointed as non-executive director of REN on 17 February 2015. From July to November 2015, he was General Director at the European Representative Office of the State Grid Corporation of China. He is currently Executive Vice-Chairman at China Electric Power Equipment and Technology Co. Ltd. Since 2014, he has been a member of the REN Board of Directors.

OMAR AL-WAHAIBI

Holds a degree in Mechanical Engineering from Manchester University, Institute of Science & Technology (UMIST) – United Kingdom. Has carried out numerous duties in new business development including portfolio management and corporate planning at Shell E&P International Ventures registered in the Hague in the Netherlands.

He was in charge of the engineering team and was manager of the Oman North project at Petroleum Development Oman between 2001 and 2002. He was CEO Chairman of the Executive Committee of Oman Wastewater Services Company (Haya Water), between 2003 and 2011 and is currently CEO Chairman of the Executive Committee of the Electricity Holding Group. This is a group of state companies which covers business in the acquisition of electricity and water and in the production, transmission, distribution and supply of electricity. He is currently a member of the Board of Directors of Oman Broad Band Company, of the Gulf Cooperative Council Interconnection Authority and he is CEO of Electricity Holding and CEO of the Nama Group.

Since 2015 he has been a member of the REN Board of Directors.

JORGE MAGALHÃES CORREIA

Vice-Chairman of Board of Directors and Chairman of the Executive Committee of the insurance companies Fidelidade and Multicare and Fidelidade Assistência. He is also Chairman of the Board of Directors of Fidelidade – Property Europe, S.A., Fidelidade Property International, S.A., Luz Saúde, S.A. where he is also a member of the Advisory Board.

With regard to professionally related associations he is vice-president of the Portuguese Insurers Association and a member of the Geneva Association.

He started his professional career as a lecturer at the Lisbon Faculty of Law and has worked in management roles at the Portuguese Inspectorate-General of Finance and at the Securities Market Commission and has also worked as a lawyer. He has undertaken duties at different companies in the field of finance and insurance, including director and/or chairman of the board of directors at the Mundial-Confiança, Fidelidade Mundial, Império Bonança and Via Directa insurance companies. In the area of health, he was a director of USP Hospitales (Barcelona) and director and later chairman of the board of directors at HPP - Hospitais Privados de Portugal SGPS. He was also Vice-Chairman of the Board of Directors of Caixa Seguro e Saúde, SGPS, S.A.

Since 2015, he has been a member of the REN Board of Directors.

MANUEL RAMOS DE SOUSA SEBASTIÃO

Holds an undergraduate degree in economics (licenciatura) from the Lisbon Technical University, School of Economics, in 1973, a doctorat de troisième cycle in Economic Planning from the University of Paris I Pantheon-Sorbonne in 1978 and a PhD in Economics from the University of Columbia in New York in 1986. He is professor of economics at the Católica Lisbon School of Business and Economics. He was an advisor to the Board of Directors of Banco de Portugal from

September 2013 to April 2015. Previously, he was Chairman of the Board at the Portuguese Competition Authority from March 2008 to September 2013, Executive Director of Bank of Portugal from February 2000 to March 2008, an institution where he was staff member from 1986 to 1988 and from 1996 to 1998. He was also an Executive Director of the Portuguese Insurance Institute from 1998 to 2000, Executive Director of Banco de Fomento e Exterior from 1992 to 1996, and economist of International Monetary Fund from 1988 to 1992.

Since 2015 he has been a non-executive member of the REN Board of Directors and President of the Audit Committee.

GONÇALO GIL MATA

Holds a Degree in Software Engineering awarded by the University of Coimbra and an MBA by the Nova University of Lisboa. He is an Executive Director and a member of the board of Capital Criativo - Soc. Capital de Risco and a member of the board (non-executive) of Arquiled, SA (LED lighting solutions), Summer Portugal, SA and Vila Monte, SA (tourism resorts). He is also manager at Goma Consulting, Lda. (business consultancy).

For the last five years he has held positions as a director in Corporate Finance at Deutsche Bank (Portugal), S.A and as a Non-Executive Director at MVMS, S.A., ISA Intelligent Sensing Anywhere, S.A. and Gypfor – Gessos Laminados, S.A as a representative of funds managed by Capital Criativo – Sociedade de Capital de Risco, S.A.

Since 2015, he has been a member of the REN Board of Directors and member of the Audit Committee.

MARIA ESTELA BARBOT

Holds a degree in Economy awarded by the Universidade do Porto and attended both Senior Executive Program at the London Business School and Making Corporate Boards More Effective Program at Harvard Business School.

Estela Barbot is an entrepreneur and manager in various sectors such as chemicals, real estate and banking.

She is currently director and member of the Audit Committee of the Financial Institution for Development, executive partner of ALETSE, LDA (Real Estate and Business Consultancy), and a member of the Casa da Música Audit Committee.

President of Fórum Portugal Global – FPG representing Portugal in the Trilateral Commission

Member of the Management Committee of LIDE – Grupo de Líderes Empresariais

Member of the Advisory Board of Instituto Português de Corporate Governance

Member of the Advisory Board of Ar.Co – Centro de Arte e Comunicação Visual

Member of the Board of Founders and of the Remunerations Committee of Museu de Arte Moderna da Fundação de Serralves

Member of the General Board of FAE – Fórum de Administradores de Empresas.

Since 2015, she has been a member of the REN Board of Directors and member of the Audit Committee.

JOSÉ LUÍS ARNAUT

Graduated in Law from the Lisbon Lusíada University and in 1999 was awarded the D.E.S.S. (Diploma of Higher Specialized Studies) from the Robert Schuman University, in Strasbourg. His professional work has focused on law and started as a lawyer in 1989 at the law firm Pena, Machete & Associados. He was a founding partner of Rui Pena, Arnaut & Associates, in 2002, where he is currently Managing Partner and member of the executive board of CMS Legal Services EEIG. He is a member of the AON Advisory Board, Chairman of the General Meeting of the Portuguese Football Federation, Chairman of the General Meeting of ÚNICA – União Cervejeira de Angola (UNICER Group), Chairman of the General Meeting of ANA - Aeroportos de Portugal (VINCI Airports), Chairman of the General Meeting of PORTWAY - Handling de Portugal, S.A. (VINCI Airports), Chairman of the General Meeting of SIEMENS S.A., member of the Board of Directors of Discovery Portugal Real Estate Fund, member of the board of directors of MOP, S.A., and Chairman of the General Meeting of Tabaqueira II, S.A. and member of the Goldman Sachs International Advisory Board. In 1999, he was elected general secretary of the Social Democratic Party, led by José Manuel Durão Barroso and became a member of the Portuguese Parliament, where he presided over the Committee on Foreign Affairs and the National Defence Committee. He was Deputy Prime Minister to the Prime Minister José Manuel Durão Barroso in the XV Portuguese Constitutional Government. He was Minister of Cities, Local Administration, Housing and Regional Development in the XVI Portuguese Constitutional Government. He was Commissioner for Lisbon 94 - European Capital of Culture. In 1995, he was awarded the Commend of Great Officer of Ordem do Infante Dom Henrique by the President of the Portuguese Republic; in 2004, he was conferred with the Grand Cross Ordem Nacional do Cruzeiro do Sul by the President of the Republic of Brazil. In 2006, he was bestowed with the insignia of Chevalier de la Legion d'Honneur by the President of the French Republic and conferred with the Grand Cross of the Order of Merit by the President of the Lithuanian Republic.

Since 2012 he has been a member of the REN Board of Directors. The professional address of each of the abovementioned members of the Board of Directors is that of the REN registered office, located at Avenida Estados Unidos da América, no 55, Alvalade, Lisbon.

II.20. Common and significant family, professional and commercial relationships of the members, as applicable, of the Board of Directors, the General and Supervisory Boards and the Executive Management Board at 31.12.2017

DIRECTOR	OWNER OF QUALIFIED HOLDINGS	RELATIONSHIP
Rodrigo Costa	-	-
Gonçalo Morais Soares	-	-
João Faria Conceição	-	-
Guangchao Zhu (representing State Grid International Development Limited)	State Grid of China	Deputy Head Engineer and General Director of the Department of International Cooperation at the State Grid Corporation of China (see II.19 and 26)

Mengrong Cheng	State Grid of China	Deputy General Director of the Department of International Cooperation at the State Grid Corporation of China and Chair of the State Grid Corporation of China, US Office. (see II.19 and 26)
Longhua Jiang	State Grid of China	Currently Executive Vice-Chairman at China Electric Power Equipment and Technology Co. Ltd. (see II.19 and 26)
Omar Al Wahaibi		
Jorge Magalhães Correia	Fidelidade – Companhia de Seguros, S.A.	Chairman of the Executive Committee of Fidelidade – Companhia de Seguros, S.A. and holds management positions at other companies in the Fidelidade Group (see II.26)
Manuel Ramos de Sousa Sebastião	-	-
Gonçalo Gil Mata	-	-
Maria Estela Barbot	-	-
José Luís Arnaut	-	-

II.21. Flowcharts or functional maps on the breakdown of powers among the different corporate bodies, committees and/or departments of the Company, including information on delegation of powers, particularly with regard to delegation of the day-to-day management of the Company

As can be seen in the flowchart in II.15, REN has adopted a corporate governance model based on an Anglo-Saxon model which consists of the following corporate bodies elected by the General Shareholders' Meeting⁵⁰: (i) a Board of Directors, responsible for the management of the Company's business, which delegates the day-to-day management of the Company to the Executive Committee⁵¹ and which is supported by specialized committees, and (ii) an Audit Committee and Statutory Auditor, as supervisory bodies. The Audit Committee consists exclusively of non-executive directors. The General Shareholders' Meeting also elects a Remunerations Committee.

In order to better understand the division of powers among the different corporate bodies, the organization chart below outlines REN's business units:

⁵⁰ Cf. article 8(2)(b) of the Articles of Association.

⁵¹ Cf. article 8(1) of the Board of Directors regulations.

During 2017, the reorganization process for REN Group company functional units was implemented and responsibilities were reallocated within the concession operation and support areas. Essentially, the aim was to improve efficiency and complementarity of powers in areas with common goals.

GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is a corporate body comprising all the company shareholders, and its responsibilities are in particular:

- a) Appraise the Board of Directors' report, discuss and vote on the balance sheet, accounts and opinions of the Audit Committee and statutory auditor and decide on the appropriation of profits for the year;
- b) Elect the members of the General Shareholders' Meeting Board, the directors and the statutory auditor;
- c) Resolve on any amendments to the Articles of Association;
- d) Resolve on the remuneration of the members of the corporate bodies, with the power to appoint a remunerations committee; and
- e) Resolve on any other matter falling within its power and for which it has been summoned.

BOARD OF DIRECTORS

Pursuant to the Portuguese Companies Code and REN's Articles of Association, the Board of Directors is duly empowered.⁵² Of special note are the powers to:

- a) Define the Company's goals and management policies;
- b) Draw up the annual financial and business plans;
- c) Manage business and carry out all actions and operations relating to the corporate object which do not fall within the powers attributed to other Company bodies;
- d) Represent the Company actively and passively, in and out of court, and propose and pursue lawsuits or arbitrations, with the power to confess, waiver and settle, as well as to enter into arbitration agreements;
- e) Acquire, sell or by any other form dispose of or encumber rights or assets, whether real estate or not;
- f) Incorporate companies and subscribe for, acquire, encumber and dispose of shareholdings;
- g) Submit proposals to the General Shareholders' Meeting on the acquisition and disposal of own shares, in compliance with the applicable legal restrictions;
- h) Determine the technical and administrative organization of the Company and the rules for internal operation, more specifically with regard to its personnel and the corresponding remuneration;
- i) Appoint the Company Secretary and the respective alternate;
- j) Appoint attorneys with the powers deemed convenient, including those of sub-delegation; and
- k) Perform any other functions granted by law or by the General Shareholders' Meeting.

In accordance with the Board of Directors regulations, approved on 27 March 2012⁵³, matters which cannot be legally delegated to the Executive Committee include the co-option of directors, requests to convene General Shareholders' Meetings, approval of the annual report and accounts to be submitted to the General Shareholders' Meeting, the granting of deposits and personal or in rem

⁵² Cf. article 15(1) of the Articles of Association.

⁵³ Cf. Article (3) and 3(5).

guarantees by the Company, the transfer of the registered office, the increase of the Company's registered share capital and the approval of merger, demerger and transformation projects.

In turn, the acquisition and transfer of assets, rights or shareholdings with an economic value greater than 10% of the Company's fixed assets is subject to prior approval from the General Shareholders' Meeting⁵⁴.

EXECUTIVE COMMITTEE

On 17 April 2015, the Executive Committee was delegated, to the extent permitted by law, the Company's Articles of Association and by the Board of Directors' own regulation, with all the powers necessary or convenient to the performance of the management acts regarding the activities included in the Company's corporate scope, which include, in particular, the following attributions, to be performed under and within the limits established annually in the operation budget and in the strategic plan, to be approved, upon proposal of the Executive Committee, by the Board of Directors:

- a) manage the Company's ordinary course of business and perform all the acts and operations concerning the corporate purpose which are not the exclusive competence of the Board of Directors by force of law, the Company's Articles of Association or the Board of Directors' own regulations;
- b) approve, on a case-by-case basis, the sale of assets and/or rights and investments and the creation of encumbrances over assets, except for security interests or personal guarantees, to be made by the Company and/or by its subsidiaries, the individual and/or aggregate value for which is equal or lower than or which have already been approved within the Company's annual budget and the corresponding value is equal to or lower than, individually or in aggregate, € 25 million;
- c) propose to the Board of Directors and execute the annual budget, the business plan and other long-term development plans;
- d) without prejudice to article 3(5)(f) of the Board of Directors' Regulation, establish the administrative and technical organization of the Company and the internal operation regulations, notably concerning personnel and their remuneration;
- e) represent the Company actively and passively, in and out of court, and propose and pursue lawsuits with the power to confess, waive and settle, as well as to enter into arbitration agreements;
- f) incorporate companies and subscribe, acquire, hold, create encumbrances over or dispose of shareholdings, provided that those companies or shareholdings are special purpose vehicles (SPVs) for specific investments with an individual or aggregate investment value that does not exceed € 7.5 million or which have already been approved within the Company's annual budget;
- g) negotiate, enter into, modify and terminate any agreements, including service provision agreements or labour contracts for a value equal or lower than € 5 million);
- h) negotiate, enter into, modify or terminate any short-term debt agreements (i.e. with maturity equal or lower than three years), including through commercial paper programmes;
- i) open, operate and close bank accounts;
- j) resolve on the provision by the Company of technical and financial support to companies in which REN owns shares, quota rights ('quotas') or other shareholdings, in particular, granting loans and providing guarantees in their benefit;

⁵⁴ Cf. Article 2(15) of the Articles of Association and Article 3(6) of the Board of Directors Regulations.

- k) present proposals to the Board of Directors for the submission to the General Shareholders' Meeting relating to the acquisition and disposal of own shares and bonds or other own securities, within the limits established by law and by the General Shareholders' Meeting;
- l) present to the Board of Directors proposals concerning internal control, risk management and internal audit systems of the REN Group
- m) appoint attorneys with the powers deemed convenient, including those of sub-delegation;
- n) indicate the persons to be appointed by the Company to form part of the lists of members of the corporate bodies to be elected in the two transmission system operators, i.e. REN – Rede Eléctrica Nacional, S.A. and REN Gasodutos, S.A. and for the SPV's referred to in f) above;
- o) take or give in lease any real estate or individual parts of real estate; and
- p) manage the shareholdings owned by REN and coordinate the activity of REN's subsidiaries and, with regard to wholly owned companies, issue binding instructions, under applicable legal terms.

