



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

APPLICABLE PROCEDURES FOR PROCESSING COMMUNICATIONS REGARDING IRREGULARITIES AND THE ASSESSMENT OF IRREGULARITIES

Considering that:

- A. REN – Redes Energéticas Nacionais SGPS, S.A. (“**REN**” or “**Company**”) operates in the capital market and complies in adequate and strict terms with high standards of good corporate governance, stipulated in the applicable legislation and in the recommendations of the Portuguese Securities Market Commission (“**CMVM**”).
- B. By means of the Recommendation II.1.4.1. of CMVM’s Corporate Governance Code of 2010, CMVM recommends that companies adopt a policy for communications regarding irregularities allegedly occurring within the company, with the following elements: *(i)* indicating the means through which communications regarding irregular practices can be made internally, including the persons who are authorised to receive such communications and *(ii)* indicating how such communications will be processed, including confidential treatment, when requested by the person reporting the irregularity.
- C. REN’s Audit Committee, as a body monitoring corporate activities, has sought to contribute actively to ensure that REN and the respective group of companies (“**REN Group**”) comply with the applicable market standards and rules, by effectively performing its functions, which encompass four essential dimensions of corporate supervision: *(i)* supervising corporate activities, *(ii)* monitoring financial information, *(iii)* supervising internal risk management, audit and monitoring systems and *(iv)* receiving and processing communications regarding irregularities.
- D. In the context of its activities of receiving and processing communications reporting irregularities, stipulated in Article 423-F(1)(j) of the Portuguese Companies Code and the Regulations of the Audit Committee, the Audit Committee deemed it convenient to proceed with the definition of rules creating legal certainty and security with regard to the terms for receiving and processing communications regarding irregularities reported by shareholders, members of corporate bodies, managers, permanent staff, employees, service providers, collaborators, suppliers, clients or other stakeholders in REN or companies of the REN Group (“**Interested Parties**”).

Based on a proposal submitted by the Audit Committee, REN’s Board of Directors approved this document regarding applicable procedures for receiving and processing



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communications pertaining to irregularities reported by Interested Parties and for assessing the effective existence of Irregularities and proceeding with their remedy (“**Guiding Document**”).

I. Definitions

For the purposes of this Guiding Document, the following terms and expressions will have the following meaning, when commencing with a capital letter, except if they have a clearly different meaning due to the context in which they are used:

Assessment Process: has the meaning given to it by section VIII(6) (i);

Company: means REN – Redes Energéticas Nacionais, SGPS, S.A.;

Final Report: has the meaning given to it by section IX(6)(iv);

Guiding Document: means this document regarding the applicable procedures for receiving and processing communications regarding Irregularities submitted by Interested Parties and assessing the effective existence of the Irregularities and proceeding with their remedy;

Interested Parties: has the meaning given to it by Recital D;

Irregularity: has the meaning given to it by section VI;

Perpetrator of the Irregularity: has the meaning given to it by section VI(1) of this Guiding Document;

Preliminary Report: has the meaning given to it by section VIII(4);

Process Manager: has the meaning given to it by section IX(1);

Processor: has the meaning given to it by section VIII(1);

Remedy Measures: has the meaning given to it by Section VIII(6)(iii);

REN: means REN – Redes Energéticas Nacionais, SGPS, S.A.;

REN Group: has the meaning given to it by Recital C;

System: has the meaning given to it by section III;

II. Functions of the Audit Committee

1. According to the functions granted to it as per the terms of legislation, REN’s Articles of Association and internal Regulations, the Audit Committee is responsible for receiving, recording and processing, communications regarding indications of Irregularities occurring at REN or at companies of the REN Group, as well as engaging in other activities which are necessary related to these functions, pursuant to the terms and conditions stipulated in this Guiding Document.
2. While exercising the functions mentioned in paragraph 1 above, the Audit Committee will have the support of merely one member of its secretarial staff.



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III. Object

This Guiding Document establishes a set of rules and internal procedures which constitute the system for receiving, processing and handling communications regarding Irregularities occurring at REN, or at companies belonging to the REN Group, submitted by Interested Parties, and subsequent procedures to detect Irregularities by the Audit Committee, and proceed with their remedy (“**System**”).

