



Unofficial Translation

This is an unofficial translation of the proposal indicated below and it has been prepared for information purposes only. In the case of any discrepancy between this translation and the Portuguese version, the Portuguese version will prevail.

REN - REDES ENERGÉTICAS NACIONAIS, S.G.P.S., S.A. - a listed company

Head Office: Avenida dos Estados Unidos da América, no. 55, Lisbon

Share Capital: 534,000,000 Euros

**Company and registration number with the Lisbon Commercial Registry
Office no. 503.264.032**

PROPOSAL OF RESOLUTION

ITEM 2 OF THE AGENDA

Whereas:

- A)** The issue of securities allows REN - Redes Energéticas Nacionais, SGPS, S.A. to have access to capital market as a way to promote the obtaining of financial resources for the prosecution of its businesses;
- B)** In particular, the issue of bonds, as well as of any other securities representing of debt, constitutes a way of financing with high utility and flexibility for the company's social activity, allowing, in several cases, the obtaining of financial resources in conditions that are usually favourable to companies;
- C)** In order to allow the appropriate management of REN - Redes Energéticas Nacionais, SGPS, S.A. and of the companies that integrate REN's group, in particular, in respect to the management of its financial debt, it is important to grant the board of directors competence to, by means of its own resolution, proceed with the issue of bonds, without prejudice of any other securities, particularly representing debts;



The Board of Directors hereby proposes to the General Shareholders' Meeting of REN - Redes Energéticas Nacionais, SGPS, S.A. the approval of the modification of Article 6 of the by-laws, by amendment of the current wording of such article and the respective renumbering as number 1 and the addendum of a new number 2, according to the following terms:

« 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.»**

Please find attached a consolidated version of the by-laws of REN - Redes Energéticas Nacionais, SGPS, S.A. which includes the amendment provided for in the present proposal.

Lisbon, September 22nd, 2008

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

The Board of Directors



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. By resolution of the board of directors, the company may relocate its registered office within the same municipality or bordering municipalities, as well as it may establish branches, agencies, delegations or other means of representation, both in Portugal and abroad.

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. Shareholders may exercise their voting right by correspondence in relation to any items in the agenda by letter bearing a signature similar to the one on the identification card and accompanied by a legible copy of such card, addressed to the chairman of the board of the general shareholders' meeting and sent by registered mail with acknowledgement of receipt, which must be received at the registered office of the company at least 3 business days in advance to the date of the meeting, unless otherwise provided for in the notice to convene the meeting.



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. Only shareholders owning shares since, at least, the 5th business day prior to the date of the respective meeting may participate in general shareholders' meeting, provided that they keep such quality until that date.
8. The proof of ownership of shares is shown by sending to the chairman of the board of the shareholders' meeting, until the 5th business day prior to the date of the meeting, of a declaration issued and authenticated by the financial intermediary to which the registry of the shares an account has been entrusted. This declaration must state that the relevant shares are registered in the shareholders account since at least the 5th business day prior to the date of the meeting and that the blocking of such shares was made until such date.
9. Shareholders may be represented by persons with full legal capacity, to the extent that they notify the appointment of the representative to the chairman of the shareholders' meeting board, through written document, which must be delivered in the head-offices until 17 p.m. of the second last business day prior to the date of the relevant general shareholders' meeting.

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, realising 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) 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.

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

1. The company shall be wound up in those cases provided for in law.
2. The liquidation shall occur in those cases provided for in law and by resolution approved by the general shareholders' meeting.