Specifically in relation to the entering into medium or long-term debt agreements, and taking into account the objective of ensuring the adequate financing of the REN Group, the Board of Directors also delegated to the Executive Committee the necessary powers to negotiate the specific terms of each debt instrument with respect to, among other aspects, the amount, term, interest rate, reimbursement conditions, selection of financial intermediaries and other relevant elements. The Executive Committee shall, considering the importance of such operations, submit the relevant contracts or agreements to the Board of Directors for their final approval.

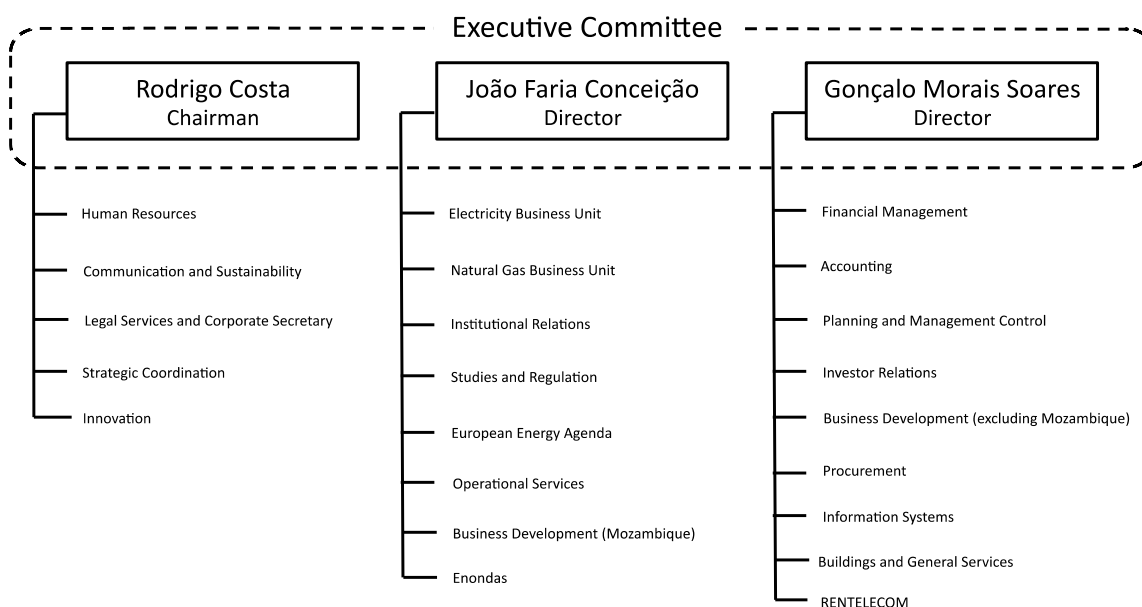
The powers delegated to the Executive Committee do not exclude the possibility of the Board of Directors deciding on those matters and do not include any matters reserved by law, by the Company's Articles of Association or the Board of Directors' own regulations, notably:

- a) appointment of the Chairman of the Board of Directors;
- b) co-optation of directors;
- c) request to convene the general shareholders' meetings;
- d) approval of the report and annual accounts to submit to the General Shareholders' Meeting;
- e) approval of the six-monthly and quarterly accounts to be published in accordance with the applicable legal provisions;
- f) provision of deposits and personal guarantees or security interests by the Company;
- g) change of the registered office and increase of the share capital, under the terms of the Articles of Association;
- h) projects for the merger, demerger and transformation of the Company;
- i) appointment of the Company Secretary and the respective alternate;
- j) definition of the Company's strategy and general policies;
- k) definition of the Company's goals and management policies;
- l) approval of the annual budget, the business plan and other long-term development plans;
- m) definition of the Group's corporate structure;
- n) the approval, on a case-by-case basis, of the transfer of assets and/or rights and investments and the creation of encumbrances to be made by the Company and/or by its subsidiaries, where the individual or aggregate value is higher than € 15 million, except if already approved within the Company's annual budget and the corresponding value does not exceed individually or in total € 25 million;
- o) incorporation of companies and the subscription, acquisition, holding, encumbrance and disposal of holdings, except in cases in which those companies are, or where the holdings refer to companies which are a special purpose vehicle for making specific investment with an

- single or aggregate or value which does not exceed € 7.5 million or which have been approved in the annual budget;
- p) adoption of resolutions to contract debt in the national or international financial markets, notably through the issuance of bonds or any other kinds of securities;
 - q) presentation of proposals to the General Shareholders' Meeting for the acquisition and disposal of own shares and bonds or other own securities, within the limits established by law;
 - r) approval of the Company's systems of internal control, risk management and internal audit;
 - s) the appointment of the Company's representative in the General Shareholders' Meetings of all subsidiaries;
 - t) the indication of the persons to be appointed by the Company to form part of the lists of members of the corporate bodies to be elected in all subsidiaries, as well as the appointment of the Company's Chief Technical Officer, upon proposal of the Executive Committee, except for the two TSOs, i.e. REN – Rede Eléctrica Nacional, S.A. and REN Gasodutos, S.A. and for the SPVs referred to in o) above;
 - u) the participation by the Company or any of its subsidiaries in activities outside their core activities, i.e. transmission of power and natural gas, storage of natural gas and regasification and/or storage of liquid natural gas (LNG), notably by means of the acquisition or subscription of equity or ongoing concerns whose corporate purpose does not include the said activities;
 - v) the entering of REN into joint ventures, partnerships or strategic cooperation agreements and selection of relevant partners;
 - w) transactions with related parties in excess of € 500 thousand or, regardless of the amount involved, any transaction with related parties which may be considered as not having been executed based on market conditions;
 - x) the resolution on all the matters which are deemed strategic, notably because they are related with strategic agreements entered into by REN or due to their risk or special characteristics.

Distribution of Responsibilities in the Board of Directors

With a view to optimizing management efficiency, the members of the Executive Committee distributed among themselves, during the financial year of 2017, the responsibility for the direct monitoring of specific performance areas of the Company, under the terms evidenced in the following chart:



AUDIT COMMITTEE AND STATUTORY AUDITOR

The Audit Committee and the Statutory Auditor are the Company's supervisory bodies, and their main powers are set out in III.38.

REMUNERATIONS COMMITTEE

The Remunerations Committee is responsible for setting the remuneration and for submitting the annual declaration on the remuneration policy for members of the management and supervisory bodies.

Within its responsibilities, the Remunerations Committee has also actively participated in performance assessment, particularly for purposes of setting the variable remuneration of executive directors.

II.22. Existence and place where the operating regulations can be found for the Board of Directors, the General and Supervisory Boards and the Executive Board of Directors

The Board of Directors Regulation and the Executive Committee Regulation are available on the REN website⁵⁵ in Portuguese and English.

⁵⁵ www.ren.pt

II.23. Number of meetings held and attendance by each member of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors

BOARD OF DIRECTORS

The meetings of the Board of Directors are convened and chaired over by the respective Chairman. It is the responsibility of the Board of Directors to decide on the frequency of their ordinary meetings. However, bimonthly meetings are mandatory. As such, the Board of Directors meets on an ordinary basis at least bimonthly, on dates to be determined every year by members, except during the 18 initial months of its terms of office, during which time the meetings shall be monthly⁵⁶.

Moreover, the Board of Directors is required to meet on an extraordinary basis whenever convened by the Chairman, two directors or at the request of the Statutory Auditor⁵⁷.

In 2017, the Board of Directors held nine meetings.

The following table shows the number of meetings of the REN Board of Directors at which directors were present or duly represented.

ATTENDANCE OF MEMBERS OF THE BOARD OF DIRECTORS AT MEETINGS

NAME	PRESENT	REPRESENTATION	ABSENT	% ATTENDANCE
Rodrigo Costa	9	0	0	100%.
Gonçalo Morais Soares	9	0	0	100%.
João Faria Conceição	9	0	0	100%.
Guangchao Zhu (representing State Grid International Development Limited)	4	5	0	100%.
Mengrong Cheng	4	5	0	100%.
Longhua Jiang	5	4	0	100%.
Omar Al Wahaibi	9	0	0	100%.
Jorge Magalhães Correia	7	2	0	100%.
Manuel Ramos de Sousa Sebastião	9	0	0	100%.
Gonçalo Gil Mata	9	0	0	100%.
Maria Estela Barbot	9	0	0	100%.
José Luís Arnaut	8	1	0	100%.

⁵⁶ Cf. Article 19(1) of the Articles of Association and Article 4(2) of the Board of Directors Regulations.

⁵⁷ Cf. Article 19(1) of the Articles of Association.

EXECUTIVE COMMITTEE

Meetings of the Executive Committee are convened and chaired over by the respective Chairman and are held, as a rule, once a week⁵⁸.

In 2017, the Executive Committee held 35 meetings.

The Chairman of the Executive Committee (who, as already mentioned, is also Chairman of the Board of Directors), sends to the Chairman of the Audit Committee the minutes of the Executive Committee's meetings, as well as the respective convening notices, when applicable. The Executive Committee provides timely and appropriate information to members of other corporate bodies upon their request⁵⁹.

ATTENDANCE OF MEMBERS OF THE EXECUTIVE COMMITTEE AT MEETINGS

NAME	PRESENT	REPRESENTATION	ABSENT	% ATTENDANCE
Rodrigo Costa	35	0	0	100%.
Gonçalo Morais Soares	35	0	0	100%.
João Faria Conceição	35	0	0	100%.

II.24 Indication of the competent corporate bodies to conduct the performance assessment of executive directors

The performance of members of the Executive Committee has been assessed by the Appointments and Assessment Committee and by the Remunerations Committee, within the scope of their respective responsibilities.

Also of note is the role played by the Audit Committee in the verification of the quantitative aspects of assessment.

II.25. Predetermined criteria for the performance assessment of executive directors

The annual performance assessment of executive directors is based on predetermined criteria, under the terms outlined in III.71 below.

⁵⁸ Cf. article 1(2) of the Audit Committee regulations.

⁵⁹ Cf. Article 5 of the Executive Committee Regulations.

II.26. Availability of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors and, specifying the roles carried out concurrently in other companies, both within and outside the group, and other relevant activities carried out by the members of the aforementioned bodies

Shown below are the duties carried out on administrative, management and supervisory bodies by members of REN's Board of Directors and Audit Committee at 31 December 2017:

DIRECTOR	DUTIES CARRIED OUT ON MANAGEMENT OR SUPERVISORY BODIES
Rodrigo Costa	<p>Chairman of the REN Rede Eléctrica Nacional, S.A. Board of Directors. Chairman of the REN Gasodutos, S.A. Board of Directors. Chairman of the REN Atlântico – Terminal de GNL, S.A. Board of Directors. Chairman of the REN Armazenagem, S.A. Board of Directors. Chairman of the REN Serviços, S.A. Board of Directors. Chairman of the ENONDAS, Energia das Ondas, S.A. Board of Directors. Chairman of the REN Gás, S.A. Board of Directors. Chairman of the REN RENTELECOM – Comunicações, S.A. Board of Directors. Chairman of the Board of Directors of Aerio Chile, Spa Vice-Chairman of the Board of Directors of Electrogas, S.A. Chairman of the REN Gás Distribuição, SGPS, S.A. Board of Directors</p>
Gonçalo Morais Soares	<p>Member of the REN Rede Eléctrica Nacional, S.A. Board of Directors. Member of the REN Gasodutos, S.A. Board of Directors. Member of the REN Atlântico – Terminal de GNL, S.A. Board of Directors. Member of the REN Armazenagem, S.A. Board of Directors. Member of the REN Serviços, S.A. Board of Directors. Member of the ENONDAS, Energia das Ondas, S.A. Board of Directors. Member of the REN Gás, S.A. Board of Directors. Member of the REN RENTELECOM – Comunicações, S.A. Board of Directors. Chairman of the REN Finance BV Board of Directors. Member of the Board of Directors of Aerio Chile, Spa Chairman of the REN Gás Distribuição, SGPS, S.A. Board of Directors Member of the Electrogas, S.A. Board of Directors</p>
João Faria Conceição	<p>Member of the REN Rede Eléctrica Nacional, S.A. Board of Directors. Member of the REN Gasodutos, S.A. Board of Directors. Member of the REN Atlântico – Terminal de GNL, S.A. Board of Directors. Member of the REN Armazenagem, S.A. Board of Directors. Member of the REN Serviços, S.A. Board of Directors. Member of the REN RENTELECOM – Comunicações, S.A. Board of Directors. Member of the ENONDAS, Energia das Ondas, S.A. Board of Directors. Member of the REN Gás, S.A. Board of Directors. Member of the Board of Directors of Aerio Chile, Spa Non-executive Member of the Hidroeléctrica de Cahora Bassa Board of Directors Chairman of the REN Gás Distribuição, SGPS, S.A. Board of Directors Alternate member of the Electrogas, S.A. Board of Directors</p>

DUTIES OF EXECUTIVE DIRECTORS

As a result of the framework above, the REN executive directors exclusively carry out duties on governing bodies of companies that are either directly or indirectly subsidiaries or partly owned by REN. Thus, they are completely dedicated to carrying out their role – seeking at all times to develop the business and serve the interests of the company and the Group to its full potential.

Moreover, it should be noted that, upon their appointment, the executive directors declared their full dedication to carrying out their role and pursuing the objectives laid out, and have proven this through their attendance at Board of Directors and Executive Committee meetings and through their work carried out within REN.

DUTIES OF NON-INDEPENDENT NON-EXECUTIVE DIRECTORS PERFORMING DUTIES AT 31.12.2017⁶⁰

DIRECTOR	DUTIES CARRIED OUT ON MANAGEMENT OR SUPERVISORY BODIES
Guangchao Zhu	Deputy Head Engineer at the State Grid Corporation of China General Director of the Department of International Cooperation at the State Grid Corporation of China.
Mengrong Cheng	Deputy General Director of the Department of International Cooperation at the State Grid Corporation of China. Chairman of the State Grid Corporation of China, US Office Member of the Chinese Expert Committee of IEC MSB
Longhua Jiang	Currently Executive Vice-Chairman at China Electric Power Equipment and Technology Co. Ltd.
Omar Al-Wahaibi	CEO of Electricity Holding and CEO of the Nama Group Member of the Board of Directors of the Broad Band Company Member of the Board of Directors of the Gulf Cooperative Council Interconnection Authority
Jorge Magalhães Correia	Vice-Chairman of Board of Directors and Chairman of the Executive Committee of Fidelidade - Companhia de Seguros, S.A. Vice-Chairman of the Board of Directors and Chairman of the Executive Committee of Fidelidade Assistência – Companhia de Seguros, S.A. Vice-Chairman of Board of Directors and Chairman of the Executive Committee of Multicare - Seguros de Saúde, S.A. Chairman of the Fidelidade – Property Europe, S.A. Board of Directors. Chairman of the Fidelidade – Property International, S.A. Board of Directors. Chairman of the Board of Directors and member of the Advisory Board of Luz Saúde, S.A. Vice-Chairman of the Portuguese Association of Insurers Member of the Geneva Association

Upon their appointment, the non-executive directors named above declared themselves to have the necessary availability to carry out their role and to pursue the objectives laid out. This availability has been proven through their attendance at Board of Directors meetings and through their work carried out within REN.

⁶⁰ None of the companies identified belong to the REN Group.