IV. System

1. The System established in this Guiding Document aims to ensure the existence of conditions to detect timely irregular situations and situations which could cause adverse effects to the Company, or any of the companies of the REN Group, with a view to remedying such situations.
2. Access to any component of the System is limited to staff specifically authorised by REN’s Audit Committee, insofar as is strictly necessary for the System’s efficient functioning.

V. Duty of confidentiality

1. Members of the Audit Committee and the member of the secretarial staff mentioned in section II(2) are bound to maintain confidentiality with regard to the facts and information that come to their knowledge while exercising their duties within the scope of this Guiding Document, without prejudice to compliance with the legal provisions to which they are subject.
2. All communications regarding Irregularities will be treated as confidential, under section XV of this Guiding Document.
3. When requested by the Interested Party, the person’s identification may be included in the communication reporting an Irregularity, but this identification will only be disclosed for the purposes of assessment measures, in the event that the Interested Party expressly gives its consent for such purpose.

VI. Concept of “Irregularity”

1. For the purposes of the Guiding Document, Irregularities are considered to be all situations in which any Interested Party detects, or of which it is aware, or grounded



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doubts regarding non-compliance with REN Group’s Code of Conduct, provisions laid down in the law, Articles of Association and professional rules, or the rules contained in any internal documents or regulations, recommendations, directives or guidelines applicable to REN, or any company of the REN Group, concerning:

- (i) acts or omissions;
- (ii) documentation, in a physical or electronic format;
- (iii) decisions, orders, guidelines, recommendations, opinions and press releases;

performed, issued or prepared by shareholders, members of corporate bodies, any manager, permanent staff, employee, service provider and collaborator of REN or the companies of the REN Group (“**Perpetrator of the Irregularity**”), due to or within the scope of their respective duties.

2. Irregularities which can be reported within the scope of this Guiding Document are understood to be those which could result in illegal acts which constitute criminal, civil or administrative offences or which are related to:
 - (i) accounting and financial matters;
 - (ii) the internal risk management system;
 - (iii) supervisory activities performed at REN or at any of the REN Group’s companies.

VII. Communications of Irregularities

1. Communications of Irregularities shall be made in writing and contain all the elements and information available to the Interested Party and which are deemed to be necessary to assess the Irregularity.
2. Interested Parties should send communications of Irregularities to REN’s registered office, addressed to the Chairman of the Audit Committee, or to the following email address:

comissao.auditoria@ren.pt
Attn: Chairman of the Audit Committee
3. Any communication of Irregularity received through the above email address is automatically encrypted, so as to protect the identity of the Interested Party.
4. Interested Parties are guaranteed the right to eliminate and/or rectify inaccurate, incomplete or ambiguous data communicated by them, except insofar as such an elimination or rectification could harm the efficiency of the assessment measures underway.



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VIII. Preliminary Assessment

1. After a communication of Irregularity is received, a member of the Audit Committee is appointed to process and handle each communication (“**Processor**”).
2. The Processor must carry out a preliminary assessment of the coherence and accuracy of the communication and the existence of sufficient and reasonable indications to implement an Assessment Process with regard to the Irregularity reported.
3. In case the identity of the Interested Party is known, the same maybe contacted in order to clarify aspects of the communication considered to be incomplete, insufficient or ambiguous, and information deemed to be relevant for the preliminary assessment may be ascertained, completed or clarified.
4. The preliminary assessment shall be based on information obtained from the Interested Party and a report must be prepared on the basis of this information by the Processor, which contemplates the following issues(“**Preliminary Report**”):
 - (i) the type of Irregularity;
 - (ii) the plausibility of the contents of the communication;
 - (iii) the appearance of irregularity of the identified situation;
 - (iv) the practical feasibility of a possible Assessment Process, identifying potential obstacles or relevant conditioning issues;
 - (v) the identification of any individuals who could be involved or be aware of facts which are relevant for assessing the Irregularity in question, with a view to carrying out assessment measures in the future.
5. The Preliminary Report must be concluded within a deadline of no more than 15 working days from the date of reception of the communication of Irregularity and must immediately be made available to the Chairman and Members of the Audit Committee.
6. The Audit Committee will analyse and discuss the Preliminary Report, as well as the respective supporting documentation, and approves, on a reasoned basis, within a maximum deadline of 10 working days from the time the Preliminary Report is made available:
 - (i) to implement internal measures to identify the Irregularity at stake (“**Assessment Process**”) and the maximum deadline for concluding the Assessment Process, which, except in duly justified cases, should not exceed 15



