



REN - REDES ENERGÉTICAS NACIONAIS, S.G.P.S., S.A. - Listed Company
Registered Office: Avenida dos Estados Unidos da América, no. 55, Lisbon
Legal Entity number 503264032 registered with the Commercial Registry Office under the
same number
Share Capital: 534,000,000 Euro

PROPOSAL OF RESOLUTION

ITEM 2 OF THE AGENDA OF THE ANNUAL GENERAL MEETING DATED OF APRIL 15, 2011

Pursuant to the annual financial statements of REN - Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter "REN") referring to the financial year ended on December 31, 2010, the net profits ascertained in the consolidated accounts in IFRS was of € 110,265,128.06 (one hundred and ten million, two hundred and sixty five thousand and one hundred and twenty eight euro and six cent), and in the individual accounts according to the SNC was of € 107,276,571.70 (one hundred and seven million, two hundred and seventy six thousand and five hundred and seventy one euro and seventy cent) .

By virtue of the above and within the terms and for the purposes of paragraph 1 of Article 28 of REN's Articles of Association and of Articles 31 to 33, subparagraph f) of paragraph 5 of Article 66, Articles 294 and 295 and paragraph 2 of Article 376 all of the Portuguese Companies Code, the Board of Directors hereby proposes that the individual net results for the 2010 financial year, in the above amount of € 107,276,571.70 (one hundred and seven million, two hundred and seventy six thousand and five hundred and seventy one euro and seventy cent) , be allocated as follows:

- To legal reserve - € 5,363,828.59 (five million, three hundred and sixty three thousand, eight hundred and twenty eight euro and fifty and nine cent);
- To dividends - € 89,712,000 (eighty nine million, seven hundred and twelve thousand euro) corresponding to an allocation of 81.36% of the REN's consolidated profit in the 2010 financial year which amounts to 110,265,128.06 (one hundred and ten million, two hundred and sixty five thousand and one hundred and twenty eight euro and six cent), which corresponds to the allocation of a gross dividend per share of €0.168;
- To free reserve - the amount of € 12,200,743.11 (twelve million, two hundred thousand, seven hundred and forty three euro and eleven cent).

Lisbon, March 16, 2011

The Board of Directors of
REN - Redes Energéticas Nacionais, S.G.P.S., S.A.

*English Translation
For information purposes only*



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**ITEM 3 OF THE AGENDA OF THE ANNUAL GENERAL MEETING
DATED OF APRIL 15, 2011**

Whereas:

- A) Sub-paragraph c) of paragraph 1 of Article 376 and paragraph 1 of Article 455 of the Portuguese Companies Code sets out an obligation for the general assessment of the management and supervision of REN - Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter "REN" or the "Company") by the Annual General Meeting;
- B) The Board of Directors of REN has evidenced a remarkable performance of its functions of coordination, guidance and execution of the corporate business and activities throughout the financial year of 2010;
- C) The aforementioned performance is laudable and worthy of particular note namely considering the specially adverse economic and financial conditions of the market which characterized and conditioned the conducting of the corporate activity during the 2010 period;
- D) The diligent, professional and committed manner in which the Audit Committee and the Statutory Auditor of REN fulfilled their duties during the abovementioned 2010 financial year is also notable and contributed positively to the mentioned good performance.

Therefore, a proposal is made to the Annual General Meeting of REN for the approval of:

- 1. A vote of favorable appraisal and praise to the Board of Directors of the Company for the performance of its management duties during the financial year of 2010;
- 2. A vote of favorable appraisal and praise to the Audit Committee of the Company for the performance of its supervisory duties during the financial year of 2010;



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3. A vote of favorable appraisal and praise to the Statutory Auditor of the Company for the performance of its duties during the financial year of 2010.

Lisbon, March 16, 2011

The Shareholders,

CAPITALPOR - PARTICIPAÇÕES PORTUGUESAS, SGPS, SA

PARPÚBLICA - PARTICIPAÇÕES PÚBLICAS, SGPS, SA

Logoplaste, Gestão e Consultoria Financeira, S.A.

Gestmin, SGPS, S.A.