DUTIES OF INDEPENDENT NON-EXECUTIVE DIRECTORS AT 31.12.2017⁶¹

DIRECTOR	DUTIES CARRIED OUT ON MANAGEMENT OR SUPERVISORY BODIES
Manuel Ramos de Sousa Sebastião	Consultant on the International Advisory Board of Banco Finantia
Gonçalo Gil Mata	Executive director and a member of the board of Directors of Capital Criativo - Soc. Capital de Risco Non-executive member of the Arquiled, S.A. Board of Directors Summer Portugal, SA and Vila Monte, S.A. Manager at Goma Consulting, Lda.
Maria Estela Barbot	Director at the Financial Institution for Development Executive partner at ALETSE, Lda Senior consultant at Young network, Marketing e Comunicação, Lda Member of the Casa da Música Audit Committee Member of the Management Committee of LIDE – Corporate Leaders Group Member of the Advisory Board at the Portuguese Institute for Corporate Governance, Member of the Advisory Board at Ar.Co – Art and Visual Communication Centre, Member of the Founding Council and the Remunerations Committee at the Museum of Modern Art of the Serralves Foundation Chair of the Forum Portugal Global – FPG Member of the General Council at FAE – Company Directors’ Forum Member of the Audit Committee of the Financial Development Institution – IFD Member of the General and Supervisory Council of Portugal Capital Ventures – Sociedade de Capital de Risco, S.A.
José Luis Arnaut	Member of the MOP, S.A. Board of Directors. Member of the Discovery Portugal Real Estate Fund Board of Directors, Chairman of the General Shareholders’ Meeting of the Portuguese Football Federation. Chairman of the General Shareholders’ Meeting of ÚNICA – União Cervejeira de Angola (UNICER Group), Chairman of the General Shareholders’ Meeting of ANA - Aeroportos de Portugal (VINCI Airports) Chairman of the General Shareholders’ Meeting of SIEMENS Portugal Chairman of the General Shareholders’ Meeting of Portway - Handling de Portugal, S.A. (Vinci Airports) Managing Partner at CMS Rui Pena & Arnaut Member of the AON Advisory Board Member of the Conseil des Sages – Doha Freedom of Information Center Chairman of the Portugal-Qatar Friendship Association Member of the Advisory Board of the European Observatory on Infringements of Intellectual Property Rights (OHIM – Office for Harmonization in the Internal Market) Member of the Discovery Portugal Real Estate Fund Board of Directors, Member of the Goldman Sachs international Advisory Board

Upon their appointment, the non-executive directors and members of the Audit Committee (where applicable) identified above stated that they were available to perform their duties in order to achieve established goals. This availability has been proven through their attendance at meetings of the management and supervisory bodies and through their work carried out within REN.

⁶¹ None of the companies identified belong to the REN Group.

II.27. Identification of committees set up within, where appropriate, the Board of Directors, the General and Supervisory Board and the Executive Management Board, and place where the operating regulations may be found

In 2017, the Board of Directors was assisted by the specialized committees within the Board of Directors set up in 2015.

The Board of Directors is regularly assisted by (i) the Corporate Governance Committee which supports and assists the Board of Directors in the preparation of the annual corporate governance report and generally in meeting legal obligations and adopting best practices regarding corporate governance, as well as (ii) The Nominations and Appraisals Committee which assists the Board of Directors in the preparation of succession plans for executive board members and provides recommendations regarding the profile and relevant nominees for future appointments to the Board of Directors; it also supports the Board of Directors in the assessment of the overall performance of the Board of Directors, its executive members and specialized committees.

Their internal regulations can be consulted at: http://www.ren.pt/pt-PT/investidores/governo_da_sociedade/estatutos_regulamentos_e_relatorios/.

II.28. Composition, if applicable, of the Executive Committee and/or identification of delegated directors

At 31 December 2017, the Executive Committee consisted of the members indicated in II.17.

II.29. Indication of the powers of each of the committees created

As mentioned in II.27., specialized committees operate within the REN Board of Directors, namely the Corporate Governance Committee and the Nominations and Appraisal Committee.

The Corporate Governance Committee has the powers and competences conferred by its internal regulations⁶². Among these, of special note are:

- a) Make recommendations and define policies in order to comply with applicable legislation and best practices in corporate governance matters;
- b) Monitor compliance with applicable legislation and best practices in corporate governance matters;
- c) Promote the adoption of guidelines in relation to:
 - (i) Structure, role and functioning of the corporate bodies
 - (ii) Liaison between the corporate bodies and the internal committees
 - (iii) Incompatibilities and independence of the members of corporate bodies
 - (iv) Efficiency of the role of non-executive members of the Board of Directors
 - (v) Voting, representation and equal treatment of shareholders
 - (vi) The prevention of conflicts of interests
 - (vii) Transparency in relation to corporate governance, information disclosed to the market and relations with investors and other stakeholders

⁶² Cf. Article 3 of the Corporate Governance Committee Regulations.

- d) Issue opinions upon request of the Board of Directors or at its own initiative in relation to any corporate governance matters, in particular incompatibilities and independence of the members of the Board of Directors;
- e) Prepare the questionnaire evaluating the independence of the members of the Board of Directors;
- f) Prepare the annual corporate governance report in collaboration with the Company Secretary and other relevant departments of REN;
- g) Prepare an annual report reviewing the corporate governance model adopted by the Company and proposing, if applicable, any improvements to the practices being implemented;
- h) Review the REN Group Code of Conduct;
- i) The overall corporate governance organization of the Company and its subsidiaries;
- j) Follow inspections conducted by the Securities Market Commission (CMVM) in relation to corporate governance issues;
- k) Perform any other duties or responsibilities in relation to corporate governance matters delegated to the Corporate Governance Committee by the Board of Directors.

The Nominations and Appraisals Committee has the powers and competences conferred by its internal regulations⁶³. Among these, of special note are:

- a) a) In relation to appointments
 - (i) Support the Board of Directors in the identification and selection of potential candidates for the Board of Directors and present to the Board of Directors a list of individuals recommended for appointment
 - (ii) Make recommendations in relation to the qualifications, knowledge and professional experience required to be a member of the Board of Directors
 - (iii) Assist the Board of Directors in the preparation of the succession of its members
 - (iv) Perform any other duties or responsibilities delegated to the Nominations and Appraisals Committee by the Board of Directors within the scope of its duties
- b) In relation to appraisals
 - (i) Advise the Board of Directors on the rules that should govern the annual appraisal process, in particular the key performance indicators
 - (ii) Support the Board of Directors in the annual appraisal of its executive members, the overall performance of the Board of Directors and of the specialized committees;
 - (iii) Prepare a report to the Remunerations Committee in relation to the appraisal of the executive members of the Board of Directors, to be delivered by the end of March of the following year.
 - (iv) Perform any other duties or responsibilities delegated to the Nominations and Appraisals Committee by the Board of Directors within the scope of its duties

With regard to the Executive Committee, see II.21.

⁶³ Cf. Article 3 of the Nominations and Appraisals Committee Regulations.

III. SUPERVISION (SUPERVISORY BOARD, AUDIT COMMITTEE OR GENERAL AND SUPERVISORY BOARD)

a) Composition

III.30. Identification of the supervisory bodies (Supervisory Board, Audit Committee or General and Supervisory Board), corresponding to the adopted model

As stated above⁶⁴, REN has adopted an Anglo-Saxon model of corporate governance with supervisory bodies consisting of the Audit Committee and the Statutory Auditor. The Audit Committee is made up solely of independent and non-executive directors⁶⁵ (including the Chairman), possessing the necessary powers to perform their duties.

III.31. Composition of, where appropriate, the Supervisory Board, Audit Committee, General and Supervisory Board or the Financial Matters Committee, with indication of the minimum and maximum members and duration of term of office in accordance with the Articles of Association, number of full members, date of first appointment and date of termination of term of office of each member

At 31 December 2017, the Audit Committee consisted of three members as identified in II.17. This structure has proven adequate for carrying out their functions efficiently, taking into account the Company's size and business and the complexity of the associated risks.

REN's Articles of Association stipulate that the Audit Committee shall be made up of three members.

As regards the remaining appropriate information, please also refer to point II.17.

III.32. Identification of, where appropriate, the members of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee considered to be independent, in accordance with Article 414(5) of the Portuguese Companies Code

See II.18. above.

III.33. Professional Qualifications and other relevant information on the résumés, where appropriate, of each of the members of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee

See II.19. above.

b) Operation

⁶⁴ See II.15. above.

⁶⁵ Cf. Article 3(3) of the Audit Committee regulations.

III.34. Existence and place where the operating regulations can be consulted, where appropriate, for the Supervisory Board, the Audit Committee, the General and Supervisory Boards and the Financial Matters Committee

Audit Committee regulation can be consulted on the official REN website⁶⁶ in Portuguese and English.

III.35. Number of meetings and attendance, where appropriate, for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Boards and the Financial Matters Committee

Audit Committee meetings are convened and chaired over by the respective Chairman and are held monthly. In addition to its ordinary meetings, the Audit Committee may meet whenever convened by its Chairman or by the remaining two members.⁶⁷

In 2017, the Audit Committee held 12 meetings.

ATTENDANCE OF MEMBERS OF THE AUDIT COMMITTEE AT MEETINGS

NAME	PRESENT	REPRESENTATION	ABSENT	% ATTENDANCE
Manuel Ramos de Sousa Sebastião	12	0	0	100%.
Gonçalo Gil Mata	12	0	0	100%.
Maria Estela Barbot	12	0	0	100%.

III.36. Duties of, where appropriate, each member of the the Supervisory Board, Audit Committee, General and Supervisory Boards and the Financial Matters Committee, indicating roles carried out concurrently within other companies, both within and outside the group, and other relevant activities carried out by the members of the aforementioned bodies

With regard to this matter, see II.26.

c) Competences and duties

III.37. Description of the procedures and criteria applicable to the intervention of the supervisory bodies for the purposes of contracting additional services from the external auditor

In accordance with Audit Committee regulations⁶⁸, it is the Audit Committee which grants prior approval to the Company for the contracting of different audit services from the External Auditor or

⁶⁶ www.ren.pt

⁶⁷ Cf. Article 8(1) and (2) of the Audit Committee Regulations.

⁶⁸ Cf. article 6(3)(l).

from any entity with a participating interest with the said auditor or which is part of the same network (see also point V.46.)

In 2017, the Audit Committee granted prior approval to the contracting of non-audit services from the External Auditor and the entities referred to above by REN or companies in a group or controlling relationship.

III.38. Other functions of the supervisory bodies and, where applicable, the Financial Matters Committee

The Audit Committee is, alongside the Statutory Auditor, a supervisory body. It is, therefore, an integral body of the Board of Directors, while consisting of non-executive and independent members (including its Chairman).

The Audit Committee supervises and oversees management activity in an independent and autonomous manner. The dual capacity of its members, as members of both the supervisory body and the management body, renders the control process even more transparent, notably due to the special access afforded to the members of the Audit Committee to information and decision-making processes.

The Audit Committee, as a supervisory body, has the powers and the duties stipulated by law and in the REN Articles of Association, therefore being particularly responsible for⁶⁹:

- a) Supervising the management of the Company;
- b) Monitoring compliance with the law, the REN Articles of Association and applicable principles of corporate governance;
- c) Confirming that the REN Corporate Governance Report includes the information set out in Article 245-A of the Securities Code and in CMVM Regulation No 4/2013⁷⁰;
- d) Expressing their agreement or otherwise with regard to the annual management report and the accounts for the financial year;
- e) Verifying the accuracy of books, accounting records and documents they use as support;
- f) Verifying, when and in the manner they see fit, cash in all its forms and stocks of any type of assets or values belonging to REN or received by REN as a guarantee, deposit or in other form;
- g) Inspecting the accuracy of accounting documentation;
- h) Verifying whether the accounting policies and the valuation criteria adopted by REN lead to a correct evaluation of property and results;
- i) Preparing every year the report on their supervisory work;
- j) Issuing an opinion on the report, accounts and proposal to distribute profits presented by management;
- k) Convening the General Shareholders' Meeting whenever the Chairman of the Board of the General Shareholders' Meeting fails to do so;
- l) Receiving whistleblowing communications submitted by shareholders, company employees or third parties;
- m) Supervising the preparation and disclosure of financial information;

⁶⁹ Cf. Article 6(2) of the Audit Committee regulations.

⁷⁰ In accordance with Article 6(2)(c) of the REN Audit Committee regulations, it is the Audit Committee's responsibility to confirm whether the REN Corporate Governance Report includes the information set out in CMVM Regulation No 1/2010. However, when the later regulation is implemented (CMVM Regulation No 4/2013), this provision must be read with reference to this Regulation.

- n) Inspecting the review of accounts in accounting documentation;
- o) Hiring the services of experts who will assist one or several of its members in exercising their duties. The contracting and remuneration of experts must take into account the importance of the matters they are to deal with and the company's economic situation;
- p) Complying with other provisions set out in law or the Articles of Association.

In its relationship with other corporate bodies, the Audit Committee is also responsible for⁷¹:

- a) Supervising the effectiveness of the risk management, internal control and internal audit systems implemented by the Board of Directors or Executive Committee, including through the submission of proposals for improving operation and adjustment to REN's requirements;
- b) Assisting the Board of Directors and the Executive Committee in complying with their supervisory responsibilities for internal and external audit processes, including through the submission of proposals for improving operation;
- c) Proposing to the General Shareholders' Meeting the appointment of the Statutory Auditor, first and alternate;
- d) Inspecting the independence of the Statutory Auditor, more specifically with regard to the provision of additional services;
- e) Representing the Company, for all purposes, with the External Auditor;
- f) Proposing to the General Shareholders' Meeting the appointment of the External Auditor, the respective remuneration and their removal whenever justified;
- g) Issuing a duly reasoned opinion regarding possible renewal of the contract of the Company's External Auditor for a fourth term, which must (i) weigh the conditions for the External Auditor's independence and the advantages and costs of a replacement and (ii) consider that the principle of rotation of the Statutory Auditor at the end of three terms is applied, with regard to REN, in relation to recommendation IV.3 of the CMVM Corporate Governance Code of ⁷² 2013;
- h) Ensuring that the proper conditions for the provision of audit services by the REN External Auditor are provided within the company.
- i) Performing the duties as REN's interlocutor with the External Auditor and be the first recipient of the respective reports;
- j) Monitoring the activities of the External Auditors and the Statutory Auditor on a regular basis by analysing their periodic reports and overseeing the audit and review processes. It also assesses any changes in procedures recommended by the External Auditors or the Statutory Auditor.
- k) Assessing the work carried out by the External Auditor on an annual basis;
- l) Providing prior approval on the contracting of any audit services from the External Auditor by the Company, or any entity with a participating interest with the said auditor or which is part of the same network, explaining the reasons for such contracting in the annual report on Corporate Governance;
- m) Supervising the work of REN's Internal Audit Office and proposing the recruitment of the respective human resources to the Executive Committee.

⁷¹ Cf. Article 6(3) and (2) of the Audit Committee regulations.

⁷² Under Article 6(3) of the Audit Committee Regulations, the opinion must be issued in accordance with recommendation III.1.3. of the CMVM Corporate Governance Code of 2010, with regard to the rotation of the External Auditor. However, when the later regulation is implemented (CMVM Regulation No 4/2013), this provision must be read with reference to this Regulation.

The Audit Committee draws up an annual report on its supervisory activities (including references to any detected constraints). It also submits an opinion on the management report, the financial statements of the financial year, as well as on the Corporate Governance Report. They are published together with accounting documents on the REN website⁷³, and remain available for ten years.

The Audit Committee is the Company's main discussion partner and the first recipient of reports from the Statutory Auditor and External Auditor, representing it before the Statutory Auditor and seeking to ensure that, within the Company, suitable conditions are provided for them to carry out their work.

The Audit Committee is responsible for regularly monitoring the activities of the External Auditors and the Statutory Auditor by analysing their periodic reports and overseeing the audit and review processes. It also assesses any changes in procedures recommended by the External Auditors or the Statutory Auditor⁷⁴.

As REN has adopted a corporate governance model based on an Anglo-Saxon model and the supervisory body consists of non-executive directors who are on the Board of Directors, in addition to the powers referred to above, the Audit Committee, acting as supervisory body, also has the general powers of non-executive directors.

