



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

REGULATION OF THE BOARD OF DIRECTORS

ARTICLE 1

(Purpose and scope)

1. The present regulation establishes the rules applicable to the functioning of the Board of Directors of REN - Redes Energéticas Nacionais, SGPS, S.A. (hereafter referred to as “REN” or the “Company”), as well as the rules of conduct of the respective members, in addition to the Articles of Association and the Code of Conduct of the Company.
2. The present Regulation is applicable to all members of the Board of Directors, who shall comply with the rules established herein, regardless of the moment and form of their election. A copy of the Regulation shall be made available to such directors, by the Secretary of the Company, immediately after their election.

ARTICLE 2

(Chairman of the Board of Directors)

1. The Board of Directors is chaired by the respective Chairman, elected by the General Shareholders’ Meeting, under the terms provided for in article 14, no. 3 of the Company’s Articles of Association.
2. The Vice-Chairman replaces the Chairman in his absences and impairments.
3. The Board of Directors designates which of its members replaces the Chairman, in the cumulative absences and impairments of the Chairman and of the Vice-Chairman.
4. The Vice-Chairman or the Director, as the case may be, which replaces the Chairman, , will have all powers of the Chairman, including the casting vote in the resolutions of the Board of Directors.
5. The Chairman of the Board of Directors shall, in particular, be responsible for:



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- a) representing the Company in or out of court;
- b) coordinating the activity of the Board of Directors, and to promote the communication between the Company and its shareholders, as well as between the Board of Directors and the other corporate bodies;
- c) convening, organizing the agenda and chairing the meetings of the Board of Directors;
- d) organize in the proper form the proposals to be submitted to the Board of Directors;
- e) exercising the casting vote in the approval of resolutions by the Board of Directors;
- f) ensuring the accurate execution of the approved resolutions.

ARTICLE 3

(Attributions of the Board of Directors)

1. The Board of Directors is the corporate body responsible for the management and representation of the Company, under the terms provided for in the applicable legal and statutory provisions.
2. The Board of Directors is responsible for the management of the Company's businesses and for the performance of all the acts and operations concerning the corporate purpose which are not included in the attributions of other corporate bodies, as well as for the definition of the strategic orientation of the companies with which they are in a control or group relationship under the terms set forth in article 21 of the Portuguese Securities Code (or provision that replaces it, with the wording in force from time to time) (the "**REN Group**"), in accordance with the applicable legal provisions, in particular those concerning the sectors of activity of each of the companies of the REN Group.
3. Within its attributions and without prejudice to numbers 6 and 7 of this article, the Board of Directors is, in particular, responsible for:



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- a) the definition of the strategy and general policies of the Company;
- b) the definition of the REN Group's corporate structure;
- c) without prejudice to no. 6 of this article, the approval, on a case by case basis, of the sale of assets and/or rights, the investments and the creation of encumbrances, to be made by the Company and/or by its affiliates and subsidiaries;
- d) the definition of the goals and management policies of the Company;
- e) the approval of the annual budget, the business plan and other long term development plans;
- f) the establishment of the administrative and technical organization of the Company and of the internal operation regulations, notably concerning personnel and its remuneration;
- g) the representation of the Company in or out of court, as plaintiff or defendant, with the possibility of withdrawing from, entering into a compromise and confessing in any legal proceedings, as well as, entering into arbitration agreements;
- h) without prejudice to no. 6 of this article, the incorporation of companies and the subscription, acquisition, creation of encumbrances over or transfer of shareholdings;
- i) the adoption of resolutions to contract debt in the national or international financial markets, including through the issuance of bonds or any other kind of securities;
- j) the adoption of resolutions on the provision by the Company of technical and financial support to the companies in which it owns shares, quota rights ("*quotas*") or other shareholdings, in particular, granting loans and providing guarantees in their benefit;



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- k) the presentation of proposals to the general shareholders' meeting for the acquisition of own shares and bonds or other own securities, within the limits established by law;
 - l) approval of the Company's systems of internal control, risk management and internal audit;
 - m) the appointment of the secretary of the Company and the respective alternate;
 - n) the appointment of attorneys with the powers deemed convenient, including those of sub-delegation;
 - o) the appointment of the Company's representative in the General Shareholders' Meetings of all affiliates and subsidiaries;
 - p) the indication of the persons to be appointed by the Company to form part of the lists of members of the corporate bodies to be elected in all affiliates and subsidiaries, as well as the appointment of the Company's Chief Technical Officer, upon proposal of the Executive Committee;
 - q) the resolution on all the matters which are deemed strategic, notably because they are related with strategic framework agreements entered into by the Company or due to its risk or special characteristics;
 - r) the performance of other powers attributed by law, by the Company's Articles of Association or by the General Shareholders' Meeting.
4. The Board of Directors is also responsible for adopting resolutions on the matters included in article 406 of the Portuguese Companies Code.
5. The matters included in no. 4 of article 407 of the Portuguese Companies Code, the adoption of resolutions on the matters included in paragraphs a), b), d), e), k), i), l), m), p) and q) of no. 3 of the present article, as well as the following matters cannot be delegated in the Executive Committee:
- a) the approval, on a case by case basis, of the transfer of assets and/or rights, investments and the creation of encumbrances to be made by the



