

Unofficial Translation

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Extract of Minutes No 1/2017

On 11 May 2017 at 10.30 a.m. was held in the Company's auditorium on Rua Cidade de Goa n.º 4, in Sacavém, municipality of Loures, the Annual General Shareholders Meeting of REN – Redes Energéticas Nacionais, SGPS, S.A., a listed company (hereinafter referred to as “**REN**” or “**Company**”), with registered office at Avenida dos Estados Unidos da América, n.º 55, in Lisbon, Tax Number 503 264 032, registered at the Lisbon Business Registry under the same number, with share capital of € 534 000 000.00. The meeting was held outside the Company's registered office as the facilities there are presently unsatisfactory for this purpose. -----

The Board of the Shareholders Meeting consisted of the Chairman, Mr. Pedro Canastra de Azevedo Maia, the Vice-Chairman, Mr. Francisco Santos Costa and the company secretary, Mrs. Marta Almeida Afonso, who started by verifying the regularity of the convening notice through the mandatory publications of 19 April on the Ministry of Justice, the CMVM and REN websites. -----

The Board of the General Shareholders Meeting verified that the attendance list was duly organized and that the letters of representation for the legal persons which are shareholders or the persons which, albeit not attending, wished to participate in the meeting through a representative, were made available.-----

It was, therefore, seen by the Board of the Shareholders Meeting that, a total of 132 shareholders were attending or duly represented, corresponding to 64.9104% of the share capital (5 individual shareholders attending, holders of 444 900 shares corresponding to 0.0833% of the share capital and 126 represented shareholders, holders of 346 175 574 shares corresponding to 64.8269% of share capital, with one shareholder voting by correspondence with 1 000 shares, representing 0.0002% of the share capital). These 346 621 474 shares correspond, under the terms of Article 12(2) of the Company's Articles of Association, to 346 621 474 votes. Based on this attendance and the share registration statements issued by the financial intermediaries responsible for the individual registration of shares for each shareholder, the Chairman declared that, in accordance with the Articles of Association and national legislation, the quorum required to convene was present for this General Shareholders Meeting. The attendance list, organized by the General Shareholder Meeting support services, the letters of representation and the statements of no risk of conflicting interests are filed with the minutes of the meeting (Annex I). -----

The Board of the General Shareholders Meeting further verified that the remaining formalities prior to the holding of the General Shareholders Meeting, namely that the proposals and further information on the items on the agenda had been provided to the Shareholders, at the registered office and on the CMVM and REN websites within the legal deadlines. -----

(...)

Before starting the discussion of the agenda, (...) the Chairman of the General Shareholders Meeting stressed that, as a result of the certification of Company's subsidiaries as operators of an electricity and natural gas transmission network, participation in the Company General

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Shareholders Meeting is not allowed by shareholders who have not issued a prior statement confirming no conflict of interests. He also noted that the requirement for this statement causes difficulty in participation by shareholders with chains of representation. He regretted this fact and informed the Meeting that the Portuguese Energy Services Regulator (ERSE) had been contacted with a view to facilitating participation. The Chairman of the General Shareholders Meeting further emphasised that efforts would be made so that, in the future, the participation process by shareholders could be simplified by the competent authorities. After this prior note to the shareholders, the Chairman of the General Shareholders Meeting then started work in accordance with the following agenda: -----

Item One - Resolve on the approval of the consolidated and individual accounts' reporting documents referring to the financial year ended on December, 31st, 2016, accompanied, notably, by the legal certification of the accounts, the opinion of the supervisory body, the activity report of the Audit Committee and the corporate governance report. -----

Item Two - Resolve on the proposal for the allocation of profits in relation to the financial year ended on December 31st, 2016. -----

Item Three - Perform the general appraisal of the management and supervision of the Company, in accordance with article 455 of the Portuguese Companies Code. -----

Item Four - Resolve on the granting of authorization to the Board of Directors for the acquisition and sale of own shares by REN and subsidiaries of REN. -----

Item Five - Resolve on the granting of authorization to the Board of Directors for the acquisition and sale of own bonds or other own debt securities by REN and subsidiaries of REN. -----

Item Six - Resolve on a statement of the Remuneration Committee on the remuneration policy of the members of the management and supervisory bodies and of the General Shareholders Meeting Board. -----

Item Seven - Resolve on the granting of authorization to the Board of Directors to approve a share capital increase towards the acquisition of EDP Gás, S.G.P.S., S.A. and, consequently, to approve the amendment to the Articles of Association of REN adding number 3 to its article 4 and amending paragraph e) of number 2 of article 8. -----

With regard to **Item One** on the agenda, (...).-----

The Chairman of the Board of Directors then proposed that the management report and consolidated and individual accounts for the financial year ending on 31 December 2016 to be approved, accompanied by the legal certification of the accounts, the opinion of the supervising body, the Audit Committee activity report and the corporate governance report. -----