Red Eléctrica Corporación, S.A.

OLIREN, SGPS, S.A.



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**ITEM 4 OF THE AGENDA OF THE ANNUAL GENERAL MEETING
DATED OF APRIL 15, 2011**

Whereas:

- A) Pursuant to paragraph 2 of Article 5 of the Articles of Association of REN - Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter “REN” or “Company”), *“the Company may acquire, hold and sell own shares, under the terms permitted by law and within the limits set out therein”*;
- B) In compliance with the provisions of Articles 319 and 320 of the Portuguese Companies Code, the acquisition and sale of own shares is subject to approval by the General Meeting;
- C) It is convenient to comply with the good practices recommended by Regulation (EC) no. 2273/2003 of the Commission, dated of December 22, which implemented a special regime comprising, namely, exemption requirements of the general regime for market abuse for certain programs of repurchase of own shares, which should be complied with even though outside the scope of acquisitions integrated in such programs;
- D) In accordance with the mentioned legal provisions, REN is interested in retaining the benefit of the possibilities inherent to the acquisition and sale of own shares, namely considering the carrying out of the corporate objectives;
- E) Such interest also exists as regards REN’s subsidiaries.

The following resolutions are proposed for approval by the General Meeting of REN:

1. Approval of the acquisition of own shares by REN and/or by its subsidiary companies, current and/or future, including rights to their acquisition or allocation, subject to the resolution of the Board of Directors of the acquiring company, under the following terms:



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- a) **Maximum number of shares to be acquired:** up to the limit corresponding to 10% (ten per cent) of the respective share capital, with deduction of the performed sales, without prejudice to the exceptions set out in paragraph 3 of Article 317 of the Portuguese Companies Code;
- b) **Period during which the acquisition may be performed:** eighteen months following the date of the present resolution;
- c) **Forms of acquisition:** subject to the mandatory terms and limits set out by law, the acquisition of shares or the acquisition or allocation of share rights shall be performed, with consideration, in any form, in regulated markets or outside the same, by a negotiable proposal or public offer, always in observance with the principle of equal treatment of shareholders as provided for by law, to entities appointed by the management body, in particular financial institutions with which the company has entered equity swap agreements or other similar financial derivative instruments; or acquisition by any title in compliance with an obligation arising out of the law or agreement (including contractual binding to the execution of the company's shares allocation plan), conversion or exchange of convertible or exchangeable securities, issued by the respective company, under the terms of the respective issuance conditions or of the agreements entered into in relation with such conversion or exchange;
- d) **Minimum and maximum consideration for the acquisitions:** the acquisition price shall have as maximum and minimum limits, respectively, 115% and 85% of the weighted average of the daily quotations at closing of the Company's shares in the last 10 sessions of the Eurolist by Euronext Lisbon immediately prior to the date of acquisition or of constitution of the acquisition or allocation share rights, or it shall correspond to the price of acquisition resulting from the executed financial instruments, of the issuance terms, performed by REN or its subsidiary company, of securities



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convertible to, or exchangeable into, shares of REN, or agreements entered into in relation to such conversions or exchanges;

- e) **Time of acquisition:** to be determined by the Board of Directors of REN, in light of capital market conditions and the convenience or obligations of REN, of its subsidiary or of the acquirer(s), being executed once or more times in the proportions determined by the respective management body.
2. Approval of the sale of own shares that may have been acquired, subject to the resolution of the management body of the selling company, according to the following terms:
- a) **Minimum number of shares to be sold:** the number corresponding to the minimum lot that, at the moment of sale, is legally determined for the Company's shares or the minimum amount that is sufficient for the compliance of the undertaken obligations, arising from the law, the agreement or the issuance of other securities;
 - b) **Period during which the sale may be performed:** eighteen months following the date of the present resolution;
 - c) **Forms of sale:** subject to the mandatory terms and limits foreseen by law, the sale of shares or the acquisition or allocation of share rights shall be performed, with consideration, in any form, namely through the sale or exchange, by negotiable proposal or public offer, always in observance with the principle of equal treatment of shareholders as provided for by law, in regulated markets or outside the same, to entities appointed by the management body, in particular financial institutions with which the company has entered into equity swap agreements or other similar financial derivative instruments; or when resolved within, or in connection with a proposal for allocation of or distribution of reserves in kind, without prejudice to the observance of the applicable terms and conditions in the event of a sale in compliance with obligations or arising from the issuance of other securities by REN or its subsidiary company, or



