

REN - REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

ARTICLES OF ASSOCIATION

Chapter I

Name, duration, registered office and purpose

Article 1

The company is incorporated as a limited liability company (*sociedade anónima*), uses the name of REN - REDES ENERGÉTICAS NACIONAIS, SGPS, S.A., and its duration is indefinite.

Article 2

1. The company has its registered office in Lisbon, at Avenida dos Estados Unidos da América, no. 55.
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 other form of corporate local representation of the company, in national and/or foreign territory.

Article 3

The company's purpose is the management of shareholdings in other companies carrying out activities in the areas of transmission of electricity, transmission and storage of natural gas and of reception, storage and re-gasification of liquefied natural gas and other related activities, as an indirect form of performing an economic activity.

Chapter II

Share capital, shares and bonds

Article 4

1. The share capital amounts to 534 000 000 euros and is fully paid-up.

2. The share capital is divided into 534 million shares, corresponding 261.660.000 to category A shares, which are ordinary, and 272.340.000 to category B shares, with the nominal value of one Euro each.
3. Category B shares are shares to be re-privatized and have as exclusive special right the non-applicability to shareholders which hold them, or that represent them, of the vote limitation established in number 3 of article 12, by reference to the same shares.
4. The transmission to non public entities, as a result of the closing of a phase of the re-privatization process, of class B shares will determine the automatic conversion of the re-privatized shares into class A shares, without the need of approval by the respective holders or of a resolution of any corporate body of the company.

Article 5

1. Shares are nominative and are represented in book entry form.
2. The company may acquire, hold and transfer own shares in the cases provided for in law and within the limits set out therein.

Article 6

1. The company may issue bonds on any other securities in the modalities and in accordance with the terms of the law applicable at the time of issue, and may furthermore, perform transactions with own bonds or securities issued by the company that are legally permitted.
2. The issue of bonds or of any other instruments or securities, namely representing of debts, of any type or modality that are or become legally permitted, may be approved by the Board of Directors which will determine the amount and the further conditions of the respective issue.

Chapter III

Corporate bodies

Article 7

1. The company's corporate bodies are the general shareholders' meeting, the board of directors, which comprises an audit committee and the single auditor.
2. The company has a secretary, as well as a replacement secretary, both elected by the board of directors.
3. The company has, also, a remuneration committee, elected by the general shareholders' meeting.

Section I

General Shareholders' Meeting

Article 8

1. The general shareholders' meeting resolves on all subjects to which it is competent in accordance with the law and these articles of association.
2. The general shareholders' meeting shall in particular:
 - a) resolve on the management report, discuss and vote the balance sheet, the accounts and the report of the audit committee and resolve on the allocation of results;
 - b) appoint and dismiss the members of the general shareholders' meeting board, of the board of directors and of the audit committee.
 - c) appoint, pursuant the audit committee's proposal, and dismiss the single auditor;
 - d) designate the members of the remuneration committee;
 - e) resolve on any amendments to the articles of association, including increases of share capital;

- f) authorize the board of directors to acquire or transmit assets, rights or social participations with an economic value above 10% of the fixed assets of the Company;
- g) authorize the board of directors to acquire and transfer own shares;
- h) deal with any other matter to which it has been convened.

Article 9

The board of the general shareholders' meeting shall comprise a chairman, a vice-chairman, both elected by the shareholders meeting, and the company secretary.

Article 10

1. The general shareholders' meetings are convened according with the terms required by law and in accordance with the minimum and further legal terms.
2. The notices of the meeting shall expressly state the agenda.

Article 11

1. In order for the general shareholders' meeting to meet and approve, at its first convening date, it is required the presence or representation of shareholders owning, at least, 51% of the share capital.
2. Either at the first or second convening date, the resolutions on the amendments to the articles of association, demerger, merger, transformation or winding-up of the company, are only considered to be approved by two thirds of the votes cast.