In turn, in accordance with the Portuguese Companies Code⁷⁵, the Statutory Auditor is responsible for the examination and verification required for the review and legal certification of the accounts. He is also responsible for verifying the correctness of books, accounting records and documents used as support, the accuracy of documents providing accounting information and if the accounting policies and valuation criteria adopted by REN lead to a correct evaluation of its property and results.

The External Auditor and the Statutory Auditor also verify the implementation of the remuneration policies and systems, the effectiveness and functioning of the internal control mechanisms and are obliged to report any significant deficiencies to the Company's Audit Committee. The Statutory Auditor also verifies the Corporate Governance Report, under the legally applicable terms.

IV. STATUTORY AUDITOR

IV.39. Identification of the Statutory Auditor and of the key auditor partner representing the Statutory Auditor

The office of permanent Statutory Auditor of the Company is carried out by the auditors Deloitte & Associados, SROC, SA, registered with the Portuguese Institute of Statutory Auditors under No 43 and registered at CMVM under No 231, represented by Pedro Miguel Gonçalves Carreira Mendes (S.A. No 1207), who also carries out the duties of External Auditor.

The alternate Statutory Auditor of the Company is Carlos Luís Oliveira de Melo Loureiro, registered with the Portuguese Institute of Statutory Auditors under No 572.

IV.40. Indication of the number of years which the Statutory Auditor has consecutively carried out duties for the Company and/or group

⁷³ www.ren.pt

⁷⁴ Cf. Article 6(3)(j) of the Audit Committee Regulations.

⁷⁵ Cf. Article 420.

The REN Statutory Auditor (Deloitte & Associados, SROC SA) was initially hired to carry out these duties in 2010.

IV.41. Description of other services provided by the Statutory Auditor to the Company

In addition to the services as Statutory Auditor detailed in III.38., the services referred to in V.46 were also provided.

V. EXTERNAL AUDITOR

V.42. Identification of the External Auditor for the purposes of Article 8 and of the respective key auditor partner representing the former in the carrying out of these duties, along with the relevant CMVM registration number

REN's External Auditor, as in the case with the Statutory Auditor, is Deloitte & Associados, SROC,S.A., registered with the Portuguese Institute of Statutory Auditors under No 43 and registered at CMVM under No 231, represented by Pedro Miguel Gonçalves Carreira Mendes (S.A. No 1207)

V.43. Indication of the number of years during which the External Auditor and respective Statutory Auditor have carried out duties for the Company and/or group

REN's External Auditor (Deloitte & Associados, SROC SA), and the respective partner, was initially hired to carry out these duties in 2010 (despite already having provided some audit services to REN in 2009).

V.44. Rotation frequency and policy for the External Auditor and respective key auditor partner representing the former in the performance of these duties

REN's External Auditor (Deloitte & Associados, SROC S.A.) was initially hired to carry out these duties in 2010 (despite already having provided some audit services to REN in 2009), thus complying with the recommendation IV.3 of the CMVM Corporate Governance Code of 2013. Notwithstanding, by being re-elected (for the 2018-2020 period), it would be completing its fourth auditing period (previous periods were 2010-2012, 2012-2014 and 2015-2017).

The re-election of the External Auditor for one more term would mean that it would exceed the legal limit (of 10 years) by one year as set out in Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014. Furthermore, the CMVM recommendation (Recommendation IV. of the CMVM Corporate Governance Code of 2013) stipulates that public companies are required to rotate their auditor after three terms of office when such terms have a duration of three years, as is the case. Therefore, the reasons for maintaining the same auditor should be set out in a specific reasoned opinion from the REN Audit Committee which expressly considers the conditions of this auditor, as well as the advantages and costs of a replacement⁷⁶.

⁷⁶ As such, Article 6(3)(g) of the REN Audit Committee Regulations states that it is this Committee's responsibility to "Issue a duly reasoned opinion regarding possible renewal of the contract of the Company's External Auditor for a fourth term, which must (i) weigh the conditions for the External Auditor's independence and the advantages and costs of a replacement and (ii) consider that the principle of rotation of the Statutory Auditor at the end of three

In light of this legal and regulatory framework, REN decided to conduct a competitive process for a new External Auditor, to be led by REN Audit Committee and carried out in a balanced manner, thus complying with the applicable law and recommendations.

V.45. Indication of the body responsible for assessing the External Auditor and frequency of the assessment

The Audit Committee is responsible for undertaking an annual assessment of the External Auditor and has the power to propose the dismissal of the External Auditor to the General Meeting if there are grounds to do so and to propose the respective remuneration.

The Audit Committee is responsible for regularly monitoring the activities of the External Auditor by analysing their periodic reports and overseeing the audit and review processes. It also assesses any changes in procedures recommended by the External Auditor.

The Audit Committee is also responsible for overseeing the independence of the External Auditor and issuing prior approval of the hiring of different audit services from the External Auditor or from any entity with a participating interest with the said External Auditor or which is part of the same network.

In 2017, the Audit Committee carried out its evaluation of the services provided to the Company by the External Auditor. The Audit Committee considered that the External Auditor has provided its services in a satisfactory manner and has complied with the applicable standards and regulations, including international standards on auditing, and that they performed their activities with high technical accuracy.

V.46. Identification of non-audit services provided by the External Auditor to the Company and/or companies in a controlling relationship, as well as an indication of internal procedures for the approval of the hiring of these services and an indication of the reasons for their contracting

Non-audit services provided by the External Auditor / Statutory Auditor for REN were essentially agreed auditing procedures to validate financial ratios, issuance of comfort letters, share capital increase prospectus revision and report on the pro-forma information.

As part of compliance with the independence rules established in relation to the External Auditor/Statutory Auditor, in 2017, REN's Audit Committee accompanied the provision of non-audit services in order to ensure that situations of conflicts of interest would not arise. The Audit Committee approved the provision of these services by the External Auditor, due to fact that they were matters in relation to which the specific knowledge of the company in terms of auditing, as well its complementarity regarding audit services, would justify such award, based on the associated cost control.

REN considers that it complies with Article 77 of Law No 140/2015 of September 7.

terms is applied, with regard to REN, in relation to recommendation III. 1.3 of the CMVM Corporate Governance Code of 2010."

V.47. Indication of the annual amount of remuneration paid by the Company and/or by companies in a group with or controlling relationship to the auditor or to other companies or individuals belonging to the same network and breakdown of the percentages allocated to the respective services below (for the purposes of this information, the concept of a network is that arising from EU Recommendation C(2002) 1873 of 16 May⁷⁷)

In the financial year ending 31 December 2017, the statutory auditor for REN SGPS and its subsidiaries was Deloitte & Associados, SROC S.A. The exception was REN Trading where the statutory auditor was Pricewaterhousecoopers & Associados – SROC, S.A.

The total sum recorded for audit services and the legal review of accounts and other services provided by the statutory auditors in 2017, was € 1,085,370, broken down as follows:

- Deloitte & Associados, SROC S.A. And its network – € 935,280;
- Pricewaterhousecoopers & Associados – SROC, S.A. – € 150,090.

DELOITTE & ASSOCIADOS, SROC, S.A. AND ITS NETWORK

	Company (REN SGPS) ⁷⁸	OTHER COMPANIES ⁷⁹	TOTAL	%
Audit and legal review of accounts	165,300	269,200	434,500	46.5%
Other reliability guarantee services	319,800	8,500	328,300	35.1%
Services other than audit services or legal review of accounts	172,480	-	172,480	18.4%
	657,580	277,700	935,280	

⁷⁷ In accordance with the Corporate Governance Report Model approved by CMVM Regulation No 4/2013, for the purposes of this information this is the applicable concept of "network". However, Article 3 of the later Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 (on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC) states that the concept of network must be satisfied as defined in Article 2(7) of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006. As this is the legislation currently in force for the specific requirements for the legal review of accounts of public-interest entities, this is the concept of network which has been adopted by REN.

⁷⁸ Including individual and consolidated accounts.

⁷⁹ Including individual and consolidated accounts.

PRICEWATERHOUSECOOPERS & ASSOCIADOS – SROC, S.A.

	Company (REN SGPS) ⁸⁰	OTHER COMPANIES ⁸¹	TOTAL	%
Audit and legal review of accounts	-	54,600	54,600	36.4%
Other reliability guarantee services	450	1,340	1,790	1.2%
Services other than audit services or legal review of accounts	13,700	80,000	93,700	62.4%
	14,150	135,940	150,090	

7.1.3 INTERNAL ORGANIZATION

I. ARTICLES OF ASSOCIATION

I.48. Rules applicable to changes to the Company's Articles of Association (Art. 245(A)(1)(h))

Changes to the Articles of Association are subject to the relevant rules as stipulated by law⁸² and in the Articles of Association themselves⁸³. In this regard, please see point 7.1.1, II.14.

II. WHISTLEBLOWING POLICY

II.49. Whistleblowing Policy and Means on irregularities occurring in the Company

Stakeholders (shareholders, members of corporate bodies, officers, directors, managers, employees, service providers, clients, suppliers and other stakeholders in REN or REN Group companies) may communicate any irregular practices they have knowledge or reasonable doubts of to the Audit Committee, in order to prevent, stop or sanction irregularities which could adversely affect the REN Group.⁸⁴

This system covers the communication of irregular practices by shareholders, members of corporate bodies, officers, directors, managers, employees, service providers, clients, suppliers and other stakeholders in REN or REN Group companies, due to or during the performance of their respective duties⁸⁵.

⁸⁰ Including individual and consolidated accounts.

⁸¹ Including individual and consolidated accounts.

⁸² Cf. Article 383 of the CSC.

⁸³ Cf. Article 11 of REN's Articles of Association.

⁸⁴ Cf. Articles 6(2) and 7 of the Audit Committee Regulations and the document on "Procedures applicable to the processing of whistleblowing communications and the investigation of irregularities", available at www.ren.pt.

⁸⁵ Cf. Chapter VI (Concept of "Irregularity") in the document on Procedures applicable to the processing of whistleblowing communications and the investigation of irregularities (Guidelines).

Such communications must be submitted in writing to the registered office and addressed to the Chairman of the Audit Committee or to the email *comissão.auditoria@ren.pt*, an account which is only accessible by the Audit Committee. Communications must contain all the information the whistleblower has and considers necessary for assessing the irregularity⁸⁶.

Communications will be dealt with confidentially, except if the whistleblower wishes to reveal his or her identity in the communication of the irregularity, which will only be disclosed for the purposes of investigations should the whistleblower give his or her consent.

The Audit Committee must assess the situation described and determine or propose actions that, in each specific case, are deemed appropriate, in accordance with the internal regulations approved by the Board of Directors, under a proposal by the Audit Committee⁸⁷.

The investigation process by the Audit Committee includes a preliminary stage which is followed by an investigation and a final report. Based on this report, should the conclusions so justify, penalty measures are proposed for approval by the Board of Directors or Executive Committee.

III. INTERNAL CONTROL AND RISK MANAGEMENT

III.50. People, bodies or committees responsible for internal audit and/or for the implementation of internal control systems

The management and supervisory bodies of the Company have attributed growing importance to the development and improvement of the internal control and risk management systems, with a significant impact on the activities of the REN Group companies. This approach has been in line with national and international recommendations, the Company's size and business and the complexity of the associated risks.

The Executive Committee and, ultimately, the Board of Directors, are responsible for creating and managing the internal control and risk management systems, including the setting of objectives.

The Audit Committee is responsible for assessing the Executive Committee in the analysis of the integrity and efficiency REN's internal control and risk management systems, including the submission of proposals to improve operations and amendments in accordance with REN's requirements⁸⁸. Therefore, in its action plan for activities to be carried out in 2017, the Audit Committee considered a range of investigations and assessments into the operation and suitability of the internal control and governance and risk management systems, having held several meetings with the Statutory Auditor and External Auditor and with the heads of different departments, namely: information systems; procurement, management planning and control, accounts, research and regulation. The Audit Committee added to the activity plan the monitoring of the recommendations implementation which arise from the internal control system, especially regarding the security of the information system and analysis of the general computerised system, in conjunction with the communication system office. Finally, the Audit Committee's activity plan included the specific training of REN's managerial staff, who have an audit functions.

The External Auditor verifies the efficiency and operation of the internal control mechanisms, as part of its legal review of financial statements, and reports any significant deficiencies to the Audit Committee.

⁸⁶ Cf. Chapter VII (Whistleblowing) in the Guidelines.

⁸⁷ Available at www.ren.pt.

⁸⁸ Cf. Article 3(6)(a) of the Audit Committee regulations.

On 13 May 2009, the Executive Committee passed a resolution to set up GSAD-AI (Internal Audit), which, under the oversight of the Audit Committee, has the mission of supervising the creation, operation and effectiveness of the REN Group's risk management⁸⁹, control model and internal control and governance systems, through objective, independent and systematic monitoring.

Among GSAD-AI's various tasks, the most relevant are the following:

- Review of risk management and internal control policies in force;
- Assessment of the degree of implementation of internal control (organizational structure and governance, delegation of powers, ethics and code of conduct, policies and procedures);
- Implementation of financial, IT, operational and management audits in the various areas of the REN Group, confirming compliance with the policies, laws and regulations (compliance services);
- Definition, jointly with the various areas, of measures to correct any weaknesses or non-compliances identified during the audits
- Monitoring the implementation of corrective measures, through follow-up reports
- Support high-level management in defining and/or implementing control and governance measures.

In addition, the mission of the Risk Management Committee, created in 2011, is to support the Board of Directors in monitoring the Group's risks, as well as ensuring the enforcement of risk management policies common to the entire REN Group and the internal disclosure of best practices for Risk Management. To carry out this mission, the Risk Management Committee's main functions are to:

- Promote the identification and systematic assessment of business risks and their impact on REN's strategic objectives
- Categorize and prioritize the risks to be addressed, as well as the corresponding preventive opportunities identified
- Identify and define the persons responsible for risk management
- Monitor significant risks and REN's general risk profile
- Approve regular risk reporting mechanisms by different businesses areas.
- Approve, or submit to the Executive Committee, recommendations for prevention, mitigation, sharing or transfer of material risks.

In 2017, the Risk Management Committee continued to support the Board of Directors in monitoring the Group's risks, as well as ensuring the enforcement of risk management policies common to the entire Group and the internal disclosure of best practices for Risk Management.

III.51. Explanation, even though by organisational chart, of the hierarchical and/or functional relationships of other Company bodies or committees

GSAD-AI reports in terms of functions and hierarchy to the Audit Committee, notwithstanding its relationship with the Company's Executive Committee.

As part of its supervisory function and powers expressly set out in the internal regulations, the Audit Committee supervises the internal audit procedure, namely through the presentation of proposals to improve their operation⁹⁰. To this effect, the Audit Committee carries out an appraisal of the work plans and resources available to GSAD-AI, supervises the activity and has access to all reports

⁸⁹ Cf. Article (6)(3)(m) of the Audit Committee regulations.

⁹⁰ Cf. Article 3(6)(a)(b) and (m) of the Audit Committee regulations.

prepared by the GSAD-AI including, amongst others, matters relating to accounts, potential conflicts of interest and the detection of possible irregular practices.

The Risk Management Committee is coordinated by Gonalo Morais Soares, an executive director, and is responsible for the first line of defence, reporting to the Executive Committee.

III.52. Existence of other functional areas with competences for risk control

No other functional areas with powers relating to risk control exist beyond those referred to in III.50.

III.53. Identification of the main types of risk (economic, financial and legal) to which the Company is exposed when conducting business

When conducting business in all of its areas of operation or those of its subsidiaries, REN is subject to multiple risks. These have been identified with the aim of mitigating and controlling them.

The 'appetite for risk' reflects the level of risk the company is willing to take on or to retain in pursuing its goals. REN adopts a prudent position with regard to its appetite for risk.

In 2017, the Risk Management Committee, with support from 'risk owners', reviewed the various risks to which REN is exposed, thereby updating the Group's risk profile.