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from agreements related to such issuance, or contractual binding to the execution of the Company's shares allocation plan;

- d) **Minimum sale prices:** compensation shall not be inferior to 85% of the weighted average in Eurolist by Euronext Lisbon of the shares to be sold during the 10 sessions of the regulated market immediately prior to the sale, , or the consideration shall correspond to the stipulated price or result from the terms and conditions of issuance of other securities, namely convertible or exchangeable securities, or of the agreement entered into in relation with such issuance, conversion or exchange, when the sale is arising there from;
- e) **Time of sale:** to be determined by the Board of Directors of REN, in light of capital market conditions and the convenience or obligations of REN, of its subsidiary or of the seller(s), being executed once or more times in the proportions determined by respective management body.

3. Approval of the communication of the following practices in relation to the acquisition and sale of own shares under the authorisations granted under the terms of the previous numbers, to the Board of Directors of REN, albeit indicatively and without prejudice to its freedom of decision and action regarding the resolutions mentioned in numbers 1. and 2. above, that it takes into consideration, in accordance with the circumstances deemed as relevant and without prejudice to the observance and compliance of the legal provisions set forth in the Portuguese Securities Code and in the Portuguese Securities Market Commission ("CMVM") regulations ,:

- a) Public disclosure, prior to the beginning of the acquisition and sale transactions of own shares, of the content of the authorisation provided for in numbers 1. and 2. above, in particular, its purpose, maximum consideration for its acquisition, the maximum number of shares to be acquired and the authorized period for such purpose;
- b) Keeping of a record of each performed transaction within the scope of the previous authorisations;



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- c) Public disclosure of the performed transactions, no later than the end of the seventh day of the trading session subsequent to the date of execution of such transactions;
- d) Execution of the transactions in conditions of timing, form and quantity that do not disturb the regular operation of the market, namely seeking to avoid its execution in sensitive moments of trading, in particular, in the opening and closing of the session, in moments of disturbance of the market and in moments close to the disclosure of privileged information, including the disclosure of profits;
- e) Realizing the acquisitions at a purchase price not higher than the highest of the last independent transaction and of the independent offer of the highest amount at the time of the acquisition in the Eurolist by Euronext Lisbon;
- f) Where such purchases are made through derivatives instruments, their exercise price should not be higher than the highest of the last independent transaction and the current independent offer of the greatest amount;
- g) Restriction of the acquisitions to 25% of the average daily trading volume, or to 50% of such volume with communication to the competent authority and disclosure to the market;

Lisbon, March 16, 2011

The Board of Directors of
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**ITEM 5 OF THE AGENDA OF THE ANNUAL GENERAL MEETING
DATED OF APRIL 15, 2011**

1. Under the terms of paragraph 1 of Article 2 of the Law 28/2009 of June 18, the managing body or the remuneration committee, if any, shall annually submit to the approval of the General Meeting a statement on the remuneration policy for the members of the management and supervisory bodies.
2. In turn, Recommendation II.1.5.2. of the Code of Corporate Governance approved in 2010 by the Portuguese Securities Market Commission (“CMVM Recommendations”), recommends that the statement referred to in the preceding paragraph should also contain the additional information described thereto, particularly in relation to the benchmarking used to fix the remuneration as well as any payments relating to dismissal or termination by agreement of the offices of directors;
3. Under the terms of Article 26 of the Articles of Association of REN - Redes Energéticas Nacionais, SGPS, S.A. (“REN” or the “Company”), the Remuneration Committee of REN is competent and responsible for determining the fixed and variable remunerations of each of the directors, as well as determining the remuneration to be attributed to the members of other corporate bodies.
4. Under the applicable legal and statutory terms, the Remuneration Committee was appointed by the General Meeting on March 15, 2010, being composed by three members which are independent in regard to the members of the managing and supervisory bodies of REN and with adequate experience regarding remuneration issues.
5. Therefore, on the one hand, in the interest of transparency and legitimacy of the fixing of remuneration and, on the other hand, for purposes of compliance with the legal and recommendatory provisions described above, the Remuneration Committee submits to the appraisal of the annual General Meeting, the following declaration on the



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remuneration policy, which terms were subject to prior resolutions of this Committee.