Article 12

1. Only shareholders with voting right may attend to the general shareholders' meetings.
2. Each share corresponds to one vote.
3. In accordance with the provisions of paragraphs (e) and (f) of number 2 of article 25 of the Decree-law no. 29/2006, of 15th of February, and of paragraphs (e) and (f) of number 4 of article 21 of Decree-law no. 30/2006, of 15th of February, as long as it is

not declared the invalidity of the holding of shares in contradiction with those legal provisions and without prejudice of other consequences legally applicable, the votes inherent to the category A shares shall not be cast if issued by any shareholder, on their behalf or as representative of another, which exceed 10%, or, in case of entities with activities or interests in the energetic sector, 5% of the totally of the votes corresponding to the share capital.

4. For the purpose of the previous number, voting rights inherent to the category A shares shall be deemed cast by the same shareholder, whenever so considered under the number 1 of article 20 of the Securities Code (“CVM”), or that may come to modify or replace it.

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.

6. The chairman of the board of the general shareholders’ meeting shall verify the authenticity and regularity of the votes by correspondence, as well as assure their confidentiality up to the moment of casting votes. Votes exercised by correspondence are deemed negative votes in relation to proposals of resolutions presented after the date or in which those votes have been issued.

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 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.

Article 13

For the purposes of numbers 3 and 4 of article 12, shareholders have the duty to provide to the board of directors, in a complete, objective and true manner, all the information requested, which relates to the calculation of the votes which it is entitled, otherwise the exercise of voting rights with any shares that exceed the limit applicable under the terms of number 3 of article 12 will be prohibited.

Section II

Board of Directors

Article 14

1. The board of directors, which comprises an audit committee, is composed by a number of members, between a minimum of seven and a maximum of fifteen, established by the general shareholders' meeting that elected them.

2. The provisions of numbers 6 and 7 of article 392 of the Portuguese Companies Code are applicable to the election of directors.

3. The chairman of the board of directors is chosen by the general shareholders' meeting, among the elected directors, and holds casting vote.
4. The board of directors designates which of its members replaces the chairman, in case of absence or impairment.
5. The director that acts in replacement of the chairman also holds casting vote.

Article 15

1. The board of directors is in particular:
 - a) to define the goals and management policies of the company;
 - b) to draw up the activity and financial annual plans;
 - c) to manage the businesses affairs and to perform all the acts and operations concerning the corporate purpose that do not fall within the functions assigned to other corporate bodies;
 - d) to represent the company in or out of court, as plaintiff or defendant, with the possibility of withdrawing from, realizing a compromise and confessing in any legal proceedings, as well as, arbitration agreements;
 - e) to acquire, sell or by any other mean transfer or create encumbrances over rights or property, movable or immovable;
 - f) to incorporate companies and to subscribe for or acquire, create encumbrances over or transfer shareholdings;
 - g) to propose to the general shareholders' meeting the acquisition and transfer of own shares, to the extent of the permitted legal limits;
 - h) to establish the administrative and technical organization of the company and the internal operation regulations, notably concerning personnel and their remuneration
 - i) to designate the company secretary and the respective replacement secretary;
 - j) to appoint attorneys with the conferred powers, including those of sub-delegation.

k) to exercise other functions deemed necessary by law or by the general shareholders' meeting.

2. The board of directors shall submit to the prior approval of the general shareholders meeting the acquisition and transfer of assets, rights and social participations with an economic value above 10% of the fixed assets of the Company.

Article 16

1. The board of directors may delegate day-to-day management powers to an executive committee, naming the directors that shall compose such executive committee, and its respective president.
2. The resolution of the board of directors that creates the executive committee shall define the matters that are the object of delegation, without prejudice of the board's provisions concerning such matters, according to the terms provided for by law.

Article 17

The chairman of the board of directors shall in particular:

- a) represent the board of directors;
- b) coordinate the activity of the board and convene and preside the respective meetings;
- c) oversee the correct execution of the approved resolutions.

Article 18

1. The company shall be legally bound before third parties with:
 - a) the joint signatures of two members of the board of directors;
 - b) the signature of one member of the board of directors within the powers delegated by the board of directors;
 - c) the signature of an attorney, under the terms of the corresponding mandate.