The most serious risks for the REN Group are shown in detail below, with their category and subcategory:

#	CATEGORY	SUBCATEGORY	NATURE	RISK EVENT
1	Surrounding Environment	External Context	Regulatory	Changes to the regulatory model and parameters
2			Financial Markets	Evolution of REN's rating
3				Evolution of interest rates
4	Processes	Operational	Interruption of business	Occurrence of a generalized incident
5			Investment projects	Non-approval of investment plans
6				Non-entry into operation of assets within planned deadlines of the project
7			Health & Safety	Occurrence of serious work accidents
8			Information technology	Unavailability of information systems
				I.T. attacks - cybersecurity

CHANGES TO THE REGULATORY MODEL AND PARAMETERS

The risk of changes to the regulatory model and/or regulator decisions may affect the company's ability to run its business efficiently and is linked to the fact that the activity carried out by REN is a regulated activity.

REN manages such risk by systematically monitoring the progress of the regulatory strategy as well as European regulatory trends in relation to activities carried out by REN so as to prevent/analyse the impacts of possible changes.

EVOLUTION OF REN'S RATING

Changes to REN's rating could have an impact in terms of access to financing as well as the cost of such financing.

REN manages this risk by building a position of sound liquidity and through efficient management of its financing needs combined with effective initiatives for communicating with both the market and the various financial agents.

It should be noted that the company's rating could be affected by any deterioration in Portugal's rating.

EVOLUTION OF INTEREST RATES

The fluctuation of interest rates can have an impact on remuneration from regulated assets and on REN's debt service. A change to relevant benchmarks of market interest rates could result in higher financing expenses for the REN Group.

REN manages exposure to the risk of changes in interest rates by contracting financial derivatives, in order to achieve a balanced ratio of fixed and variable interest rate and to minimize financial burdens in the medium and long-term.

OCCURRENCE OF A GENERALIZED INCIDENT

The company's performance could be influenced by the occurrence of events causing an interruption in the electricity and/or gas supply service and by any difficulty in restoring the service in a timely manner. The infrastructures supporting REN's operations are exposed to a series of conditions (pollution, atmospheric conditions, fires, birds, among others), which could cause interruptions to the service.

The plan for restoring service following a generalized incident implemented by REN and the organization of drills to test the ability to restore the service in the event of an incident, are some of the initiatives adopted for managing the potential impact of this risk.

NON-APPROVAL OF INVESTMENT PLANS

The existence of delays in the approval of investment plans by the grantor or by other authorities can cause significant delays in implementing new infrastructures and/or loss of the investment made, with an impact on the quality of the service provided.

REN has adopted procedures for managing this risk that involve monitoring actions by the regulatory authority with approval responsibilities and other competent entities in the process of authorizing the investment to be made.

NON-ENTRY INTO OPERATION OF ASSETS WITHIN PLANNED DEADLINES

Economic and financial conditions together with the difficulty in obtaining financing to allow providers of services and suppliers to do business, and also other factors of an operational nature including processes for environmental licensing/authorization, may compromise the entry into operation of assets within planned deadlines.

REN carries out a series of actions which allow the ongoing monitoring and mitigation of all factors which could increase this risk.

OCCURRENCE OF SERIOUS WORK ACCIDENTS

Non-compliance with safety and operational procedures for equipment could result in the occurrence of serious work accidents with damage to people and property during work organized by REN.

REN manages this risk through the safety management system, with specific training for operations involving risks and training for employees of REN's service providers on safety awareness.

UNAVAILABILITY OF INFORMATION SYSTEMS

REN's activities rely heavily on the information systems and technologies used within the Group. Therefore, the availability of information systems and their capacity to meet Company needs are crucial to REN's good performance.

To manage this risk, REN maintains its communication systems and the respective support services up to date by performing periodic inspections of the configurations of network and security equipment. At the same time, security measures are in place for systems deemed to be critical, such as the existence of redundant communications and the shielding of such systems from potentially dangerous traffic.

I.T. ATTACKS - CYBERSECURITY

Development of information technologies and their gradual applicability to REN's operation, such as the increase in automation and digitalization, increases the likelihood of malicious I.T. attacks which may cause significant impact.

While still at the implementation stage, the management of this risk requires the introduction of measures to I.T. systems as well as specific training for all REN employees on the care to be taken when using such technologies. The aim will be to mitigate REN's exposure to these risks.

III.54. Description of the risk identification, assessment, monitoring, control and management process

It is considered that a risk management and internal control system – as implemented by REN - should meet the following objectives:

- Guarantee and supervise compliance with the objectives previously set by the Board of Directors;
- Identify the risk factors, the consequences of the occurrence of risk and the mechanisms for dealing with and minimizing risk;
- Align admissible risk with REN Group strategy;
- Ensure that information is reliable and complete;
- Ensure the complete, reliable and timely preparation and reporting of financial and accounting information and apply an appropriate management information system;
- Guarantee the safeguarding of assets;

- Ensure prudent, appropriate valuation of assets and liabilities;
- Improve the quality of decisions;
- Promote the rational and efficient use of resources.

As such, in pursuing the objectives stated above, REN's Risk Committee is responsible for identifying and evaluating the inherent risks involved in REN's activities stated in III. 53., also seeking to support the monitoring of significant risks and REN's general risk profile.

That is to say that, at a first stage, the Risk Committee, with the collaboration of its members who are the heads of the different departments and with the assistance of all other department heads within the Company, analysed aspects related to REN's business that could constitute a risk to its activity.

The Risk Committee then assesses existing risks (severity and probability of occurrence for each potential risk) and classifies them by order of importance and by categories and subcategories. The assessment of risks inherent to REN's activities, as well as to the Internal Control System, is carried out according to the following principles:

- To strengthen and improve effectiveness and efficiency in the use of resources;
- To safeguard assets;
- To analyse the information processing system;
- To check the reliability and accuracy of financial, accounting and other kinds of information;
- To prevent and detect fraud and errors;
- To check for compliance of the Group's operations and business with applicable legal and regulatory provisions, as well as with general policies and Company regulations;
- To promote operational effectiveness and efficiency.

Following the identification and assessment of inherent risks, the Risk Committee identifies the relevant measures to eliminate, mitigate or control the risks and reports the result of the analysis to the Board of Directors. The Risk Committee further seeks to apply preventive and protective measures, through the formulation of a priority plan, and communicates risk management best practices internally.

Risk assessment is reviewed regularly in order to ensure that it is always up to date. Therefore, within the scope of the Group risk management system, the following activities were undertaken in 2017:

- Review and updating of the list of greatest risks;
- Implementing of a technological solution which will improve the functioning of the risk management process – SAP GRC RM.

As part of risk monitoring, control and management, also of note was that on 8 November 2012, the REN Board of Directors approved the review of the regulations on 'Assessment and Control of Transactions with Related Parties and Prevention of Conflicts of Interests' and 'Procedures Applicable to the Processing of Whistleblowing Communications and the Inspection of Irregularities'.

It should further be noted that REN has implemented a series of changes to its internal control and risk management systems, involving the components provided for in CMVM Recommendations. It has also been guided by the rules of the International Organization for Standardization (ISO).

In 2017, the company continued to implement a homogeneous and integrated corporate risk management strategy across the entire organization, aligned and structured in accordance with the specific priorities and features of each of the company's areas.

III.55. Main elements in the internal control and risk management systems implemented at the Company with regard to the financial information disclosure process (Art. 245(A)(1) (m))

REN regularly provides financial information, to strictly monitor its operations. In this regard, all management information provided both for internal use and for disclosure to other organizations, is prepared on the basis of sophisticated IT systems. REN carries out initiatives that seek to continually improve the support information processes and systems that produce financial and management information.

It is the Audit Committee's responsibility to supervise the process for the preparation and disclosure of financial information. As such, the Audit Committee held meetings to monitor these processes with the members of the Executive Committee, the Statutory Auditor and External Auditor and with those responsible for accounts and management planning and control.

IV. INVESTOR SUPPORT

IV.56. Service responsible for investor support, composition, functions, information provided by this service and contact information

The service responsible for investor support is the Investor Relations Office (IRO). It was founded in July 2007 and works exclusively in the preparation, management and coordination of all activities necessary to achieve REN's objectives in its relations with shareholders, investors and analysts, and ensure communication that offers a full, coherent and comprehensive vision of REN, thereby facilitating investment decisions and creating sustained value for shareholders, providing information and clarification on information published by REN.

IRO contacts:

E-mail: ir@ren.pt

Ana Fernandes: Director: ana.fernandes@ren.pt

Alexandra Martins: alexandra.martins@ren.pt

Telma Mendes: telma.mendes@ren.pt

Address: REN: Redes Energéticas Nacionais, SGPS, S.A.
C/O: Investor Relations Office

Avenida dos Estados Unidos da América, 55
1749-061 Lisbon - Portugal

Telephone: 21 001 35 46 | **Fax:** 21 001 31 50

The IRO has the following main duties:

- a) Act on REN's behalf with shareholders, investors and financial analysts, ensuring equality of service for shareholders and preventing information asymmetries;
- b) Ensure that feedback from institutional investors is communicated to the Executive Committee;
- c) Guarantee timely compliance with CMVM obligations and other financial authorities;
- d) Coordinate, prepare and disclose all information made available by the REN Group with regard to disclosure of privileged information and other communications to the market, and in relation to the publication of periodic financial statements;
- e) Systematically monitor the content of analyst research work with the aim of contributing to a correct evaluation of the Company's strategy and results;
- f) Prepare and continuously monitor the financial and operational benchmark of competitors and peer group;

- g) Attract the interest of potential institutional investors, as well as a greater number of financial analysts;
- h) Draw up an annual activities plan for the IRO, including road-shows, visits to investors and the organization of Investor Day;
- i) Develop and maintain the Investor Relations page on the Company's⁹¹ website

IV.57. Representative for market relations

Since 28 March 2012, the REN Representative for Market Relations has been the Director Gonçalo Morais Soares who is also the Chief Financial Officer (CFO) of the REN Group.

IV.58. Information on the proportion of, and response time to, requests for information received this year or in previous years and still pending

Investor requests were responded to in a timely manner, usually on the same day or, in cases where the request required the receipt of information from third parties, soon after they were received. In 2017, almost 610 requests were attended to by telephone, 450 by email and 220 in person at conferences and roadshows, with both debt and equity investors.

Another form of contact with capital markets was through conference calls commenting on the results of each quarter of the year, in which both analysts and institutional investors participated.

Also in relation to information duties, REN published, in line with the stipulated terms, press releases on the Portuguese Securities Market Commission and London Stock Exchange websites, amongst other entities.

REN maintains an updated record of requests for information lodged, as well as the treatment they received.

V. INTERNET SITE

V.59. Address(es)

The Company's⁹² website is available in Portuguese and English, in accordance with recommendation VI.1.1. of the CMVM Corporate Governance Code of 2013.

V.60. Place where information on the firm can be found, the quality of open company, its registered office and all other information mentioned in article 171 of the Portuguese Companies Code;

On the REN website⁹³, under the tab marked 'Investors', there is a tab marked 'Corporate Information', where information published on the firm, status as opencapital company ("sociedade aberta"), the registered office and other information mentioned in Article 171 of the Portuguese Companies Code may be found.

www.ren.pt/investidores/informacao_da_sociedade/

⁹¹ www.ren.pt

⁹² www.ren.pt

⁹³ www.ren.pt

V.61. Place where the Articles of Association and operating regulations for the bodies and/or committees can be found

On the REN website⁹⁴, under the tab marked 'Investors', there is a tab marked 'Corporate Governance' under which, in turn, there is a tab marked 'Statutes and Regulations'. This latter tab provides access to the Articles of Association, as well as the following regulations and documents:

- Board of Directors Regulations
- Audit Committee Regulations
- Executive Committee Regulations
- Regulations on transactions with related parties
- Regulations on transactions of financial instruments by REN directors;
- Procedures applicable to whistleblowing
- Corporate Governance Committee Regulations;
- Nominations and Appraisals Committee Regulations.

www.ren.pt/investidores/governo_da_sociedade/estatutos_regulamentos_e_relatorios/

V.62. Place where information is made available on the identity of members of the corporate bodies, the Representative for Market Relations, the Investor Support department or similar structure, their respective functions and means of access

On the REN website, under the tab marked 'Investors', there is a tab marked 'Corporate Governance', under which the composition of the corporate bodies can be found.

www.ren.pt/investidores/governo_da_sociedade/

Furthermore, on the REN website⁹⁵, under the tab marked 'Investors', there is a tab marked 'Investor Relations' which has information on the identity of the Representative for Market Relations and the Office for Investor Relations, as well as their contact details and powers.

www.ren.pt/investidores/relacoes_com_investidores/

V.63. Place where accounting records are made available, which must be accessible for at least ten years⁹⁶, as well as a half-yearly calendar of company events, announced at the start of each semester, including, amongst others, General Meetings, publishing of annual, half yearly and, where applicable, quarterly reports

On the REN website⁹⁷, under the tab marked 'Investors', there is a tab marked 'Investors' where there is a further tab marked 'Results'. Here it is possible to find documents on accounting records, which will be accessible for a minimum of 10 years.

www.ren.pt/investidores/resultados/

⁹⁴ www.ren.pt

⁹⁵ www.ren.pt

⁹⁶ In accordance with the CMVM Regulation No 4/2013 which approves the model of corporate governance report, accountability documents may be accessible for five years. Nevertheless, Article 245 (1) of the Portuguese Securities Code, amended by Decree-Law No 22/2016 of 3 June, those documents must be available for 10 years.

⁹⁷ www.ren.pt

On the same website⁹⁸, a calendar of company events is also available.

V.64. Place where the notice to convene a General Meeting is published as well as all the preparatory documents and documents resulting from said meeting

On the REN website⁹⁹, under the tab marked 'Investors', there is a tab marked 'Corporate Governance', under which, there is a tab marked 'General Meetings', where the Notice to Convene, the proposed resolutions and the minutes of the General Meeting can be found.

www.ren.pt/investidores/governo_da_sociedade/assembleias_gerais/

V.65. Place where a historic record is made available with all the resolutions adopted at the company's General Meetings, the represented share capital and voting results for the previous three years

On the website¹⁰⁰, REN provides extracts from the minutes of General Meetings.

On the website,¹⁰¹ REN maintains a historic record of notices to convene, agendas and resolutions adopted at General Meetings, as well as information on the represented share capital and voting results for the respective meetings, going back a minimum of five years.

See V.64. with regard to where this information is provided.

7.1.4 REMUNERATION

I. COMPETENCE TO DETERMINE REMUNERATION

I.66. Indication with regard to competence to determine the remuneration of corporate bodies, members of the Executive Committee or delegated director and the Company's directors

The REN General Meeting is responsible for the appointment of the members of the Remunerations Committee¹⁰², which is responsible for setting the remuneration and for submitting the annual declaration on the remuneration policy for members of management and supervisory bodies. The Remunerations Committee is responsible for presenting and submitting to the shareholders the principles of the remuneration policy for corporate bodies, as well as for determining the respective remunerations, including the respective complements¹⁰³. Moreover, this proposed declaration will be subject to assessment and deliberation by the shareholders of the Annual General Meeting.

The Nominations and Appraisals Committee does not have any duties concerning the definition of remuneration of the Board of Directors but the assessment performed by this Committee may potentially and indirectly impact on such remuneration.

⁹⁸ www.ren.pt

⁹⁹ www.ren.pt

¹⁰⁰ www.ren.pt

¹⁰¹ www.ren.pt

¹⁰² Cf. Article 8(2)(d) of the Articles of Association.

¹⁰³ Cf. Article 26 of REN's Articles of Association.

