

Item 7 of the agenda

(corresponds to the previous Item 1 of the agenda)

Resolve on the introduction of a new article 7-A of REN's by-laws

**REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.
GENERAL SHAREHOLDERS MEETING**

PROPOSAL OF RESOLUTION

Whereas:

- a) The by-laws of REN – Redes Energéticas Nacionais, SGPS, S.A. (REN) currently in force do not determine the situations of incompatibility with the exercise of functions on corporate bodies;
- b) The envisaged circumstances, by virtue of its strategic and long-term nature, justify that, on the by-laws' level, the regulation, in REN's by-laws, of the referred incompatibilities regime.
- c) As such, it is adequate to the corporate interest of the company to introduce in REN's by-laws the incompatibilities regime in what concerns the exercise of functions on corporate bodies, by the introduction of a new article 7-A.

It is hereby proposed that the Shareholders approve the following resolution:

Introduce a new article 7-A of REN's by-laws, which shall read the following:

- «1. Notwithstanding mandatory legal provisions, and not taking into account the provisions in numbers 3 and 4 of this article, the exercise of functions in any governing body of the company is incompatible with:
 - a) the status of legal person which is in a situation of potential conflict of interests with REN or any company in a control or group relationship with the latter;
 - b) the status of an individual or legal person related to the legal person in a situation of potential conflict of interests with REN;
 - c) the exercise of functions, of any nature or kind, notably by appointment to a company office, by an employment contract or by a rendering of services agreement, by a legal person in a situation of potential conflict of interests with REN or legal person related to the legal person in a situation of potential conflict of interests REN;
 - d) the appointment, even if not formally, for a member of a governing body of the company by a legal person in a situation of potential conflict of interests with REN, or an individual or legal person related to the legal person in a situation

Item 7 of the agenda

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of potential conflict of interests with REN.

2. For these purposes, a legal person is deemed to be a legal person in a situation of potential conflict of interests with REN whenever it operates, directly or indirectly, in the energy or natural gas sector, whether in Portugal or abroad.
3. For the abovementioned purposes, a legal person is deemed to be a legal person in a situation of potential conflict of interests with REN whenever it participates or is participated, directly or indirectly, in at least 10% of the share capital or voting rights of a company which operates in the energy or natural gas sector, whether in Portugal or abroad.
4. For the abovementioned purposes, an entity is deemed to be a person related to a legal person in a situation of potential conflict of interests with REN:
 - a) whenever its voting rights are attributed to the latter, in accordance with article 20 of the Securities Code or any provision that may amend it or replace it;
 - b) whenever it, directly or indirectly, holds in a legal person in a situation of potential conflict of interests with REN, in a company in a control or group relationship with the latter, as established in article 21 of the Securities Code, or in direct or indirect dependence also of the latter, 10% or more of the voting rights of the participated company.
5. To the extent allowed by the law, the incompatibility set forth in the previous numbers is not applicable to legal persons in a situation of potential conflict of interests with REN in which the foregoing holds an interest equal or greater than 50% of the respective share capital or voting rights, or to the individuals which exercise functions of any nature or kind, or are appointed, even if not formally, in those legal persons in a situation of potential conflict of interests with REN, when the appointment in a company office of a legal person in a situation of potential conflict of interests with REN or the agreement with legal person in a situation of a potential conflict of interests with REN have been made upon instructions of REN or company under its control.
6. Notwithstanding the provisions in numbers 7 and 8, the incompatibilities alluded to in the previous numbers may not apply to the exercise of functions as a member of the board of directors, to the extent allowed by the law, by means of an authorization given by a resolution taken by:
 - a) majority of the votes cast in the general meeting that resolves on the appointment, if the member is related to a legal person in a situation of potential conflict of interests with REN which holds more than 10% of REN's share capital;
 - b) two thirds of the votes cast in the general meeting that resolves on the appointment, if the member is related to a legal person in a situation of potential conflict of interests with REN which holds more than 10% of the share capital of REN, except when that legal person is, individually, the owner of shares representing a maximum of 15 % of REN's share capital, no more than 15% of the voting rights in the share capital of REN are attributed to it, directly or through a legal person in a control or group relationship, and enters into and maintains with any of the former a strategic partnership agreement for business

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cooperation, in the medium or long run, in the energy transmission sector, transport or underground storage of natural gas or the reception, storage, and regasification of liquefied natural gas, approved in accordance with applicable law and by laws by the board of directors, in which case it will not be deemed to be a competing legal person or in a situation of a potential conflict of interests with REN, being, in such circumstances, exempted to request the General Meeting's prior approval.

The situation of a potential conflict of interests with REN must be referred to expressly and precisely identified in the appointment proposal, and the resolution of authorization may be subject to conditions, notably the upholding of the limits established in sections a) and b).

7. The member of the board of directors appointed in accordance with number 6 of this article, unless appointed as per the exceptions in the final part of section b) of the aforementioned number or number 10, may not attend or participate in meetings, or parts of meetings, in which matters that are sensitive or pose risk to the company are discussed, notably matters which focus on markets in which there are potential conflict of interests with REN, and may not have access to information in the aforementioned matters. The board of directors shall ensure that this provision is complied with, and may decide on the qualification of the concept of matters which are sensitive or pose risk to the company.
8. Besides what is established in these articles of association, rules issued by statutes and regulations aimed at preventing an intervention in case of a situation of conflict of interests shall always be applicable.
9. The provision in number 7 of this article shall also be applicable to the members of special committees created by governing bodies which are not members of the latter, and relative to which, if they were, an incompatibility set forth in this article would arise.
10. A shareholder shall not be deemed to be a competitor or in a situation of a potential conflict of interests, whenever it individually, holds between 24% and 25% of REN's share capital and, directly, or through a legal person in a control relationship, enters into and maintains a strategic partnership agreement for industrial cooperation, in the medium or long run, in the energy transmission sector, transport or underground storage of natural gas or the reception, storage, and regasification of liquefied natural gas, approved in accordance with applicable law and by laws by the board of directors, being, in such circumstances, exempted to request the General Meeting's prior approval.
11. The legal persons encompassed by the carve-out of section b) in number 6 and number 10 may freely, without the request for prior approval of the General Meeting, appoint an individual for the exercise of functions as a governing body of a legal person in a situation of potential conflict of interests with REN, rendering the incompatibility established in section c) of number 1 of this article inapplicable.»

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Separatly, it is presented a consolidated version with new page numbers of REN's by-laws, which reflects the amendment in the current proposal and the proposals in items 2, 3 and 4 of the agenda, is enclosed.

Lisbon, February 21, 2012

The Shareholders

Parública – Participações Públicas (SGPS), S.A.

EGF - Gestão e Consultoria Financeira, S.A.

Gestmin, SGPS, S.A.

Oliren, SGPS, S.A.