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Company and/or by its affiliates or subsidiaries, with an individual or aggregated value higher than € 15,000,000.00 (fifteen million euros), except if already approved within the Company's annual budget and the corresponding value does not exceed individually or in aggregate € 25,000,000.00 (twenty five million euros);

- b) the incorporation of companies and the subscription, acquisition, holding, creation of encumbrances and transfer of shareholdings, except when those companies or shareholdings are special purpose vehicles (SPV) for specific investments with an individual or aggregate investment value that does not exceed € 7,500,000.00 (seven million five hundred thousand euros), except if already approved within the Company's annual budget;
- c) the indication of the persons to be appointed by the Company to form part of the lists of members of the corporate bodies to be elected in all affiliates and subsidiaries, except for the two TSO's, i.e. REN - Rede Eléctrica Nacional, S.A. and REN Gasodutos, S.A. and for the SPV's referred to in b) above;
- d) the participation of the Company or any of its affiliates or subsidiaries in activities outside their core activities, i.e. transmission of power and natural gas, storage of natural gas and regasification and/or storage of liquid natural gas (LNG), notably by means of the acquisition or subscription of equity or ongoing concerns, whose corporate purpose does not include said activities;
- e) the entering of REN or any of its subsidiaries into joint ventures, partnerships or strategic cooperation agreements and selection of relevant partners;
- f) transactions with related parties which amount exceeds €500,000.00 (five hundred thousand euros) or, independently of the relevant amount, any transactions with related parties which may be considered on a non-arms' length basis;



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- g) approval of the semester and quarterly accounts to be published in accordance with the applicable legal provisions.
- 6. The Board of Directors shall submit to the prior approval of the General Shareholders' Meeting the acquisition and transfer of assets, rights or shareholdings with an economic value higher than 10% of the fixed assets of the Company.
- 7. The Board of Directors or the Executive Committee shall consult with the strategic partnership committee referred to in the Framework Agreement entered into between the Company and its main industrial strategic partner prior to taking any resolution on the matters related to or ancillary with such Framework Agreement, without prejudice of the Board of Directors being kept informed in relation thereto.

ARTICLE 4

(Board of Directors Meetings)

- 1. The meetings of the Board of Directors 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 Board of Directors shall meet ordinarily at least once every two months, in dates to be determined, in each year, by its members, except in the initial 18 months of this term of office during which the meetings of the Board of Directors shall be monthly.
- 3. The Board of Directors shall meet whenever convened by its Chairman, or in his absence by the Vice-Chairman or by two other directors, or also further to a request of the Statutory Auditor, and the notice to convene as well as the corresponding agenda, jointly with the preparatory documentation for the resolutions, which shall be in English language or accompanied by the respective translation into English language, shall be communicated to the



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respective members with a prior notice of 5 (five) business days of any meeting of the Board of Directors.

4. The Chairman of the Board of Directors or in his absence the Vice-Chairman may, in case of force majeure or urgency, convene the Board of Directors without the prior notice referred to in the previous number.
5. The directors shall communicate to the Chairman of the Board of Directors, with the convenient prior notice or immediately after the receipt of the documentation referred to in the previous numbers, other matters to be included in the agenda, providing the proposal of resolution and the documentation to be analyzed.
6. The members of the Board of Directors which are also part of the Audit Committee shall participate in the meetings of the Board of Directors, but are prevented from exercising executive functions.
7. The content of the meetings of the Board of Directors is of confidential nature, as well as all the documentation related to its preparation and to its works.
8. The meetings are convened in writing, being understood, for such purposes, the messages sent by facsimile or email.
9. With at least two business days in advance in relation to the date scheduled for the meeting, each of the Directors shall, to the extent possible, communicate to the Secretary of the Company her/his presence in the meeting.
10. The directors and personnel of other companies pertaining to the REN Group, as well as their respective consultants, may be invited to participate (but not vote) in meetings of the Board of Directors, whenever the Board of Directors considers their presence necessary or convenient to the productive development of its works.



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ARTICLE 5

(Quorum and resolutions)

1. The Board of Directors may only approve a resolution when the majority of its members are present or represented.
2. The resolutions of the Board of Directors are approved by the majority set forth in the law.
3. The minutes of each meeting, together with the respective translation into the English language shall be prepared by the Secretary of the Company and shall be subject to the approval of the Board of Directors until the subsequent ordinary meeting and shall be signed in that meeting.

ARTICLE 6

(Representation in the meetings)

Any Director may be represented in a meeting by any other member, by means of a letter (which will only be valid for that meeting) addressed to the Chairman of the Board of Directors, or to the Vice-Chairman in case of the Chairman's absence. The following situations are not allowed:

- a) the representation by the same person of more than one director in each meeting; nor
- b) the representation of a director with executive functions by a member of the Audit Committee; nor
- c) the representation of a member of the Audit Committee by a director with executive functions.