II. REMUNERATION COMMITTEE

II.67. Composition of the Remuneration Committee, including identification of natural or legal persons hired to provide support and declaration on the independence of each of the members and consultants

On 31 December 2017, the following three members, appointed at the annual General Meeting of 17 April 2015, were on the Remunerations Committee (three-year period of 2015-2017):

NAME	POSITION
Paulo Pimenta	Chairman
Manuel de Lancastre	Member
Fernando Neves de Almeida	Member

The current Remunerations Committee is comprised by members who are independent from the management. To such extent, the Remunerations Committee does not include any member of other corporate bodies for which it determines the respective remuneration. Its three members in office do not have any family relationship with members of such other bodies, notably spouses, relatives and kin, in a direct line, up to the 3rd degree, inclusive.

To support it in its duties, the Remunerations Committee did not hire any natural or legal person which provides or has provided in the last three years, services to any structure under the Board of Directors, reporting to the Board of Directors itself or which has any current relationship with the Company or with Company consultants, or any natural or legal person related to these bodies through a work or services contract.

II.68. Expertise and experience of the Remunerations Committee in matters or remuneration policy

All members of the Remunerations Committee have the necessary knowledge, acquired through their academic training and professional experience required to reflect and decide upon all matters under the Remuneration Committee remit, taking into account that set out below.

Each member of the Remunerations Committee has a specific academic background in management, and one of the members (Fernando Neves de Almeida), holds a degree in human resource management. This training provides them with the necessary and relevant theoretical expertise to perform their duties. It should also be noted that Fernando Neves de Almeida continues his academic work in the field of human resources, having published several papers and books on this area.

Moreover, the Remunerations Committee consists of three members with vast professional experience, working for consultancies, the government and in numerous different sectors of activity, both in Portugal and abroad. Therefore, all the members of the Remunerations Committee have continued to perform duties as (i) members of the management body of several national and international entities in highly varied sectors of activity, (ii) in the government, as Secretary of State for Economic Development (in the case of Manuel Corrêa de Barros de Lancastre), and (iii) at consultancies in the field of human resources (in the case of Fernando Neves de Almeida), thus consolidating relevant practical knowledge with regard to remunerations policy, performance assessment systems and complementary areas.

III. REMUNERATION STRUCTURE

III.69. Description of the remuneration policy for management and supervisory bodies as referred to in Article 2 of Law No 28/2009 of June 19 2009

As an issuer of shares admitted to trading on the regulated market, REN is subject to Law No 28/2009 of 19 June 2009 as well as to the recommendations of the CMVM Corporate Governance Code of 2013.

Therefore, on one hand, in the interest of transparency and legitimacy of the setting of the remuneration policy (according to the say-on-pay principle, internationally recognized with regard to good corporate governance) and, on the other hand, for purposes of compliance with legal provisions and recommendations, the Remuneration Committee submitted a declaration on the remuneration policy for corporate bodies for the 2017 financial year for the appraisal of the Annual General Meeting, the terms of which reflected the decision made by this Committee on this matter and which set out a number of systematic improvements and updates of remuneration amounts, but which essentially reflect the previous remunerations policy.

On 11 May 2017, a declaration by the Remunerations Committee on the remuneration policy for members of corporate bodies was approved by a majority at the General Meeting. This declaration includes the information set out in Article 2 of law No 28/2009 of 19 June 2009. In accordance with CMVM Corporate Governance Code recommendation II.3.3, the abovementioned declaration also contains: (i) Identification and details of the criteria for determining the remuneration to be paid to the members of the governing bodies; (ii) Information on the potential maximum sum, in individual terms, and the potential maximum sum, in aggregate form, to be paid to members of REN corporate bodies, and identify the circumstances whereby these maximum amounts may be payable; and (iii) Information on the enforceability or unenforceability of payments for the dismissal or termination of the directors' service.

The remuneration policy for Executive Directors follows the guidelines set out below:

- To be simple clear, transparent and aligned with REN culture;
- To be suitable and fitting to the size, nature, scope and specificity of REN's activity;
- To ensure total remuneration which is competitive and equitable and in line with the best practices and latest trends seen nationally and in Europe, particularly with regard to REN's peers;
- To incorporate a fixed component adjusted to the duties and responsibility of the directors;
- To incorporate a variable component which is reasonable overall in relation to the fixed remuneration, with one short-term component and another medium-term component, both with maximum limits;
- To establish a variable remuneration indexed to individual performance assessment and that of the company, in accordance with achievement of specific quantifiable aims which are in line with Company and shareholder interests; and
- To establish a medium-term variable remuneration component indexed to the evolution of the REN share price, thus ensuring that the remuneration of executive directors is bound to the sustainability of results and the creation of wealth for shareholders.

Based on these principles, the remuneration of executive directors is mainly determined based on four general criteria: (i) competitiveness, taking into consideration the practices of the Portuguese market; (ii) equity, taking into consideration that remuneration must be based on uniform, consistent, fair and balanced criteria; (iii) assessment of real performance, in accordance with duties and the level of responsibility of the person in question, as well as the assumption of suitable levels of risk and compliance with the rules applicable to REN activity; and (iv) alignment of directors' interests with the Company's and its sustainability and creation of long-term wealth.

The remuneration of the executive directors includes a fixed component and a variable component. The variable component consists of a parcel which aims to remunerate short-term performance and another with the same purpose based on medium-term performance, as described in further detail below.

Non-executive directors (including members of the Audit Committee) are entitled to fixed monthly remuneration, defined in line with the best practices observed at large-scale companies in the Portuguese market.

The remuneration of the members of the Board of the General Meeting corresponds to an annual fixed sum.

Currently, there are no approved variable remuneration plans or programmes that consist of the allocation of shares, options to acquire shares or other incentive schemes based on a variation of the price of shares for members of the management or supervisory bodies (or persons discharging managerial functions, within the meaning of Article 3(1)(23) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014), without prejudice to the method of calculating medium-term variable remuneration (MTVR), as described below.

Furthermore, there is no system of retirement benefits for the members of the management or supervisory bodies (or persons discharging managerial functions, within the meaning of Article 3(1)(23) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014).

III.70. Information on how remuneration is structured so as to allow alignment of the interests of members of the management body with the Company's long-term interests, as well as how it is based on performance assessment and discourages taking on excessive risk

As mentioned in III.69 above, non-executive directors' remuneration (including the members of the Audit Committee) consists exclusively of a fixed component, paid in 12 monthly instalments over the year, and is not connected to the performance or value of REN, meeting the applicable recommendations on this matter.

The remuneration structure of executive directors consists of a fixed component and a variable component. There is an adequate proportionality between both components, as explained in III.69 above.

In accordance with the remuneration policy applicable to remuneration awarded in 2017 and set out in the Remuneration Committee declaration approved by the Annual General Meeting of 2017, the variable component of remuneration for 2017 may include a short-term parcel (STVR) and a medium-term parcel (MTVR). Both parcels are based on performance assessment, which is based on the weighting of key individual performance indicators of the director and the performance of the Company itself. Such indicators, described in more detail in III.71 below, aim to bring the interests of the executive directors closer to the long-term interests of REN and its shareholders.

Particularly, MTVR has the following characteristics which contribute to the alignment of the interests of REN executive directors with those of the Company and shareholders:

- MTVR is set in Remuneratory Units (RU) that refer to each term of office in which each executive director has performed duties;
- Each RU has a value corresponding to the REN share price at the date that MTVRs set (based on the average closing price for REN shares on the Euronext Lisbon market in the 30 days prior to the General Meeting approving the accounts for the respective financial year) and this value evolves in a manner equal to that of the Total Shareholder Return (TSR) for REN shares

The main aims of the proportionality between the fixed and variable components and the limits to variable remuneration (i.e. between 20% and 120% of fixed remuneration, in a gradual manner,

without prejudice to the evolution in RU) are to discourage taking on excessive risk and to stimulate the adoption of a suitable risk management strategy.

III.71. Reference, if applicable, to the existence of a variable remuneration component and information on possible impact of performance assessment on this component

As has already been mentioned, the remuneration structure of the Executive Committee consists of fixed and variable components, and in accordance with the remuneration policy approved and described in the Remuneration Committee declaration approved by the Annual General Meeting of 2017, the variable component of remuneration for 2017 may include short and medium-term parcels – STVR and MTRV¹⁰⁴.

The awarding of STVR and MTRV is subject to the following common requirements:

- The awarding of the variable component of remuneration only takes place after approval of the financial statements for each financial year, after the performance assessment for the year to which the payment refers to, and only when predefined objectives have been complied with, measured against individual and company performance indicators indexed to targets in the REN strategic plan.
- The degree of achievement of defined goals is measured through an annual performance assessment, based on a predefined model. Therefore, if compliance with targets is below 80% (minimum performance level), no variable remuneration is awarded. However, if compliance with targets lies between 80% and 120% or greater, the corresponding total variable remuneration will be set, in a gradual manner, between 20% and 120% of the fixed remuneration.

The abovementioned annual performance assessment, for purposes of awarding STVR and MTRV during the term of office, is carried out based on the following REN Key Performance Indicators (KPI) on a consolidated basis (weighting of 80%) and the individual performance assessment (weighting of 20%), which, if negative, will result in the non-awarding of Short-Term Variable Remuneration:

- (v) Average Cost of Debt;
- (vi) Return on Invested Capital;
- (vii) EBITDA abroad
- (viii) Earnings per share (compound annual growth rate – CAGR);
- (ix) EBITDA CAGR

SHORT-TERM VARIABLE REMUNERATION

- a) Short-Term Variable Remuneration (STVR) is paid in cash, depending on the annual performance assessment. The sum being paid varies in accordance with the degree of achievement of targets relating to certain Key Performance Indicators.
- b) Therefore, if the annual performance assessment falls below 80% (minimum performance level), no payment of STVR takes place. However, if the annual performance assessment lies between 80% and 120% or greater, the corresponding STVR will be set between 10% and 60% of fixed remuneration
- c) The awarding of STVR will correspond to a sum of up to 50% of total variable remuneration awarded with regard to each financial year.

¹⁰⁴ Cf. points III.69. and III.70 above.

MEDIUM-TERM VARIABLE REMUNERATION

Medium-Term Variable Remuneration (MTVR) aims to strengthen the alignment of the interests of REN executive directors with those of the Company and shareholders. This payment will vary depending on the annual performance assessment (already described in the previous point) and will follow the same model as that for STVR.

III.72. Deferral of the payment of the variable remuneration component, with mention of the deferral period

The awarding of STVR, as described above, will correspond to a sum of up to 50% of total variable remuneration awarded with regard to each financial year in question.

In turn, MTVR is set in RU which refer to every financial year of the term of office and is structured to ensure deferral of payment and is conditioned to continued positive performance, through the following channels:

- Each RU has a value corresponding to the REN share price at the date that MTVR is set, (based on the average closing price for REN shares on the Euronext Lisbon market in the 30 days prior to the General Meeting approving the accounts for the respective financial year) and this value evolves in a manner equal to that of the Total Shareholder Return (TSR) for REN shares
- The executive directors' right to convert their RU is established progressively. One third is consolidated at the end of the first financial year it relates to while each of the remaining two thirds are consolidated at the end of each of the two subsequent financial years, provided that the director performs executive duties in the respective financial year. The executive directors' right to convert their RU will be maintained even if their duties terminate as a result of a change in REN shareholder control. This is due to the fact that the director has been in office in the period in question (such conversion thus not being seen as compensatory in nature), and as a result of the non-voluntary nature of termination of duties (unlike that which takes place, for instance, in the event of dismissal);
- RU will be automatically converted into cash or, should the REN General Meeting come to deliberate (and in accordance with the terms thereby established), into REN shares, either partially or totally, over a period of three years after the date on which they were awarded (one third per year, starting in the year after award).

Bearing in mind the above, payment of MTVR for 2016 was awarded in 2017 and deferred for a period of three years, if the corresponding assumptions are met.

III.73. Criteria on which the awarding of variable remuneration in shares is based, as well as on the maintaining, by the executive directors, of these shares, on possible signing of contracts which refer to the shares, more specifically hedging contracts or risk transfer contracts, the respective limit, and their relation to the value of total annual remuneration

At present, no plans to award variable remuneration in shares exist, and as such REN considers that recommendation III.6. of the CMVM Corporate Governance Code does not apply.

Therefore, despite the remuneration policy approved by the Remuneration Committee for the term of office determining that, within the scope of MTVR, RU can be converted into REN shares, either partially or totally, should the REN General Meeting so deliberate, this has not as yet taken place. Should the General Meeting make such a decision, this deliberation shall govern the conditions for awarding the shares in question, including the potential requirement to maintain the shares or part of them until the end of the term of office.

Furthermore, bearing in mind the objectives sought through the remuneration model stipulated herein, members of the board of directors of the Company have not entered into agreements either

with the company or with third parties, designed to mitigate the risk inherent to the variability of their remuneration.

III.74. Criteria on which the awarding of variable remuneration in options is based and indication of the deferral period and the strike price

There are no variable remuneration plans or programmes that consist of the awarding of options to acquire shares or other incentive systems based on a variation of the price of shares (notwithstanding the method for calculating MTVR) for members of the management or supervisory bodies or persons discharging managerial functions, within the meaning of Article 3(1)(23) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014.

III.75. Main parameters and basis of any system of annual bonuses and any other non-monetary benefits

In 2017, Executive Directors were entitled to the use of a car for the performance of their duties, and were also provided with health insurance, life insurance and personal accident insurance for the performance of their duties. It is estimated that the value of these benefits is € 20,000/director.

There is no system of annual bonuses or any other non-monetary benefits, beyond the variable component of remuneration described above and in the previous paragraph.

III.76. Main characteristics of the complementary pensions or early retirement schemes for directors and the date on which they were approved at the General Meeting, in individual terms

There is no system of retirement benefits or pensions for the members of the management and supervisory bodies.

IV. DISCLOSURE OF REMUNERATION

IV.77. Indication of the annual amount of remuneration earned, jointly and individually, by the members of Company management bodies, paid by the Company, including fixed and variable remuneration and, with regard to the latter, mention of the different components where it originated

Remuneration paid in 2017 to members of REN's management body, individually and collectively, was as follows:

NAME	POSITION	FIXED REM.	REM. CORPORATE COMMITTEES	VARIABLE SHORT-TERM REM.	VARIABLE MEDIUM-TERM REM.	TOTAL
Rodrigo Costa	Chairman of the Board of Directors and the Executive Committee	€ 385,000.00		€ 211,749.98		€ 596,749.98
João Faria Conceição	Executive Committee	€ 305,000.00		€ 167,750.00	€ 168,822.81	€ 641,572.81
Gonçalo Morais Soares	Executive Committee	€ 305,000.00		€ 167,750.00	€ 168,822.81	€ 641,572.81
Guangchao Zhu	Vice-Chairman of the Board of Directors	€ 80,000.00				€ 80,000.00
Mengrong Cheng	Board of Directors	€ 36,000.00				€ 36,000.00
Longhua Jiang	Board of Directors	€ 36,000.00	€ 6,000.00			€ 42,000.00
Omar Al-Wahaibi	Board of Directors	€ 36,000.00	€ 3,000.00			€ 39,000.00
Jorge Magalhães Correia	Board of Directors	€ 36,000.00	€ 3,000.00			€ 39,000.00
Manuel Sebastião	Audit Committee	€ 75,000.00	€ 5,000.00			€ 80,000.00
Gonçalo Gil Mata	Audit Committee	€ 60,000.00				€ 60,000.00
Maria Estela Barbot	Audit Committee	€ 60,000.00				€ 60,000.00
José Luís Arnaut	The Board of Directors	€ 36,000.00	€ 5,000.00			€ 41,000.00
Total		€ 1,450,000.00	€ 22,000.00	€ 547,249.98	€ 337,645.62	€ 2,356,895.60

STVR paid in 2017, as indicated in the table above, refers to the financial year of 2016. Members of the Executive Committee were also awarded (but not paid) an additional remuneration parcel, for MTVR referring to the 2016 financial year, set in RU. Considering that the REN share price on the date MTVR was set was € 2.88, the number of RU to be awarded to each member of the Executive Committee is as follows:

- (x) Rodrigo Costa – 73,499 RU
- (xi) João Faria Conceição – 58,226 RU and
- (xii) Gonçalo Morais Soares – 58.226 RU

IV.78. Sums paid for any reason by other companies in a controlling or group relationship or which are subject to common control

The members of the corporate bodies of REN did not receive any amounts paid by other companies in a controlling or group relationship with REN.

