



REN - REDES ENERGÉTICAS NACIONAIS, S.G.P.S., S.A. - listed company
Registered Office: Avenida dos Estados Unidos da América, no. 55, Lisbon
Share capital: 667,191,262 Euros

Company and registration number with the Lisbon Commercial Registry Office: 503 264 032

*Non-binding translation
For information purposes only*

Note prior to the notice to Convene

Information COVID-19

Portugal is on this date in a state of emergency declared under the terms of the Decree of the President of the Republic, no. 14-A/2020, of 18 March 2020 and extended in April, 2nd until April 17th, due to the public health emergency caused by the COVID-19 disease, qualified by the World Health Organization as an international pandemic. The state of emergency has been embodied in specific measures determined by the Government, which significantly restrict the displacement of people.

Even if the state of emergency is not extended until the date set for this General Shareholders Meeting, it is not expected that on that date the national situation will be sufficiently normalised to allow the Annual General Shareholders Meeting to be held in conditions that are safe for the health of all participants.

REN cares about the safety of its employees, members of corporate bodies, shareholders and other stakeholders, and has been following strict public health measures in the performances of its activities since the beginning of the current pandemic and intends to do the same in the organization and holding of its Annual General Shareholders Meeting.

In accordance with article 377(6), paragraph b) of the Companies Code, non in person general meetings are allowed, providing that the meetings can be held by telematic means, unless otherwise stated in the articles of association, and the company must ensure the authenticity of the declarations and the security of the communications, registering their content and the respective intervening parties.



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Pursuant to the "*Recommendations in the context of General Shareholders Meetings*" issued within the framework of cooperation between the Portuguese Securities Exchange Commission (CMVM), the Portuguese Institute of Corporate Governance (IPCG) and the Association of Listed Securities Issuers (AEM) with regard to the national Corporate Governance regime, and considering the current context resulting from the impact of the new Coronavirus - Covid 19 "*the holding of general shareholders meetings by means of distance communication constitutes, in this context, a highly recommended solution and the one that, among the available possibilities, ensures a greater compatibility of the interests at stake.*"

Bearing in mind the above, REN will hold its Annual General Shareholders Meeting **exclusively by telematic means**, promoting early voting by shareholders, both by post, as in previous years, and also introducing electronic correspondence voting and voting by electronic means. Please note that, for technical and security reasons, shareholders must exercise such voting rights before the meeting. Shareholders who have exercised their right to vote prior to the meeting may, however, change the direction of their vote during the meeting according to the terms of the notice.

In order to totally assure the right to information, this will be ensured also by telematic means, as described in the Notice to Convene.



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NOTICE TO CONVENE

General Shareholders Meeting

I hereby convene all the shareholders of this Company to meet at the General Shareholders Meeting, on May 7th, 2020, at 10:30 am (Lisbon time), to be carried out **exclusively by telematic means** with the following

AGENDA

1. Resolve on the approval of the consolidated and individual accounts' reporting documents referring to the financial year ended on December, 31st, 2019, accompanied, notably, by the legal certification of the accounts, the opinion of the supervisory body, the report of the Audit Committee, the corporate governance report and the non-financial consolidated statement.
2. Resolve on the proposal for the allocation of profits in relation to the financial year ended on December 31st, 2019.
3. Perform the general appraisal of the management and supervision of the Company, in accordance with article 455 of the Portuguese Companies Code.
4. 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.
5. 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.
6. 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.



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INFORMATION TO THE SHAREHOLDERS AND QUORUM

If on the date set for the meeting, the General Shareholders Meeting may not be held, by absence of quorum, a second meeting is hereby convened, to be held on 22nd May 2020 through the same means and at the same time.

In accordance with the provisions of number 1 of Article 11 of the Articles of Association, in order for the General Shareholders Meeting to be held and adopt resolutions on the first meeting, shareholders representing at least 51% of the share capital must be present or represented.