ARTICLE 7

(Absences)

1. The absences of the Directors to the meetings of the Board of Directors shall, to the extent possible, be previously communicated to the Secretary of the Company.



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2. A member of the Board of Directors which is impeded from attending such meeting may, in case of a resolution deemed urgent by the Chairman of the Board of Directors, express her/his vote by letter addressed to him, which is only valid for such meeting.
3. If a Director fails to attend more than half of the ordinary meetings of the Board of Directors during a calendar year, consecutive or non-consecutive, and her/his justification is not accepted by the Board of Directors, such conduct is considered as a definitive absence of such Director.
4. The definitive absence of a Director shall be declared by the Board of Directors and such Director shall be replaced, in according with the law and the Articles of Association.
5. In case of death, resignation or impediment, temporary or definitive, of any of the members of the Board of Directors, the Board of Directors will co-opt a member and, if such co-optation is not carried out within sixty days counted from the death, resignation or impediment, the Audit Committee shall designate the substitute.

ARTICLE 8

(Delegation of powers)

1. The Board of Directors shall constitute an Executive Committee, to which it will delegate the management of the ordinary course of business, under the terms provided for in article 407, nos. 3 and 4 of the Portuguese Companies Code and in article 16 of the Articles of Association.
2. The matters included in article 407, no. 4 of the Portuguese Companies Code and in article 3, no. 5 of the present Regulation cannot be delegated.
3. The Board of Directors' resolution that delegates the functions in an Executive Committee shall determine the delegation limits, which shall respect the limits established in the present Regulation, as well as the composition, appointment of the respective Chairman and the functioning rules of that corporate body.



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4. The constitution and delegation of powers in the Executive Committee shall terminate by resolution of the Board of Directors at any time or automatically, when one of the following situations occurs:
 - a. replacement of the Chairman of the Executive Committee or of the majority of its members;
 - b. with the termination of the exercise of office of the Board of Directors.

ARTICLE 9

(Audit Committee)

The supervision of the Company is the responsibility of the Audit Committee of the Board of Directors appointed under article 21 of the Articles of Association, which holds the powers and the attributions provided for in article 423-F of the Portuguese Companies Code and in article 22 of the Articles of Association.

ARTICLE 10

(Appointment of specialized committees)

Under article 407, no. 1 of the Portuguese Companies Code, the Board of Directors may attribute, especially, to one or more of its Directors certain management matters, including through the appointment of Committees, in relation to which it shall define its composition and designate the respective Chairman and establish, through regulation, its functioning rules and respective attributions.

ARTICLE 11

(Non-executive Directors)

1. Without prejudice to the performance of the powers not delegated in the Executive Committee, the non-executive directors of the Company shall be responsible for overseeing and supervising the executive management actions.



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2. With a view to approving informed and independent decisions, the non-executive directors may obtain the information deemed necessary or convenient for performing their powers, competences and duties (in particular, information relating to the competences delegated in the Executive Committee and to their performance), requesting such information to the Executive Committee, and the answer to their requests shall be provided in an adequate and timely fashion to all non-executive Directors.

ARTICLE 12

**(Compliance with the Legal and Ownership Unbundling Regime
applicable to the Directors)**

1. The person appointed as member of the Board of Directors shall declare that (i) he/she does not perform nor will perform activities of production or supply of electricity or natural gas during his/her term of office, directly or indirectly, by himself/herself or in partnership with other entities in Portugal or in geographical areas that have interface or connection, direct or indirect, with the Portuguese grids, (ii) he/she does not control or exercise any right, nor will do so during the relevant term of office, for entities that develop or have some interest in such an activity in those areas, either directly or indirectly, and (iii) he/she is not a member of the corporate bodies, does not participate in the structures or provides services, directly or indirectly, to entities that carry out or have any interest in such activities in those areas, nor it will do so during the relevant term of office.
2. As an alternative to the presentation of the declaration described in the preceding paragraph, the person appointed as board member and who is in one of the situations set out in the preceding paragraph shall submit a document issued by *ERSE - Entidade Reguladora dos Serviços Energéticos* in which this entity recognizes the inexistence of a conflict of interest.



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3. Directors must inform REN and *ERSE - Entidade Reguladora dos Serviços Energéticos* promptly of any and all circumstances, changes and/or transactions that may in any way conflict with the provisions of the preceding paragraphs, which may create doubts about a potential conflict or, generally, that may conflict with REN's duties of legal and ownership unbundling of the transportation and transmission activities.
4. Directors shall send, within 5 (five) days counted from the end of each quarter, a statement confirming that they did not exercise during the relevant period, nor exercise at the date of that statement the activities described in no. 1 of this Article or that *ERSE - Entidade Reguladora dos Serviços Energéticos* acknowledged that the exercise of such activities does not create a conflict of interest.
5. The Directors acknowledge that the breach of the requirements of the preceding paragraphs may have serious reputational, financial and/or other consequences to REN, including, in particular, the imposition of fines for failure to comply with mandatory laws and regulations and also, ultimately, the loss of its certification.