Accordingly, considering that:

(i) The present economic and financial situation has motivated significant legislative, regulative and recommendatory amendments regarding, *inter alia*, the remuneration of corporate bodies members, which affect REN in its strands of, on the one hand, a company issuer of shares admitted to trading and, on the other hand, a company of the corporate sector of the State;

(ii) We highlight, due to its importance and impact on the remuneration policy of REN, the following instruments:

(a) As an issuer of shares admitted to trading, REN is subject to Law 28/2009 and to Regulation 1/2010 of CMVM as well as to CMVM's Recommendations;

(b) On the other hand, as a company of the corporate sector of the State, the Company is subject to (i) Council of Ministers Resolution 49/2007 of March 28, regarding the principles of corporate governance, and (ii) the Dispatch 11420/2009 of May 11, which develops that Resolution in what concerns to remuneration matters:

(c) Due to the implemented exceptional measures of budgetary consolidation, temporary restrictions on the remuneration of members of its corporate bodies are applicable to REN, particularly, Law 12-A/2010 of June 30, Dispatch 5696-A/2010 of March 29 and Law 55-A/2010 of December 31.

(iii) REN intends to adopt a transparent and fair system regarding remuneration, which, on one hand, respect the restrictions applicable to the public sector and, on the other hand, remaining flexible to adopt CMVM's Recommendations, including the remuneration based on the positive performance and aligned with the strategic objectives of the Company, once it ceases to be subject to those restrictions.

Based on the grounds presented herein, the remuneration policy to the members of the management and supervisory bodies of REN, in the financial years of 2010 and 2011, follows the subsequent principles and rules:



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1. Fixed component of Director's remuneration and plans of options and shares

The Remuneration Committee shall determine the value of the fixed component of the members of the management body of REN remuneration, taking into account (i) the policies pursued on other companies of the sector, including other domestic issuers, as well as (ii) to its European counterparts, save from the different characteristics and dimensions of the relevant companies.

Given the current economic and financial situation, without prejudice of temporary reductions on the remunerations provided for on Law 12-A/2010 and Law 55-A/2010, the fixed remunerations will be maintained under the terms fixed on the previous term, as decided by the Remuneration Committee.

Non executive director's remuneration is exclusively composed by a fixed component, not being connected to the performance or value of REN, meeting the applicable recommendation on this matter. Their remuneration is paid in twelve fees during the year, in cash.

The remuneration of Company's Directors does not include any mechanism of allocation or acquisition of shares or any other options or rights over company's shares or its affiliates.

2. Remuneration of the members of the Executive Committee

a) General principle

Notwithstanding the mentioned on c) below, it is intended that the remuneration of the members of the Executive Committee is composed by a fixed component, paid in twelve monthly payments during the year, and by a variable component. There should be an adequate proportionality between both components as well as the establishment of a maximum limit for each one.



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The remuneration of the members of the Executive Committee is mainly determined based on four general criteria: (i) competitiveness, taking into account the practices of the Portuguese market; (ii) fairness, being that the remuneration practice must be based on uniform, consistent, fair and balanced criteria; (iii) performance evaluation, in accordance with the functions and level of responsibility of each person and with the assumption of adequate levels of risk and compliance with rules governing the activities of REN; and (iv) the alignment of Director's interests with the Company's interests and its sustainability and wealth creation in the long term.

b) Variable component

The annual value of the variable component of the members of the Executive Committee remuneration is limited to an amount equal to six months of the fixed component of the remuneration and is based on an evaluation of its members, which considers key performance indicators on an individual and corporative basis and it is carried out after the approval of each financial year's accounts.