(...) as there were no requests from shareholders to speak, a short information film would be shown on the voting procedure, followed by the voting itself. -----

After votes had been cast, the proposal on **Item One** was **approved by the majority of the votes issued** - with a total of 346 592 474 votes, corresponding to the same number of shares and to

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64.904% of share capital - with 346 585 874 votes in favour, 6 600 votes against, corresponding, respectively, to 99.998% of votes in favour and to 0.002% of votes against, and 29 000 abstentions, result that the Chairman announced to the General Shareholders Meeting. All documents relating to **Item One** of the agenda are filed with the minutes to the meeting (Annex II). -----

Moving on to **Item Two** on the agenda ("Resolve on the proposal for the allocation of profits in relation to the financial year ended on December 31st, 2016."), the Chairman of the General Shareholders Meeting read the proposal submitted by the Board of Directors, which was as follows:

"According to the annual financial statements of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter "REN"), in the financial year ended on December 31st, 2016, the amount of 100,183,103.19 Euros (one hundred million, one hundred and eighty three thousand, one hundred and three euros and nineteen cents) has been established as net income in the IFRS consolidated accounts, and the amount of 93,805,213.95 Euros (ninety three million, eight hundred and five thousand, two hundred and thirteen euros and ninety five cents) has been established in the individual accounts, in accordance with SNC.

In light of the above, and in accordance with and for the purposes of number 1 of Article 28 of REN's Articles of Association and Articles 31 to 33, paragraph f) of number 5 of Article 66, Articles 294 and 295 and numbers 1 paragraph b) and 2 of Article 376, all from the Portuguese Companies Code, the Board of Directors hereby proposes that the net income of the financial year 2016, established in the individual financial statements, in the abovementioned amount of 93,805,213.95 Euros (ninety three million, eight hundred and five thousand, two hundred and thirteen euros and ninety five cents) be totally transferred to retained earnings. Additionally, the Board of Directors hereby proposes the following distribution:

- *As dividends to shareholders from accumulated available reserves: 91,314,000.00 Euros (ninety one million, three hundred and fourteen thousand euros), corresponding to a distribution of 91.15% of the consolidated income of REN, SGPS, S.A. in 2016, which amounts to 100,183,103.19 Euros (one hundred million, one hundred and eighty three thousand, one hundred and three euros and nineteen cents), equivalent to a gross dividend value per share of 0.171€;*
- *As distribution to REN's and its subsidiaries employees: 2,500,000 Euros (two million and five hundred thousand euros). Due to the accounting rules in force, this amount is already reflected in the net profit of the financial year ended on 31 December 2016 of REN, S.G.P.S., S.A. (311,223.95 Euros – three hundred and eleven thousand two hundred and twenty three euros and ninety five cents) and of its subsidiaries (2,188,776.05 Euros – two million one hundred and eighty eight thousand seven hundred and seventy six euros and five cents). -----*

As there were no requests for the use of the floor by shareholders, the Chairman of the General Shareholders Meeting put the proposal for **Item Two** on the allocation of profits for the financial

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year ending 31 December 2016 to the vote. This was **unanimously approved by issued votes** - with a total of 346 614 874 votes, corresponding to the same number of shares and to 64.909% of share capital - with 346 614 874 votes in favour, zero votes against and 6 600 abstentions. The Chairman then informed the meeting of this result. All documents relating to **Item Two** on the agenda are filed with the minutes to the meeting (Annex III).-----

With respect to the discussion of **Item Three** on the agenda ("Perform the general appraisal of the management and supervision of the Company, in accordance with article 455 of the Portuguese Companies Code"), the Chairman informed those present that the meeting had received a proposal from the shareholders (i) State Grid Europe Limited, (ii) Mazoon, B.V., and (iii) Fidelidade – Companhia de Seguros, S.A.. He then read the said proposal:-----

"Whereas: -----

- A) Under paragraph c) of number 1 of Article 376 and number 1 of Article 455 of the Portuguese Companies Code, the general appraisal by the Annual General Shareholders Meeting of the management and supervision of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter referred to as "REN" or "the Company") is mandatory; -----*
- B) REN's Board of Directors had a remarkable performance of its functions of coordination, orientation and pursuit of the businesses and corporate activities during the financial year 2016; -----*
- C) Finally, the diligent, professional and committed performance of functions by REN's Audit Committee and Statutory Auditor during 2016 has been equally remarkable, and has favorably contributed to the acknowledged good performance. -----*

It is thus proposed that the General Shareholders Meeting of REN approves: -----

- 1. A vote of positive appraisal and praise to the Board of Directors of the Company for the performance of its management functions during 2016; -----*
- 2. A vote of positive appraisal and praise to the Audit Committee of the Company for the performance of its supervisory functions during 2016;*
- 3. A vote of positive appraisal and praise to the Statutory Auditor of the Company for the performance of its functions during 2016."-----*

(...)