All the information and preparatory documents regarding the Agenda (including those required by numbers 1 and 2 of article 289 of the Portuguese Companies Code and by number 1 of article 21-C of the Portuguese Securities Code) will be made available to shareholders for consultation purposes at REN's website www.ren.pt, from the date of the publication of the present Notice to Convene.

The accounts' reporting documents of the Company regarding the last financial year may equally be consulted as from the same date, at the Portuguese Securities Market Commissions' ("CMVM") website www.cmvm.pt.

REQUIREMENTS FOR THE PARTICIPATION AND EXERCISE OF THE VOTING RIGHT

Without prejudice to the applicable mandatory legal provisions, we stress the following:

- a) Only the shareholders that are holders of voting shares may attend the General Shareholders Meetings;
- b) Each share corresponds to one vote;



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- c) In accordance with the provisions of number 3 of article 12 of the Articles of Association and of paragraph (i) of number 2 of article 25 of the Decree-law no. 29/2006, of February 15th, of paragraph (b) of number 3 of article 20-A and of paragraph (h) of number 3 of article 21, both of Decree-law no. 30/2006, of February 15th, all as amended, the votes inherent to shares exceeding 25% of the total number of votes corresponding to the share capital will not be counted if issued by any Shareholder, on its own behalf or as representative of another;
- d) Voting rights shall be deemed cast by the same Shareholder, whenever they are attributed to the latter under number 1 of article 20 of the Portuguese Securities Code;
- e) For the purposes of numbers 3 and 4 of article 12 of the Articles of Association, and in accordance with article 13, shareholders have the duty to provide to the Board of Directors, in a complete, objective and true manner, all the information requested that relates to the calculation of the votes which they are entitled to, under penalty of prevention of the exercise of voting rights with any shares that exceed the limit applicable under the terms of number 3 of article 12 of the Articles of Association;
- f) In accordance with provisions set forth in number 1 of article 23-C of the Portuguese Securities Code, shareholders that at **00:00 hours (Lisbon time) of April 29th, 2020** (“Record Date”) are owners of shares which grant the right to, at least, one vote are entitled to participate and vote at the General Shareholders Meeting (without prejudice of other legal and statutory requirements demanded, namely the ones referred in the als. g), h), k) and l));
- g) In accordance with number 3 of article 23-C of the Portuguese Securities Code, shareholders that wish to participate in the General Shareholders Meeting must state such intention in written form to the Chairman of the General Shareholders Meeting Board^(*) and to the financial intermediary with which they have opened the relevant individual securities account, at the latest until **11:59 pm (Lisbon**



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time) of April 28th, 2020 and may, for such purpose, use the forms available on REN's website at www.ren.pt or the e-mail address AG2020@ren.pt;

- h) The financial intermediary that, under the terms of the last paragraph, has been informed of the Shareholder's intention to participate in the General Shareholders Meeting must send to the Chairman of the General Shareholders Meeting Board^(*), at least until **11:59 pm (Lisbon time) of April 29th, 2020**, information regarding the number of shares registered in the Shareholder's name, with reference to the Record Date, and may send such information to the e-mail address AG2020@ren.pt;
- i) The exercise of the right to participate and to vote at the General Shareholders Meeting will not be affected by the transfer of shares at any time after the Record Date and does not depend upon their blocking between the Record Date and the date of the General Shareholders Meeting, but the shareholders who have declared their intention to participate in the General Shareholders Meeting, according to paragraph (g) above, shall immediately report such transfer to the Chairman of the General Shareholders Meeting Board^(*) and to the Portuguese Securities Market Commission;
- j) Shareholders that, on a professional basis, hold shares in their own name but on behalf of their clients, may vote differently with their shares, provided that, besides the statement of participation and the information to be provided by the respective financial intermediary with regards to the number of shares registered in the Shareholder's name, pursuant to paragraphs g) and h) above, such shareholders submit to the Chairman of the General Shareholder Meeting Board^(*), until **11:59 pm (Lisbon time) of April 29th, 2020**, by using sufficient and proportionate means of proof: (i) the identification of each client and the number of shares to vote on such client's behalf; and (ii) the voting instructions given by each client specifically regarding each item of the Agenda;



