



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

## **REGULATION OF THE CORPORATE GOVERNANCE COMMITTEE**

### **ARTICLE 1**

#### **(Purpose and Scope)**

1. The present Regulation establishes the rules applicable to the composition, functioning and powers of the Corporate Governance Committee of REN - Redes Energéticas Nacionais, SGPS, S.A., hereafter referred to as REN or the Company.
2. The Corporate Governance Committee has been created in accordance with article 10 of the Regulation of the Board of Directors, following the recommendations on corporate governance of the Portuguese Securities Market Commission (CMVM) with the purpose of supporting and assisting the Board of Directors in the preparation of the corporate governance annual report and generally in meeting legal obligations and adopting best practices regarding corporate governance.
3. The present Regulation is applicable to all the members of the Corporate Governance Committee, who, regardless of the moment and form of their appointment, shall comply with the rules established herein, a whole copy of which shall be made available to such members, for that purpose, by the Secretary of the Company, immediately after their appointment.

### **ARTICLE 2**

#### **(Membership)**

1. The Corporate Governance Committee comprises up to 4 (four) members appointed by the Board of Directors from its executive or non-executive members.
2. The Chairman of the Corporate Governance Committee shall also be appointed by the Board of Directors, among its independent members.
3. Preferably at least one member of the Corporate Governance Committee shall have academic qualifications and professional or technical knowledge in corporate governance matters.



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4. The Corporate Governance Committee has the same term of office as the Board of Directors which shall cease when the latter ceases. In case of definitive absence of any member of the Corporate Governance Committee, the Board of Directors shall appoint a new member.

### **ARTICLE 3**

#### **(Duties)**

1. The Corporate Governance Committee shall support and advise the Board of Directors particularly on the following:
  - a) Make recommendations and define policies in order to comply with the applicable legislation and best practices in corporate governance matters;
  - b) Monitor compliance with applicable legislation and best practices in corporate governance matters;
  - c) Promote the adoption of guidelines in relation to:
    - (i) Structure, role and functioning of the corporate bodies;
    - (ii) Relationship between the corporate bodies and the internal committees;
    - (iii) Incompatibilities and independence of the corporate bodies;
    - (iv) Efficiency of the role of non-executive members of the Board of Directors;
    - (v) Voting, representation and equal treatment of shareholders;
    - (vi) Prevention of conflicts of interest;
    - (vii) Transparency in relation to corporate governance, information disclosed to the market and relations with investors and other stakeholders.
  - d) Issue opinions upon request of the Board of Directors or at its own initiative in relation to any corporate governance matters, in particular incompatibilities and Independence of the members of the Board of Directors;
  - e) Prepare the questionnaire evaluating the independence of the members of the Board of Directors;



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- f) Prepare the annual corporate governance report in collaboration with the Secretary of the Company and other relevant departments of REN;
  - g) Prepare an annual report reviewing the corporate governance model adopted by the Company and proposing, if applicable, any improvements to the practices being implemented;
  - h) Review the Code of Conduct of REN's group;
  - i) The overall corporate governance organisation of the Company and its subsidiaries;
  - j) Follow inspections conducted by the Securities Market Commission (CMVM) in relation to corporate governance issues;
  - k) Perform any other competences or responsibilities in relation to corporate governance matters delegated to the Corporate Governance Committee by the Board of Directors.
2. For the avoidance of doubt, the Corporate Governance Committee does not have any duties committed to the Audit Committee.
3. The Corporate Governance Committee may request to the Board of Directors, to the Executive Committee, or to other internal committees of the Board, all the information, support, documentation deemed necessary to perform its duties.

**ARTICLE 4**

**(Corporate Governance Committee's Meetings)**

- 1. The meetings of the Corporate Governance Committee shall take place in the registered office of the Company or in any other place designated for this purpose, with the possibility of using telematic means, under the terms established by law or in the Articles of Association.
- 2. The Corporate Governance Committee shall meet, ordinarily, two to four times a year and, extraordinarily, whenever convened by its Chairman, at his own initiative



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or at the request of 2 (two) members of the Board of Directors or any member of the Corporate Governance Committee.