Moreover, this value is calculated based on technical study and a model including parameters and the grid to be applied in accordance with the adoption of pre-defined strategic objectives, individually tailored for each Director, both on a corporate level as at an individual level, respecting, in particular, the verification of the following performance evaluation criteria:

- (i) the creation of shareholder value;
- (ii) the efficiency and the level of the results obtained;
- (iii) uninterruptedness of electricity and gas services;
- (iv) the development of non regulated businesses and the respective pro-rata increase in the consolidated results;
- (v) the maintenance and development of a favorable image and corporate reputation;
- (w) demonstration of long-term sustainability.

The abovementioned criteria are mechanisms intended to promote a proper alignment with medium and long term interests of the Company and



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shareholders and shall be determined for all financial years regardless the existence of variable remuneration.

The variable component of the remuneration of the Executive Committee members, when and if determined, will be paid in two stages:

(i) 50% after the approval of the respective financial year's accounts;

and

(ii) the remaining 50% will be deferred for a period of 3 years and will be dependent on the continued positive performance of REN over this period. The payment must be preceded by a new resolution of this Committee.

c) Exceptional restrictions on the remuneration by a variable component

Considering the prohibition on the remuneration of management body members with variable remunerations regarding performance, set out on Dispatch 5696-A/2010 and Article 29 of Law 55-A/2010, the Remuneration Committee, similarly to what was determined for the financial year of 2009, does not forecasts the allocation of any variable remuneration or management bonuses for the financial year of 2010.

3. Term of office

In the event of term of office of management functions by agreement or by dismissal without fair grounds ("*justa causa*"), no indemnification will be paid if the term of office or dismissal is due to inadequate performance of the Director.

4. Remuneration of supervisory bodies members

Taking into account the nature of their duties, as well as the rules in force in this regard, the members of the Audit Committee receive a fixed remuneration, which is paid in twelve monthly payments during the year. Such remuneration shall be fixed based on the criteria described in 1.



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The Company's Statutory Auditor will be remunerated under the terms and conditions agreed on the services agreement entered into between the Statutory Auditor and REN, according to the market practices and to the legal and regulatory framework.

Lisbon, March 16, 2011

THE REMUNERATION COMMITTEE

(José Emílio Castelo Branco)

(Francisco Manuel Marques Bandeira)

(José Alexandre Oliveira)



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**ITEM 6 OF THE AGENDA OF THE ANNUAL GENERAL MEETING
DATED OF APRIL 15, 2011**

Whereas:

- A) Particularly since 2006, at the time of the publication of Decree-Law no. 76-A/2006, dated March 29, which substantially amended the Portuguese Companies Code, major changes were introduced to the Portuguese legal framework concerning the governance of listed companies whose issued securities are admitted to trading on a regulated market;
- B) On May 19, 2010, Decree-Law no. 49/2010, dated May 19, was published thereby transposing into the national legal framework the Directive no. 2007/36/EC, of the European Parliament and Council, dated July 11, 2007, regarding the exercise of certain rights of shareholders of listed companies;
- C) In particular, the aforesaid Decree-Law no. 49/2010 introduced the record date rule and the prohibition of shares blockage, stipulating that the rights of participation and voting in a general meeting are to be determined in accordance to the number of shares held on the indicated record date;

Therefore, the aim is to promote a number of amendments to the Articles of Association of REN - Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter "Company" or "REN") deemed as necessary or advisable for their clarification and adjustment to the current requirements. As so, we hereby propose to the Annual General Meeting of REN the approval of the partial amendment of the Articles of Association of REN, as follows:

1. Paragraph 2 of Article 2 shall adopt the following new wording:

"2. The board of directors may resolve on the relocation of the company's registered offices to any place within the national territory, as well as opening or closing of agencies, branches, delegations or any



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other form of corporate local representation of the company, in national and/or foreign territory.”