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working days from the date of the Audit Committee's decision of commencing the process;

- (ii) to reject the communication;
 - (iii) in case it is not necessary to commence an Assessment Process, due to the Preliminary Report making it possible to completely and accurately identify the Irregularity, to propose to the Board of Directors or to the Executive Committee – according to the Irregularities verified – the approval of corrective measures aimed at remedying the Irregularity in question (“**Remedy Measures**”) and the maximum deadline for implementing these measures.
7. In the cases mentioned in sub-paragraphs (ii) and (iii) of paragraph 6 above, the Audit Committee must inform the Interested Party in writing of its decision, within a maximum deadline of 5 working days from the date the Audit Committee approves said decision, under the terms of paragraph 6 above.
8. In the case of sub-paragraph(i) of paragraph 6, at the end of the Assessment Process:
- (i) the Audit Committee decides whether to reject the communication or to adopt Remedy Measures and the maximum deadline for implementing these measures; and
 - (ii) the Audit Committee will issue a new communication informing the Interested Party of the Audit Committee's aforesaid decision, within a maximum deadline of 5 working days after its approval.

IX. Assessment process

1. The Assessment Process is carried out and supervised by the Audit Committee, which can appoint a member responsible for the Assessment Process (“**Process Manager**”) and, taking into account the subject-matter and seriousness of the Irregularity in question, can hire external auditors or legal consultants, as a supporting structure to the structure of the Assessment Process.
2. During the Assessment Process, the Audit Committee must comply with, and strive to ensure compliance with, the applicable legal and regulatory rules, as well as with the internal procedures and rules in force at REN or the company of the REN Group at stake.
3. The Audit Committee must ensure that the entities which act as an external support to the conducting of Assessment Processes maintain confidentiality with regard to the facts and information which come to their knowledge, due to or within the scope of the Assessment Process.



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4. Within the scope of the Assessment Process and the assessment of the Irregularity at stake, the Audit Committee or the Process Manager, as the case may be, must take into account possible situations of conflict of interests on the part of the Interested Party or the individuals collaborating within the Assessment Process.
5. For the purposes of the previous paragraph, a situation of a conflict of interest is considered to exist when there is a person whose impartiality in terms of acting, analysing or making decisions is reduced or affected, namely by virtue of (i) the person and / or matter which is the subject-matter of the Assessment Process or (ii) the persons in question, or their spouse, relative or kin, in a direct line or up to the 2nd degree of the collateral line, or any person with whom they live a non-marital cohabitation (*união de facto*) and/or with whom they live (*economia comum*), being able to obtain any benefit or suffer disadvantages, even if intangible, as a result of the outcome of the Assessment Process.
6. The Assessment Process may entail the implementation of the following measures by the Audit Committee or the Process Manager, in case the latter was appointed:
 - (i) compilation of documents or information;
 - (ii) conducting interviews with individuals considered to be relevant in order to ascertain the facts in question;
 - (iii) conducting internal or external audits;
 - (iv) preparation of a final report with (1) a description of the measures implemented, (2) an overview of the relevant facts and the respective critical assessment, (3) the identification of the applicable legal, accounting or regulatory rules and (4) the conclusions reached (“**Final Report**”);
 - (v) other measures deemed to be suitable and proportional to the seriousness of the Irregularity being assessed.