IV.79. Remuneration paid in the form of profit sharing and/or payment of bonuses and the reasons why such bonuses and/or profit sharing were granted

There are no payments in the form of profit sharing and/or payment of bonuses, beyond the variable component of remuneration described above.

IV.80. Compensation paid or due to Ex Executive Directors for the termination of their duties during the term of office

In 2017, there were no amounts due or paid in the form of compensation to Ex-Executive Directors for the termination of their duties during office.

IV.81. Indication of the annual amount of remuneration earned, jointly and individually, by the members of the Company's supervisory bodies, for the purposes of Law No 28/2009, of 19 July.

With regard to the members of the Audit Committee, please see IV.77. above, and with regard to the Statutory Auditor, please see V.47. above.

IV.82. Indication of the remuneration in the relevant year of the Chairman of the General Meeting

In 2017, the Chairman of the General Meeting received the fixed annual amount of €15,000 for carrying out the respective duties.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS**V.83. Contractual limitations for compensation to be paid for unfair dismissal of a director and its relation to the variable remuneration component**

In accordance with the remuneration policy approved by the Remunerations Committee with regard to the financial year of 2017, in the event of termination of management duties through agreement or unfair dismissal, no compensation will be paid, beyond that legally required, if the termination or dismissal is due to the unsuitable performance of the director. No other provision exists in the REN remuneration policy or in contractual clauses applicable to this matter, and as such, only the legal rules apply.

The legally owed compensation, in the event of unfair dismissal, corresponds to the compensation for damages suffered, which must not exceed the amount of compensation that the director would otherwise have received up to the end of the elected term.

V.84. Reference to the existence and description, with indication of the amounts involved, of agreements between the Company and the members of the management body or other officers, in the meaning of Article 3(1)(23) of the of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, that would award compensation in the event of resignation, unfair dismissal or termination of the employment relationship, following a change in control over the Company (Article 245-A(1)(I)).

There are no agreements between REN and the members of the management body or other officers (in the meaning of Article 3(1)(23) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014), that would award compensation in the event of resignation or unfair dismissal or termination of the employment relationship, following a change in control over the Company.

VI. PLANS TO ALLOCATE SHARES OR STOCK OPTIONS

VI.85. Identification of the plan and the respective recipients

There are no variable remuneration plans or programmes that consist of the awarding of shares, options to acquire shares or other incentive systems based on a variation of the price of shares (notwithstanding the method for calculating MTRV) for members of the management or supervisory bodies or persons discharging managerial functions, within the meaning of Article 3(1)(23) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014.

However, the remuneration policy approved by the Remuneration Committee and which came into effect on 1 June 2012 and later in 2017, respectively, determine that, within the scope of MTRV, RU can be converted into REN shares, either partially or totally, should the REN General Meeting so deliberate (which has not happened so far).

VI.86. Characteristics of the plan (conditions of allocation, shares non-transferability clauses, criteria relating to the share price and exercise price, period during which options can be exercised, characteristics of the allocated shares or options to be awarded, existence of incentives for the acquisition of shares and/or the exercising of options)

See VI.85. above.

VI.87. Stock option rights allocated for the acquisition of shares where beneficiaries are the Company workers or employees

See VI.85. above.

VI.88. Control Mechanisms available in a possible scheme for worker participation in the share capital where voting rights shall not be directly exercised by said workers (Art. 245(A)(1)(e))

There are no schemes for worker participation in the share capital of the Company.

7.1.5 TRANSACTIONS WITH RELATED PARTIES

I. CONTROL MECHANISMS AND PROCEDURES

I.89. Mechanisms implemented by the Company for purposes of controlling transactions with related parties (please see the concept resulting from IAS 24)

So as to provide for monitoring by the Audit Committee of transactions concluded or to be concluded by REN or its subsidiaries with related parties and the methodology to be adopted in the event of potential conflict of interests, the REN Audit Committee proposed to the Board of Directors an internal regulations for the 'Analysis and Control of Transactions with Related Parties and Prevention of Conflict of Interest', which were approved by the Board of Directors on 8 November 2012 and remain in effect.

In accordance with the internal regulation on 'Analysis and Control of Transactions with Related Parties and Prevention of Conflict of Interest', which are in line with IAS 24 and recommendation V.2 of the CMVM Corporate Governance Code of 2013, transactions conducted between a related party¹⁰⁵ and REN or its subsidiaries, which are covered by the following situations, shall be submitted by the management body for prior opinion by the Audit Committee¹⁰⁶:

1. The purchase and/or sale of goods, provision of services or contract valued at over € 1,000,000.00;
2. The acquisition or disposal of shareholdings;
3. New loans, financing and subscription of financial investments resulting in an overall annual indebtedness exceeding € 100,000,000.00, except when it refers to a simple renewal of existing circumstances or operations undertaken within the framework of pre-existing contractual conditions.
4. Any transaction which, though not covered by any of the above materiality criteria, has a value that exceeds € 1 million or must be considered relevant for this purpose by the Board of Directors by virtue of its nature or its particular susceptibility to give rise to a conflict of interests.

In turn, any business between a Related Party and REN or one of its subsidiaries, which does not fall into any of the above circumstances, must be submitted by the management body to the Audit Committee for its subsequent consideration¹⁰⁷.

If the Audit Committee issues an unfavourable prior expert opinion, approval of the transaction by the Board of Directors is required to and must be particularly well-grounded so as to demonstrate that the completion of the transaction is in line with pursuing the corporate interest of REN or that of its subsidiaries and that the resulting advantages for them outweigh in a positive manner the disadvantages identified by the Audit Committee¹⁰⁸.

¹⁰⁵ That is, a) a member of a REN management or supervisory body or of any other company in a controlling or group relationship with REN, pursuant to Article 21 of the Portuguese Securities Code ('Subsidiaries') or b) any individual who, due to the post he or she holds in REN or in the Subsidiaries, serves in a senior or managerial capacity, or who has regular or occasional access to privileged information; or c) a shareholder who holds a qualified shareholding of at least 2% of REN's share capital or of that of the Subsidiaries, calculated in accordance with Article 20 of the Portuguese Securities Code, or d) a third-party body, related to an Officer or a Relevant Shareholder by means of any relevant commercial or personal interest.

¹⁰⁶ Cf. Point II.I(a) of the abovementioned internal regulation.

¹⁰⁷ Cf. Point III(b) of the abovementioned internal regulation.

¹⁰⁸ Cf. Points 4 and 5 of point VI of the abovementioned internal regulation.

Finally, the Audit Committee also submits recommendations to the Board of Directors with regard to measures to prevent and identify conflicts of interest¹⁰⁹.

Moreover, in accordance with the Board of Directors internal regulation, transactions with related parties for sums exceeding € 500,000 or, regardless of the sum, any transaction which may be considered as not being executed under market conditions are matters which may not be delegated to the Executive Committee.

I.90. Indication of the transactions which were subject to control in the reference year

In accordance with internal regulations on the assessment and control of transactions with related parties and the prevention of conflicts of interest, the Audit Committee intervened in the following transactions, carried out between REN Group companies and the holders of qualified shareholdings or entities with which they are in a relationship pursuant to Article 20 of the Portuguese Securities Code having issued a prior favourable opinion to the carrying out of the aforementioned:

A - ACQUISITIONS OF GOODS OR SERVICES:

1 – AWARDING OF LOT II OF THE INSURANCE FOR MATERIAL DAMAGE AND OPERATING LOSSES (EXCLUDING ELECTRICITY LINES), GENERAL CIVIL LIABILITY, MARITIME CIVIL LIABILITY, TERRORISM AND COMPLEMENTARY BROKERAGE SERVICES FOR REN GROUP COMPANIES FOR A PERIOD OF THREE YEARS:

- a) Objective: Awarding of Lot II of the Insurance for Material Damage and Operating Losses (excluding electricity lines), General Civil Liability, Maritime Civil Liability, Terrorism and Complementary Brokerage Services for REN Group companies for a period of three years:
- b) Date of approval: On 10 October 2017, by the REN SGPS Board of Directors, having been subject to prior favourable opinion from the Audit Committee.
- c) Material criteria for its appreciation: Business with a related party, AON grouping / Fidelidade (REN SGPS, S.A. shareholder) / AIG
- d) Selection criteria: Most economically advantageous proposal.
- e) Type of procedure: International Public tender.
- f) Amount: € 4,214,594.58, for a period of three years, plus levies and taxes.

I.91. Description of the procedures and criteria applicable to the intervention of the supervisory bodies for the purposes of assessing business between the Company and the holders of qualified shareholdings or entities with which they are in any relationship pursuant to Article 20 of the Portuguese Securities Code

See I.89. above. The procedures and criteria outlined herein are applicable to transactions with the holders of qualified shareholdings or entities with which they are in any relationship pursuant to Article 20 of the Portuguese Securities Code, given that these are by definition considered to be related parties in accordance with the internal regulation for the 'Analysis and Control of Transactions with Related Parties and Prevention of Conflict of Interest'.

¹⁰⁹ Cf. Point IX(I)(a) of the abovementioned internal regulation.

II. INFORMATION RELATING TO BUSINESS

II.92. Indication of the location of accounting documents providing information regarding business with Related Parties, in accordance with IAS 24 or, alternatively, reproductions of this information

Point 34 of the Appendix to the financial statements of the 2017 Management Report, in accordance with IAS 24, includes a description of the principal elements of business with Related Parties, including business and operations carried out between the Company and holders of qualified shareholdings or associated entities.

Business between the Company and the holders of qualified shareholdings or entities with which they are in any relationship pursuant to Article 20 of the Portuguese Securities Code was conducted under normal market conditions, in the normal REN business, and was largely a result of regulatory obligations, and as such, CMVM Corporate Governance Code Recommendation V.1. was adopted.

PART II

7.2

ASSESSMENT OF CORPORATE GOVERNANCE

1. IDENTIFICATION OF THE CODE OF CORPORATE GOVERNANCE ADOPTED

In accordance with Article 2 of CMVM Regulation No 4/2013, the Corporate Governance Code which the company is subject to or has voluntarily decided to implement must be identified.

The place where the Corporate Governance Code to which the Company is subject is made available to the public shall also be indicated (Article 245-A(1)(p))

In 2013, the regulatory and advisory framework for matters of corporate governance was subject to a major overhaul.

Under the terms of this overhaul, and as a Company issuing shares that are admitted to trading on the Euronext Lisbon regulated market, REN finds itself subject to, in matters of disclosure of information relating to corporate governance, to the regime established by the Portuguese Securities Code, in Law 28/2009 of 19 June, and the Securities Market Commission regulations 4/2013 (the latter was approved in 2013 and is applicable to governance reports which relate to this financial year), in matters of disclosure of information relating to corporate governance.

Amongst the many amendments to CMVM regulation No 4/2013, it is worth nothing the possibility for issuers to opt for the adoption of the CMVM governance code or an alternative code issued by an entity dedicated to that purpose.

Also in this respect, and in an advisory sense, the CMVM and the Portuguese Institute for Corporate Governance (IPCG) approved, respectively, in 2013 and 2014, new corporate governance codes. This outcome was the result of a long process of discussion and consultation with various market players. The approval of a new version of the IPCG Code is expected during 2018.

When preparing this report, REN referred to the CMVM Corporate Governance Code, considering on one hand, market practices in this regard - it was possible to establish that the main issuers continue to implement CMVM recommendations - while on the other, it is this Code that has guided current governance bodies in relation to the practices and principles adopted.

In summary, for the purposes of this report, REN took the decision to adopt the recommendations laid out in the Corporate Governance Code of the CMVM, approved in 2013, which can be viewed at www.cmvm.pt.

2. ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE ADOPTED

Pursuant to Article 245-A(1)(o) of the Portuguese Securities Market Code, a statement shall be included on the acceptance of the Corporate Governance Code to which the issuer is subject, stating any divergence from the said code and the reasons for the divergence.

The information submitted should include, for each recommendation:

- a) Information that enables the verification of compliance with the recommendation or referring to the part of the report where the issue is discussed in detail (chapter, title, paragraph, page);
- b) Grounds for the potential non-compliance or partial compliance thereof;
- c) In the event of non-compliance or partial compliance, the details of any alternative mechanism adopted by the company for the purpose of pursuing the same objective of the recommendation.

As mentioned above, REN took the decision to adopt all recommendations laid out in the Corporate Governance Code of the CMVM, approved in 2013.

Therefore, REN hereby declares that it fully adopts all the abovementioned CMVM recommendations on corporate governance matters laid down in said Code, except for Recommendations I.1. (partially), I.2. to I.4 and II.1.4, which are not complied with for the reasons given below.

The chart below identifies CMVM recommendations and individually mentions those that have been fully adopted by REN and those that have not. It also indicates are the chapters in this report where a more detailed description of measures taken for their adoption may be found with the aim of complying with the said CMVM recommendations.

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>I. Voting and Company control I.1. Companies shall encourage shareholders to attend and vote at general meetings, notably by not setting an excessively large number of shares required for the entitlement of one vote and implementing the means necessary to exercise the right to vote by mail and electronically.</p>	<p>Partially adopted (With regard to the exercise of voting rights by electronic means, REN's Articles of Association set forth that shareholders may exercise their voting rights by electronic communication, in accordance with the terms, time and conditions to be defined in the notice to convene. Although REN considers that the participation of shareholders is fully guaranteed at general meetings through correspondence vote and representation mechanisms, the Company considers that electronic voting may provide in the future important flexibility for its shareholders and for this reason included this option in the Articles of Association).</p>	<p>Part 1, Chapter 7.1.2.I.12.</p>

¹¹⁰ 'Chapter' refers to CMVM's Corporate Governance Code.