2. Paragraphs 5 and 7 to 9 of Article 12 shall adopt the following new wording, with further addition of the following paragraph 10 of said Article:

“5. The shareholders may exercise their voting right by mail in relation to each of the items on the agenda, by means of a letter, in which the signature, where the shareholder is a natural person, should be identical to the signature evidenced in the respective identification document and to which a legible copy of the latter should be attached and, where the shareholder is a legal person, the signature of its representative should be recognized in such capacity. The aforesaid letter should be addressed to the Chairman of the Board of the General Meeting, by registered mail with acknowledgment of receipt, and must be received at the registered offices at least until the third business day preceding the date of the General Meeting, save if a different period is indicated in the convening notice”.

“7. The right to participate and vote in the General Meeting is only conferred to the shareholders that, at zero hours (GMT) of the fifth trading day prior to the General Meeting (the "Record Date"), are holders of shares granting them the right to, at least, one vote.

8. The shareholders wishing to participate, personally or through representative, in the General Meeting shall declare such intention, in writing, to the Chairman of the Board of the General Meeting and to the financial intermediary with which they have opened the relevant individual securities account, until the day before the Record Date. This may be done by e-mail.

9. The shareholders referred to in paragraph 7 of this Article shall only be admitted to participate and vote at the General Meeting where they have expressed their intention to participate in such General Meeting pursuant to the terms of the preceding paragraph and whose financial intermediary, with which they have opened the relevant



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individual securities account has submitted to the Chairman of the Board of the General Meeting, until the end of the day corresponding to the Date of Record, information regarding the number of shares registered in its name, with reference to said Record Date, which may be sent by e-mail.

10. The shareholders may be represented by persons with full legal capacity and must communicate the appointment of the representative(s) by written document, addressed to the Chairman of the Board of the General Meeting as provided by law and the convening notice, which may be done by e-mail.”;

3. The paragraphs 8 and 9 are added to Article 19 with the following wording:

“8. The absence of any Director in more than half of the ordinary meetings of the Board of Directors during a financial year, whether consecutive or not, and in relation to which the respective justification is not accepted by the Board of Directors, is considered as a definitive absence of such Director.

9. The definitive absence, as referred to in the preceding paragraph, shall be declared by the Board of Directors, and the replacement of the relevant Director in accordance with the law and this Articles of Association shall be sought.”.

Lisbon, March 16, 2011

The Board of Directors of
REN - Redes Energéticas Nacionais, S.G.P.S., S.A.,



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**ITEM 7 ON THE AGENDA FOR THE ANNUAL GENERAL MEETING
DATED OF APRIL 15, 2011**

Whereas:

- A) By a resolution of Annual General Meeting of REN - Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter the "Company") held on 15 March 2010, Luís Maria Atienza Serna, Filipe Botton, Manuel Carlos Mello Champalimaud and Gonçalo José Zambrano de Oliveira, were elected as members of the respective Board of Directors for the 2010/2012 three-year term of office;
- B) The above mentioned Directors have communicated to the Chairman of the Board of Directors that they intend to resign from the exercise of their respective offices;
- C) It was also communicated that the decision to resign from their offices results from a different understanding about the judgment of the Constitutional Court, which has decided that they were subject to the framework applicable to public sector managers, regardless of their appointment to the Board of Directors of the Company having arisen out of the qualified shareholdings held by the private companies that had indicated them for the said positions;
- D) Thus, the result of this is that it will be necessary to appoint new members to the Board of Directors of the Company in a sufficient number to fill the vacancies left by the said resigning Directors, for the remainder of the current three-year 2010/2012 term of office.

It is therefore proposed that the General Meeting of REN - Redes Energéticas Nacionais, S.G.P.S., S.A. approve the election of the following new directors of the Company for the remaining of the current 2010/2012 term of office, following the resignations to the position of Director referred to above:



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- Logoplaste, Gestão e Consultoria Financeira, S.A;
- Gestmin, SGPS, S.A.;
- Oliren, SGPS, S.A.; and
- Red Eléctrica Corporación, S.A.

Lisbon, March 16, 2011

By the Shareholders,

Logoplaste, Gestão e Consultoria Financeira, S.A

Gestmin, SGPS, S.A.

Oliren, SGPS, S.A.

Red Eléctrica Corporación, S.A.