2. The board of directors can determine that certain documents of the company shall be signed by mechanic or digital processes or by rubber-stamping.

Article 19

1. The board of directors shall set the periodicity of its ordinary meetings, being, although it is mandatory a bimonthly meeting. Extraordinary meetings shall be held whenever convened by its chairman, by two directors, or at the request of the single auditor.
2. The board of directors cannot approve a resolution without the presence or representation of the majority of its members.
3. The members of the board of directors, which form part of the audit committee, shall attend to the meetings of the board, but are restricted from the exercise of any executive functions.
4. Any director may be represented in a meeting by another director, by letter addressed to the chairman, which is only valid for such meeting.
5. At each meeting of the board, each director cannot represent more than one director.
6. Neither the directors with executive functions can be represented by members of the audit committee, nor can the members of the letter be represented by directors with executive functions.
7. The board of directors can resolve that, when necessary, its meetings are carried out with resource to telecommunications means, as long as the authenticity and safety of the interventions is assured and respective content is fully registered.
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.

Article 20

1. The resolutions of the board of directors shall be approved by a simple majority of votes of its members which are present or represented them.
2. In case of urgent resolutions, if one director can not be present at the meeting of the board, may issue its vote in a letter addressed to the chairman.

Section III

Audit Committee and Single Auditor

Article 21

1. The supervision of the company's business affairs shall be performed by an audit committee, composed of three effective members and by a single auditor, which shall have a replacement.
2. The audit committee shall have a chairman, appointed amongst its members by the general shareholders' meeting.

Article 22

1. The audit committee has the powers and the duties provided for in law and in these articles of association.
2. The audit committee shall in particular be responsible:
 - a) to supervise the management of the company and oversee the compliance with the law and the articles of association;
 - b) to verify the accuracy of the accounting documents and auditing the respective revision;
 - c) to supervise the preparation and disclosure of financial information;
 - d) to propose to the general shareholders' meeting the appointment of the single auditor;

- e) to call the general shareholders' meeting whenever the chairman of the board of the general shareholders' meeting does not do it, despite being its obligation.
3. The audit committee shall prepare annually the activity report and shall give opinion concerning the board of directors' report.

Article 23

The audit committee shall have at least a bi-monthly meeting.

Article 24

The single auditor has the powers and the functions provided for established in law, and shall in particular carry out all the necessary exams and verifications to the revision and legal certification of the accounts.

Section IV

Company Secretary

Article 25

1. The company shall have a company secretary, as well as a replacement secretary, appointed by the board of the directors, with the functions entrusted by law.
2. The office of the company secretary ceases with the term of office of the members of the board of directors that designated him.

Section V

Remuneration Committee

Article 26

The remuneration committee is composed of three members, appointed by the general shareholders' meeting, with the mandate to propose the principles of the remuneration policy of the corporate bodies, as well as to establish the respective annual remunerations, including the respective remuneration supplements.

Chapter IV

Office of the corporate bodies

Article 27

1. The members of the corporate bodies exercise the respective functions for periods of three calendar years, which may be renewed, counting as a complete calendar year that of the appointment.
2. The members of the corporate bodies shall exercise their office until new elected members initiate the respective offices, without prejudice the rules applicable to resignation and to temporary or definitive restriction, in the course of the office.

Chapter V

Allocation of results

Article 28

1. The profits of the year, collected in accordance with the law, shall be allocated as follows:
 - a) to cover for the losses of previous years;
 - b) to constitute, reinforce or reintegrate the legal reserve and other reserves determined by law;

- c) to distribute dividends to the shareholders;
 - d) to grant bonuses to directors and employees, as participation in the profits, according with criteria to be defined in the general shareholders' meetings;
 - e) other purposes according with the general shareholders' meeting decision.
2. The board of directors can resolve to advance payments on profits during the year, subject to favourable opinion of the supervision body and under the limits provided for in law.

Chapter VI

Winding-up and Liquidation

Article 29

The company shall be wound up in those cases provided for in law.

The liquidation shall occur in those cases provided for in law and by resolution approved by the general shareholders' meeting.