With no further requests for the use of the floor, the Chairman of the General Shareholders Meeting put the proposal on **Item Three** on the agenda to the vote, which was **approved by the majority of the votes issued** - with a total number of 346 592 474 votes, corresponding to the same number of shares and to 64.904% of the share capital - with 345 639 417 votes in favour and 953 057 votes against, corresponding, respectively, to 99.73% votes in favour and to 0.27% votes against, and 29,000 abstentions, result that the Chairman announced to the General Shareholders Meeting. All documents relating to **Item Three** on the agenda are filed with the minutes to the meeting (Annex IV).-----

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Next, the Chairman of the General Shareholders Meeting moved on to the appreciation of **Item Four** on the agenda (“Resolve on the granting of authorization to the Board of Directors for the acquisition and sale of own shares by REN and subsidiaries of REN”). Due to its length, the full reading of this proposal was deemed unnecessary by the shareholders as it had been duly included in the materials provided to the General Shareholders Meeting. The Chairman of the General Shareholders Meeting highlighted the main aspects of the proposal as required by law. -----
With no shareholders requesting the use of the floor, the Chairman of the General Shareholders Meeting put the proposal on **Item Four** to the vote, which was **approved by the majority of the votes issued** - with a total of 346 621 474 votes, corresponding to the same number of shares and to 64.910% of share capital - with 346 415 490 votes in favour and 205 984 votes against, corresponding, respectively, to 99.94% of votes in favour and to 0.06% votes against, and zero abstentions, result that the Chairman announced to the General Shareholders Meeting. All the documents relating to **Item Four** on the agenda, including the document with the transcription of the deliberation proposal for this item, are filed with the minutes to the meeting (Annex V). -----
Moving on to **Item Five** on the agenda (“Resolve on the granting of authorization to the Board of Directors for the acquisition and sale of own bonds or other own debt securities by REN and subsidiaries of REN”), the Chairman of the General Shareholders Meeting mentioned the proposal submitted by the Board of Directors. Due to its length, the full reading of this proposal was deemed unnecessary by the shareholders as it had been duly included in the materials provided to the General Shareholders Meeting. The Chairman of the General Shareholders Meeting highlighted the main aspects of the proposal as required by law. -----
With no shareholders requesting the use of the floor, the Chairman of the General Shareholders Meeting put the proposal on **Item Five** to the vote, which was **approved by the majority of the votes issued** - with a total of 346 621 474 votes, corresponding to the same number of shares and to 64.910 % of share capital - with 346 228 210 votes in favour and 393 264 votes against, corresponding, respectively, to 99.89% of votes in favour and to 0.11% votes against, and zero abstentions, result that the Chairman announced to the General Shareholders Meeting. All the documents relating to **Item Five** on the agenda, including the document with the transcription of the deliberation proposal for this item, are filed with the minutes to the meeting (Annex VI). -----
Moving on to the discussion of **Item Six** on the agenda (“Resolve on a statement of the Remuneration Committee on the remuneration policy of the members of the management and supervisory bodies and of the General Shareholders Meeting Board”), the Chairman of the General Shareholders Meeting mentioned the statement from the Remuneration Committee on the remuneration policy for members of corporate bodies, and asked if shareholders would waive the full reading of this proposal due to its length and as it had been duly included in the materials provided to the General Shareholders Meeting. (...). -----

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The Chairman of the General Shareholders Meeting proposed that only point III of the statement be read, and this was accepted by shareholders. This point read was as follows: -----

“III. REMUNERATION POLICY OF THE MEMBERS OF THE CORPORATE BODIES FOR FINANCIAL YEAR 2017 OF THE CURRENT TERM OF OFFICE -----

For the financial year of 2017 of the current term of office, the Remuneration Committee approved the new remuneration policy and conditions applicable to the members of the corporate bodies of REN which will enter into force after the approval by the General Shareholder’s Meeting of this statement and which includes some systematic refinements, as well as some improvements and updates of remuneration amounts, but it essentially remains faithful to the previous policy, as described above, preserving its structure and principles. ----- For ease of reference, please see below only the aspects of the proposed policy which are materially different from the previous policy, as described above: -----