X. Final Report

1. The Process Manager, in case the same was appointed, is responsible for preparing a proposal for a Final Report and for adopting possible Remedy Measures.
2. The Final Report must be approved by the Audit Committee within a maximum deadline of 4 months from the discussion of the Preliminary Report.
3. The deadline stipulated in paragraph 2 above can be extended by resolution of the Audit Committee, based on a proposal submitted by the Process Manager, should



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there be one, whenever the complexity of the case or the duration of measures to be implemented so justify.

XI. Remedy Measures

1. If the conclusions of the Final Report so justify, the Audit Committee must also, taking into account the Irregularities assessed, propose to the Board of Directors or to the Executive Committee the approval of such measures.
2. Remedy Measures may include, namely:
 - (i) the approval of amendments to procedures, rules or methods pertaining to risk management, internal monitoring, internal audits or other policies of the Company and/or other companies of the REN Group;
 - (ii) the introduction or disclosure, as the case may be, of rectifications or adjustments to documents or information;
 - (iii) the information of the competent administrative entities;
 - (iv) the commencement of a legal procedure;
 - (v) the commencement of a disciplinary procedure;
 - (vi) the suspension or termination of contractual relations;
 - (vii) the suspension or removal from duties as a member of a corporate body at the Company or companies of the REN Group.
3. If the Irregularities assessed concern facts which constitute a public crime the Audit Committee shall provide the information to the Public Prosecutor's Office (*Ministério Público*) in accordance with article 423-G, no. 3 of the Portuguese Companies Code.

XII. Notification of the Interested Party

1. Pursuant to section VIII(8), the Audit Committee must inform, in writing, the Interested Party regarding the conclusion of the Assessment Process and the Remedy Measures adopted as a result.
2. In such communications, the Audit Committee must take into account the duty of confidentiality that the company at stake is bound to, the legitimate rights and interests of its collaborators, employees, service providers, members of corporate bodies, shareholders and third parties and the interests of REN or of the company belonging to the REN Group.



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XIII. Archive of communications

Without prejudice to maintaining a factual report on record regarding the situations described in the communications received, which should not contain any elements that would enable the identification of either the Interested Party or the alleged Perpetrator of the Irregularity, the Audit Committee will ensure that necessary measures are implemented concerning the archive of communications, which shall be archived in a confidential environment, subject to restricted access for 5 years from the time of receipt.

XIV. Communications of Irregularities

The conduct of any Interested Party sending a communication disregarding the principles of truthfulness, integrity and good faith is an offence subject to adequate disciplinary sanction, in proportion to the offence, without prejudice to the civil and/ or criminal liability that may result for the Interested Party due to such conduct.

XV. Guarantees

1. While managing and operating the System, the Audit Committee must *(i)* strive to ensure the confidentiality of the information contained in communications and the anonymity of the Interested Party and the persons who have collaborated within the assessment of facts and information and *(ii)* prevent retaliation against the Interested Party or any of these persons.
2. For the purposes of the previous paragraph, any communications of Irregularities encompassed by this Guiding Document are treated as confidential.
3. Even in the case of communications of Irregularities which identify the Interested Party, this identification is not to be disclosed, except with the respective express consent, namely to enable assessment measures to be implemented.
4. The Company cannot dismiss, threaten, suspend, intimidate, harass, persecute, withhold or suspend payments of salaries and/or benefits, demote, transfer or in any other way adopt any discriminatory behaviour, retaliation or threat concerning *(i)* an Interested Party, based, even if not overtly, on a communication of Irregularity made in good faith, accurately and in compliance with the terms of this Guiding Document or *(ii)* any person providing any information or cooperating within an Assessment Process or participating in any assessment measures.



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XVI. Communications outside the System

Any communication of Irregularity which is not carried out through the System must be communicated by the Interested Party aware of the Irregularity to the Chairman of REN's Audit Committee, in order to be subsequently processed pursuant to this Guiding Document.

XVII. Report regarding the activities of the Audit Committee

1. The Audit Committee will annually include a summarized description of the measures implemented within the scope of this Guiding Document in its activity report and will propose to REN's Board of Directors the amendments it considers to be necessary to improve and perfect the System.
2. The Audit Committee will inform the Board of Directors, if requested the latter, about the conclusions derived from the aforesaid report.