3. Without prejudice of any force majeure event or a matter of urgency, the notice establishing the date to convene shall be sent with a prior notice of 15 (fifteen) days and the meeting's agenda as well as the preparatory documentation for the resolutions shall be communicated to the respective members with a prior notice of 5 (five) business days. All the mentioned documentation shall be in Portuguese or, if any member of the Committee so requests, in English language or accompanied by the respective translation into English language, and must be sent by letter, facsimile or e-mail with delivery receipt to each of the members.
4. Any member may request the inclusion of other items in the agenda until 2 days before the meeting, delivering in advance to the Chairman, whenever possible, the supporting documentation for circulation to the other members. The Chairman of this Committee shall announce if he/she accepts the new item at the start of the meeting, and in case such item is refused, the Chairman shall justify such refusal.
5. The vote by correspondence is allowed under the terms established in the Articles of Association.
6. Any member may be represented in a meeting of the Corporate Governance Committee by any other member, by means of a letter addressed to its Chairman, which will only be valid for such meeting.
7. In each meeting of the Corporate Governance Committee each member is not allowed to represent more than one other member.
8. The meetings of the Corporate Governance Committee are chaired by its Chairman, who will lead the works. In his/her absence the Committee shall appoint an alternate to lead the works.



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9. The content of the meetings of the Corporate Governance Committee is confidential, as well as all the documentation related to its preparation and to its works.
10. Members of the corporate bodies and personnel of the REN Group companies, as well as their respective advisors, may be invited to participate in meetings of the Corporate Governance Committee, whenever this Committee considers their presence necessary or convenient to the productive development of its works.

**ARTICLE 5**

**(Quorum and resolutions)**

1. The Corporate Governance Committee may only approve a resolution when the majority of its members are present or represented.
2. The resolutions of the Corporate Governance Committee are approved by a simple majority of the votes cast.
3. The Chairman of the Corporate Governance Committee holds a casting vote in case of tie between the votes cast.
4. Members of the Corporate Governance Committee may not participate or vote in resolutions in which they have, on own account or on behalf of third parties, an interest which conflicts with that of the Company, and shall inform the Chairman (or the other members, in case of the Chairman) with an adequate prior notice of the facts that may trigger a conflicts of interest. Without prejudice of the foregoing, the conflicted member shall provide the information and clarifications requested by the Corporate Governance Committee or by its members.
5. The minutes of each meeting and the respective translation into English language shall be prepared by the Secretary of the Company, and in his/her absence by his/her alternate, and shall be signed by all the participating members.
6. The Corporate Governance Committee shall send all the convening notices and minutes to the Chairman of the Board of Directors and to the Chairman of the Audit Committee.



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7. The Corporate Governance Committee shall provide to the members of the Board of Directors and to the Audit Committee in due time all information requested regarding the discharge of its duties.

**ARTICLE 6**

**(External Advisors and Annual Report)**

1. The Corporate Governance Committee may engage external advisors in order to assist it in the discharge its duties and shall, for these purposes, approve at the end of each financial year, a budget proposal to be submitted to the Board of Directors and to the Executive Committee referring to the next financial year, which describes the amounts necessary for its activity.
2. The Company shall provide financial resources, including ordinary administrative expenses, and the technical, human and material means deemed necessary to the performance of the duties of this Committee.
3. The external advisors shall be appointed from suitable entities recognized in the market as having the necessary skills to perform its duties.
4. The Corporate Governance Committee will inform the Board of Directors of its activities, through its annual report regarding its activities and its assessment of the same, which must be sent to the Board of Directors by the end of March of the following year.

**ARTICLE 7**

**(Modification)**

1. This Regulation may only be modified by the Board of Directors at the request of two members of the Board of Directors or of the Corporate Governance Committee itself.
2. Any proposed modifications to this Regulation must be accompanied by a justifying report.



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3. Any modifications to this Regulation shall be approved by the majority of the Directors present or represented.
  
4. This Regulation and related amendments shall be made public to investors on the Company's website.

**ARTICLE 8**

**(Entry into force)**

This Regulation was approved at the Board of Directors meeting of 18 September 2015 and entered immediately into force.