- a) The performance assessment of the executive directors carried out by the Remuneration Committee, will continue to be based on the assessment of the company’s main shareholders, as well that of as the non-executive Directors, taking into account the report to be prepared by the Nominations and Appraisals Committee. On the other hand, the Audit Committee validates by the end of February of each year the numbers which will be considered as reference to such performance assessment procedure; -----*
- b) Seeking for an ever better alignment between REN’s effective performance and the variable remuneration it is now set out that the individual performance assessment of an Executive Director is only relevant when negative, in which situation variable remuneration will not be attributed;-----*
- c) The MLTVR continues to be determined in Remuneration Units (RU), related to each financial year of the term office on which each Executive Director had performed functions. However, its amount is determined by reference to the average closing price of REN’s shares on Euronext Lisbon in the 30 negotiation days before the date of the shareholders’ General Meeting in which the annual accounts of the relevant financial year are approved. -----*
- d) In addition, in case REN’s shares are delisted, various possibilities of exit price (when applicable) shall be considered, and the consequences of termination of the functions before the end of the term of office (depending on the reasons for such termination) have been clarified. -----*
- e) Regarding MLTVR, new rules on RU’s conversion and payment deferral were established, for a period of three years after its attribution (a third per year, beginning in the year after such attribution). -----*
- f) Adjustments were made on the variable remuneration matrix in order to determine that, between the 100% and 119% of achievable goals, the percentage of fixed remuneration to*

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be granted as total variable remuneration be fully proportional to the compliance level (instead of being determined by tiers); -----

- g) Adjustments were made to the KPIs which now are the following: (i) Average Cost of Debt, (ii) Return on Invested Capital, (iii) EBITDA in foreign investment; (iv) Earnings per share and (v) EBITDA; -----
- h) The amounts of certain fixed remunerations were updated, as follows: -----
 - 1. Considering two internal committees of the Board of Directors were created (Corporate Governance Committee and Nominations and Appraisals Committee), the members of such committees are granted the following additional remuneration: -----
 - (i) Chairman: 5,000.00 Euros (five thousand euros); and -----
 - (ii) Other members: 3,000.00 Euros (three thousand euros); -----
 - 2. If the Chairman of the Board of Directors and/or the Chief Executive Officer is/are part of the Corporate Governance Committee or of the Nominations and Appraisals Committee, they will not receive any additional remuneration for the performance of such duties; -----
 - 3. The remunerations of the members of the general shareholders meeting board, by reference to 2016, as above mentioned, were updated as follows: -----
 - (i) Chairman - 15,000.00 Euros (fifteen thousand euros); -----
 - (ii) Vice-Chairman - 5,000.00 Euros (five thousand euros); -----
 - (iii) Secretary - 3,000.00 Euros (three thousand euros). -----
- i) Regarding the remuneration of the Statutory Auditor, the policy establishes that it shall be set out in accordance with normal market conditions and shall not be related to REN's performance, in line with the Company's practice. -----

(...)

With there being no further requests to speak, voting on **Item Six** was started **and approved by the majority of votes issued** - with a total of 346 458 347 votes, corresponding to the same number of shares and to 64.879 % of share capital - with 343 874 034 votes in favour and 2 584 313 votes against, corresponding, respectively, to 99.25% of votes in favour and to 0.75% votes against, and 163 127 abstentions, result that the Chairman announced to the General Shareholders Meeting. All the documents relating to **Item Six** on the agenda, including the document with the transcription of the deliberation proposal for this item, are filed with the minutes to the meeting (Annex VII).-----

Moving on to **Item Seven** on the agenda ("Resolve on the granting of authorization to the Board of Directors to approve a share capital increase towards the acquisition of EDP Gás, S.G.P.S., S.A. and, consequently, to approve the amendment to the Articles of Association of REN adding number 3 to its article 4 and amending paragraph e) of number 2 of article 8"), (...).-----

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With there being no further requests to speak, the voting procedure was started and the proposal relating to **Item Seven** was **approved by the majority of votes issued** - with a total of 346 252 474 votes, corresponding to the same number of shares and to 64.841% of share capital - with 346 240 874 votes in favour and 11 600 votes against, corresponding, respectively, to 99.997% of votes in favour and to 0.003% votes against, and 369 000 abstentions, result that the the Chairman announced to the General Shareholders Meeting. All the documents relating to **Item Seven** on the agenda, including the document with the transcription of the deliberation proposal for this item, are filed with the minutes to the meeting (Annex VIII).-----
Finally, the Chairman of the General Shareholders Meeting thanked all those attending the meeting, the other members of the Board of the General Shareholders Meeting, particularly the Company Secretary, Ms. Marta Almeida Afonso, for her help in the preparation work for this meeting and also thanked the support staff assisting in the organization of the General Shareholders Meeting. He then declared the meeting formally closed at 13.00, and these minutes were drawn up which shall be signed by the Chairman and the Vice-Chairman of the General Shareholders Meeting, and by the Company Secretary . -----

The Chairman of the General Shareholders Meeting

(Mr. Pedro Canastra de Azevedo Maia)

The Vice-Chairman of the Board
of the General Shareholders Meeting

(Mr. Francisco Santos Costa)

The Company Secretary

(Ms. Marta Almeida Afonso)