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>I.2. Companies shall not adopt mechanisms that hinder the approval of resolutions by its shareholders, for instance, setting a resolution-fixing quorum that outnumbers that which is prescribed by law.</p>	<p>Not adopted (The constitutive quorum required at first call, is 51% of capital. Moreover, the quorum for adopting resolutions on changes to the Articles of Association, merger, demerger, transformation or dissolution is two thirds of the votes issued, whether at first or second call. The aim of the mechanisms set out in Article 11(1) and (2) of the Articles of Association is to ensure adequate representation of shareholders in light of the nature of the activities carried out by the Company and its shareholder structure. In accordance with No 3 of the same Article, resolutions on changes relating to Articles 7(A), 12(3) and 11 of the Articles of Association require the approval of three quarters of the votes issued. In summary, the statutory rules in question are best suited to the specificities of the Company, bearing in mind the underlying aim of this recommendation and that is related to a matter which is strictly within the realm of shareholder decision.)</p>	<p>Part 1, Chapters 7.1.2.I.14. and 7.1.3.I.48.</p>

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>I.3. Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each ordinary share, unless duly justified in terms of long-term interests of shareholders.</p>	<p>Not adopted (Article 12(3) of the Articles of Association stipulates that the votes attached to REN shares shall not be counted if issued by any shareholder, on their own behalf or as representative of another shareholder, which exceed 25% of the total votes corresponding to REN's share capital. For this purpose, the rights to vote inherent to REN shares which, pursuant to Article 20(1) of the Portuguese Securities Code, are attributable to them are taken into account. In accordance with Article 12(12) of the Articles of Association, shareholders which, directly or indirectly, exercise control over a company which either produces or sells electricity or natural gas are inhibited to exercise their social rights at any General Meeting with regard to any Company actions, except when ERSE has concluded that no risk of conflict of interest exists. Nevertheless, of Article 12 (3) and (12) of the Articles of Association are the result of legal requirement and/or administrative decision and do not seek to limit voting rights, but rather to ensure the existence of a penalty system for breaching the legal limit on the ownership of the abovementioned shares and compliance with the legal restriction on voting rights by certain entities.)</p>	<p>Part 1, Chapters 7.1.1., 1.2., I.12. e 1.13</p>

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>I.4. Companies' Articles of Association which set out a limitation on the number of votes that may be held or exercised by a sole shareholder, individually or jointly with other shareholders, shall also establish that, at least every five years, the amendment or maintenance of this provision shall be subject to a resolution by the General Meeting – without aggravated quorum requirements vis-à-vis that legally established – and that upon such resolution, all votes cast shall be counted without applying such limitation.</p>	<p>Not adopted (Article 12(3) of the Articles of Association stipulates that the votes attached to REN shares shall not be counted if issued by any shareholder, on their own behalf or as representative of another shareholder, which exceed 25% of the total votes corresponding to REN's share capital. For this purpose, the rights to vote inherent to REN shares which, pursuant to Article 20(1) of the Portuguese Securities Code, are attributable to them are taken into account. In accordance with Article 12(12) of the Articles of Association, shareholders which, directly or indirectly, exercise control over a company which either produces or sells electricity or natural gas are inhibited from exercising their social rights at any General Meeting with regard to any Company's actions, except when ERSE has concluded that no risk of conflict of interest exists. Nevertheless, the abovementioned provisions are the result of legal requirement and/or administrative decision and are not to limit voting rights, but rather to ensure the existence of a penalty system for breaching the legal limit on the ownership of the abovementioned shares and compliance with the legal restriction on voting rights by certain entities. As such, there is no mechanism in the Articles of Association to renew or repeal these statutory rules, as they exist in compliance with legal requirements.)</p>	<p>Part 1, chapter 7.1.1., I.2. e 7.1.1., I.5. e 7.1.2., I.13.</p>
<p>I.5. Measures that require payment or assumption of fees by the Company in the event of change of control or change in the composition of the management body, thus hindering the free transferability of shares and free assessment of the performance of the members of the management body by shareholders, shall not be adopted.</p>	<p>Adopted</p>	<p>Part 1, Chapter 7.1.1., I.4.</p>

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II. Supervision, Management and Monitoring</p> <p>II. 1. Supervision and Management</p> <p>II.1.1. Within the legal limits established, and unless due to the reduced size of the Company, the Board of Directors shall delegate the day-to-day management of the Company. The delegated powers shall be identified in the Company's annual Corporate Governance Report.</p>	Adopted	Part 1, Chapter 7.1.2., II.21.
<p>II.1.2. The Board of Directors shall ensure that the Company acts in accordance with its aims and not delegate its competence, more specifically with regard to: i) the definition of the Company's strategy and general policies; ii) the definition of the Group's corporate structure; iii) decisions that should be considered as strategic due to their value, risk or special characteristics.</p>	Adopted	Part 1, Chapter 7.1.2., II.21.
<p>II.1.3. The General and Supervisory Board, in addition to its supervisory duties, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall set out the requirement for this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved.</p> <p>This body shall also assess compliance with the strategic plan and the implementation of key policies of the Company</p>	<p>Not applicable (This recommendation is not applicable given the corporate governance model adopted by REN)</p>	Part 1, Chapter 7.1.2., II.15.

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II.1.4. Except by virtue of the reduced dimension of the Company, the Board of Directors and the General and Supervisory Board, depending on the corporate governance model adopted, shall create the necessary committees in order to:</p> <p>a) Ensure competent and independent assessment of the performance of executive directors and their overall performance, as well as that of the different existing committees;</p> <p>b) Reflect on the system structure and governance practices adopted, verify their effectiveness and propose to the competent bodies, measures to be implemented with a view to their improvement.</p>	Adopted	Part 1, Chapter 7.1.2., II.27.
<p>II.1.5. The Board of Directors or the General and Supervisory Board, depending on the applicable model, should set goals in terms of risk-taking and create control systems to ensure that the risks effectively incurred are consistent with those goals.</p>	Adopted	Part 1, Chapters 7.1.3., III.50 to III.55.
<p>II.1.6. The Board of Directors shall include a number of non-executive members ensuring the effective ability to supervise, monitor and assess the activity of the remaining members of the board.</p>	Adopted	Part 1, Chapter 7.1.2., II.18.

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float.</p> <p>The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as per the law in force. Regarding other members of the Board of Directors, these are considered independent if they are not associated with any specific group of interests in the Company nor are under any circumstance likely to affect an exempt analysis or decision, notably due to:</p> <p>a) Having been an employee at the Company or at a company in a controlling or group relationship within the last three years;</p> <p>b) Having, in the past three years, provided services or established a commercial relationship with the company or company with which it is in a controlling or group relationship, either directly or as a partner, board member, manager or director of a legal person;</p> <p>c) Being paid by the company or by a company with which it is in a control or group relationship in addition to the remuneration arising from performing the duties of a board member</p> <p>d) Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are direct or indirect holders of qualifying holdings;</p> <p>e) Being a qualifying shareholder or representative of a qualifying shareholder.</p>	Adopted	Part 1, Chapter 7.1.2., II.18.
<p>II.1.8. Directors performing executive duties, when so requested by other corporate body members, shall provide any information requested by them in a timely and appropriate manner.</p>	Adopted	Part 1, Chapters 7.1.2., II.18. and 23.

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II.1.9. The Chairman of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chairman of the Board of Directors, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, the Chairman of the General and Supervisory Board and the Chairman of the Financial Matters Committee, the notices to convene and minutes of the relevant meetings.</p>	Adopted	Part 1, Chapter 7.1.2., II.18. and II.23.
<p>II.1.10. If the chairman of the management body carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that they can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.</p>	Adopted	Part 1, Chapter 7.1.2., II.18.
<p>II. 2. Supervision II.2.1. Depending on the applicable model, the Chairman of the Supervisory Board, Audit Committee and the Financial Matters Committee shall be independent in accordance with legal criteria and be appropriately qualified to carry out his or her duties.</p>	Adopted	Part 1, Chapter 7.1.2., II.18.
<p>II.2.2. The supervisory body shall be the main representative of the External Auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing its remuneration and ensuring that the proper conditions for the provision of services are provided within the company.</p>	Adopted	Part 1, Chapters 7.1.2., III.38 and 7.1.2., V. 45.
<p>II.2.3. The supervisory board shall assess annually the External Auditor and propose to the competent body its dismissal or termination of the contract for the provision of its services when there is a just cause for said purpose.</p>	Adopted	Part 1, Chapter 7.1.2., V. 45.
<p>II.2.4. The supervisory body shall assess the functioning of the internal control and risk management systems and propose the adjustments that may be deemed necessary.</p>	Adopted	Part 1, Chapters 7.1.2., III.38. and 6.1.3., III.50.

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II.2.5. The Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the Company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential illegalities.</p>	Adopted	Part 1, Chapters 7.1.3., III.51.
<p>II. 3. Setting of remuneration II.3.1. All members of the Remunerations Committee, or equivalent, shall be independent in regard to the executive members of the management body and such committee shall include, at least, one member with know-how and experience in remuneration policy matters.</p>	Adopted	Part 1, Chapters 7.1.4., II.67. and 68.
<p>II.3.2. Any natural or legal person which provides or has provided, over the past three years, services to any structure reporting to the management body, or to the management body of the Company or that has a current relationship with the Company or a consultant to the Company, shall not be engaged to assist the Remunerations Committee on the performance of its duties. This recommendation also applies to any natural or legal person which has an employment or a services agreement with the abovementioned persons.</p>	Adopted	Part 1, Chapter 7.1.4., II.67

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>II.3.3. The declaration on the remuneration policy of the management and supervisory bodies referred to under Article 2 of Law No 28/2009 of June 19 2009, shall also, contain information on:</p> <p>a) Identification and details of the criteria for determining the remuneration to be paid to the members of the corporate bodies;</p> <p>b) Information on the maximum potential amount, in individual terms, and the maximum potential amount, in aggregate form, to be paid to members of corporate bodies, and identification of the circumstances whereby these maximum amounts may be payable;</p> <p>d) Information on the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.</p>	Adopted	Part 1, Chapter 7.1.4., III.69.
<p>II.3.4. A proposal shall be submitted to the General Meeting on the approval of plans for the allocation of shares, and/or stock options or based on variations in share price, to members of the corporate bodies. The proposal shall contain all the necessary information for the proper evaluation of the plan.</p>	Not applicable	Part 1, Chapter 7.1.4., VI.85.
<p>II.3.5. Approval of any retirement benefit scheme established for members of corporate bodies shall be submitted to the General Meeting. The proposal shall contain all the necessary information for the proper evaluation of the system.</p>	Not applicable	Part 1, Chapter 7.1.4., III.69.
<p>III. Remuneration</p> <p>III.1. The remuneration of the executive members of the management body shall be based on actual performance and shall discourage taking on excessive risk.</p>	Adopted	Part 1, Chapters 7.1.4., III.69, III.70, and III.70.
<p>III.2. The remuneration of non-executive members of the management body and the remuneration of the members of the supervisory body shall not include any component which value depends on the performance of the Company or of its value.</p>	Adopted	Part 1, Chapters 7.1.4., III.69., III.70. and IV.77.

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>III.3. The variable component of the remuneration shall be globally reasonable vis-à-vis the fixed component, and maximum limits shall be set out for all components.</p>	Adopted	Part 1, Chapters 7.1.4.III. 69., 70. and 71.
<p>III.4. A significant part of the variable remuneration shall be deferred for a period of no less than three-years and the right to its payment shall depend of the Company's steady positive performance during said period.</p>	Adopted	Part 1, Chapters 7.1.4., III. 72,
<p>III.5. Members of the management body shall not enter into contracts, either with the Company or with third parties, which have the effect of mitigating the risk inherent to the variability of the remuneration established for them by the Company.</p>	Adopted	Part 1, Chapters 7.1.4., III.73,
<p>III.6. Until the end of their term of office, the Executive Directors shall hold the Company shares that were allocated to them by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, with the exception of those shares that are required to be sold for the payment of taxes on the gains of said shares.</p>	Not applicable	Part 1, Chapters 7.1.4., III.73,
<p>III.7. When the variable remuneration includes stock options, the beginning of the exercise period shall be deferred for a period of no less than three years.</p>	Not applicable	Part 1, Chapters 7.1.4., III.69. and III.74.
<p>III.8. When the removal of a director is not due to serious breach of his duties nor to this unfitness for the normal exercise of his functions, but is yet due to inadequate performance, the company shall be endowed with the adequate and necessary legal instruments so that any damages or compensation, beyond that which is legally due, is unenforceable</p>	Adopted	Part 1, Chapter 7.1.4., V.83
<p>IV. Auditing IV.1. Within the scope of its duties, the External Auditor shall verify the implementation of the remuneration policies and systems for corporate bodies, the effectiveness and functioning of the internal control mechanisms and report any deficiencies to the Company's supervisory body.</p>	Adopted	Part 1, Chapters 7.1.2., III.38 and 7.1.3., III.50.

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
<p>IV.2. The Company or any entities with which it maintains a controlling relationship shall not engage the External Auditor or any entities in a group relationship with said External Auditor or which are part of the same network, for services other than audit services. Should there be reasons for the engagement of such services – which shall be approved by the supervisory body and explained in the annual Corporate Governance Report, such services shall not exceed 30% of the total value of the services provided to the Company.</p>	<p>Adopted</p>	<p>Part 1, Chapter 7.1.2., V.46 and 7.1.2., V.47</p>
<p>IV.3. Companies shall promote the rotation of the auditor at the end of two or three terms of office, as they respectively are of four or three years. Their continuance beyond this period shall be grounded on a specific opinion of the supervisory body, which shall expressly consider the auditor's independence conditions and the advantages and costs arising out of its replacement.</p>	<p>Adopted</p>	<p>Part 1, Chapter 7.1.2., V.44.</p>
<p>V. Conflicts of interests and transactions with related parties V.1. Deals entered into between the Company and qualifying shareholders, or with entities in a relationship with such shareholders as set out in Article 20 of the Portuguese Securities Code, shall be carried out under normal market conditions.</p>	<p>Adopted</p>	<p>Part 1, Chapter 7.1.5., II.92.</p>
<p>V.2. The supervisory or monitoring body shall establish procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying holdings - or entities with which they are in any of the relationships described in Article 20(1) of the Portuguese Securities Code. Completion of a significantly relevant business is dependent upon prior opinion of that body.</p>	<p>Adopted</p>	<p>Part 1, Chapters 7.1.1., II.10 and 7.1.5., I.89.</p>
<p>VI. Information VI.1. Companies shall provide, their websites, in both Portuguese and English, access to information on their progress as regards the economic, financial and governance state of play.</p>	<p>Adopted</p>	<p>Part 1, Chapter 7.1.3., V.59. to V.65.</p>

RECOMMENDATION / CHAPTER ¹¹⁰	INDICATION ON THE ADOPTION OF THE RECOMMENDATION	CHAPTER OF THE REPORT
VI.2 Companies shall ensure the existence of an investor support permanent contact with the market office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing, shall be kept.	Adopted	Part 1, Chapter 7.1.3., IV.56. to IV.58.

3. OTHER INFORMATION

The company shall provide any additional information which, not covered by the previous points, is relevant for understanding the governance model and practices implemented.

In relation to 2017, for the purpose of paragraph r) of Article 245-A of the Securities Code, it should be highlighted that REN has in force (i) a Code of Conduct for the REN Group, which establishes a rule of equal treatment and non discrimination, in particular, based on race, gender, age, physical disability, sexual orientation, political views or religious beliefs; and (ii) a “Plan for Gender Equal Treatment” applicable to the REN Group. In addition, in this respect, REN also endorsed, in 2015, the compromise agreement with the Portuguese Government for gender equality in the corporate bodies of listed companies.

REN initiated a work of evaluation of the implementation of an integrity policy of the REN Group, aiming to establish the principles of action and duties of the companies of the Group, and respective employees, combat and prevent the illicit actions, namely corruption, money laundering, terrorism financing, and to promote the ethics, integrity and transparency in the businesses performed.

REN is not in the possession of any other additional information which is relevant for understanding the governance model and practices implemented.

ANNEX

In 2017, REN was notified of the following transactions in financial instruments by members of its corporate bodies, which were relevant for the purposes of Article 14 of CMVM Regulation 5/2008 and Article 447 of the Securities Code:

The Chairman of the Audit Committee and member of the Board of Directors of REN, Mr. Manuel Ramos de Sousa Sebastião, carried out the following transactions with regard to REN shares:

TYPE OF TRADE	PLACE	QUANTITY	PRICE (€)	DATE OF TRADE
Purchase	Euronext Lisbon	2,041	1,877	07/12/2017
Purchase	Euronext Lisbon	950	2.44	13/12/2017
Purchase	Euronext Lisbon	10,009	2.44	13/12/2017
Purchase	Euronext Lisbon	10,000	2.41	14/12/2017

Fidelidade – Companhia de Seguros, S.A. (Fidelidade) qualified shareholder and entity related to Jorge Manuel Baptista Magalhães Correia, member of the REN Board of Directors carried out the following transactions with regard to REN shares:

TYPE OF TRADE	PLACE	QUANTITY	PRICE (€)	DATE OF TRADE
Purchase	Euronext Lisbon	1,021	2,603	13/02/2017
Purchase	Euronext Lisbon	827	2,603	13/02/2017
Purchase	OTC	7,063,428	1,877	07/12/2017