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- k) Shareholders will only be admitted to participate and vote at the General Shareholders Meeting if the statement expressing their intention to participate in the General Shareholders Meeting has been received until **11:59 pm (Lisbon time) of April 28th, 2020**, and the information provided by the financial intermediary, with whom they have opened the relevant individual securities registry account, regarding the number of shares registered in its client's name on the Record Date, has been received until **11:59 pm (Lisbon time) of April 29th, 2020**.
- l) As requested by the Energy Services Regulatory Authority ("ERSE"), Shareholders intending to participate, personally or through representative, in the General Shareholders Meeting on May 7th, 2020, shall state, in a written document delivered to the Chairman of the General Shareholder Meeting Board until the day before the Record Date, i.e. up to **11:59 pm (Lisbon time) of April 28th, 2020**, that:
1. The shareholder does not exercise, directly or indirectly, control over an undertaking that performs one of the activities from among the generation and supply of electricity or natural gas; or
 2. The shareholder is not prevented from exercising political shareholder rights inherent to any shares representative of the share capital of REN, by virtue of the acknowledgement by ERSE of the non-existence of a risk of conflict of interests concerning the shareholder.

SHAREHOLDERS RIGHTS

1. Information right

In the course of the General Shareholders Meeting, any Shareholder may request truthful, complete and elucidating information which enables him/her/it to form a grounded opinion on the items included in the Agenda.



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The requested information will be provided by the competent corporate body, and may only be refused in case the disclosure may cause serious damage to the Company or to other company related thereto, or breach of a secrecy duty imposed by law.

2. Right to request the inclusion of items in the Agenda

Shareholders holding shares corresponding to at least 2% (two percent) of the Company's share capital have the right to request the inclusion of items in the Agenda, by way of a written request addressed to the Chairman of the General Shareholders Meeting Board ^(*), within 5 days following the publication of the present Notice to Convene.

The abovementioned written request shall be accompanied by a document proving ownership of said percentage of the share capital, a proposal of resolution on each item which inclusion is requested and, furthermore, the statement mentioned in paragraph l) concerning the abovementioned requirements for participation and exercise of voting rights in the General Shareholder Meeting.

3. Right to present resolution proposals

Through a written request addressed to the Chairman of the General Shareholders Meeting Board^(*), presented within 5 days following the publication of the present Notice to Convene, shareholders holding shares corresponding to at least 2% (two percent) of the Company's share capital have the right to present resolution proposals on the items on the Agenda, which will be made public prior to the General Shareholders Meeting.

The request must be accompanied by a document proving ownership of said percentage of the share capital and include the information which must be enclosed with the resolution proposal and, furthermore, accompanied by the statement mentioned in paragraph l) concerning the abovementioned requirements for participation and exercise of voting rights in the General Shareholder Meeting.



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4. Participation in the General Shareholders Meeting, exclusively by telematic means

The General Shareholders Meeting is held exclusively by telematic means.

Shareholders may attend the General Meeting by telematic means, under the terms to be disclosed on REN's website at <https://www.ren.pt/en-GB/investidores>.

In order to participate in the General Shareholders Meeting, the Shareholders must previously indicate their intention to the Chairman of the General Shareholders Meeting (*) by 11:59 pm (GMT) of April 28th, 2020, **indicating the email address** where the information necessary to participate in the General Shareholders Meeting by telematic means should be received, as well as comply with the procedures foreseen for the exercise of voting rights (see points below).

Further to this communication, each shareholder will receive, **at the e-mail address indicated by him/her**, the necessary information for the participation in the General Shareholders Meeting by telematic means. REN will provide support for the shareholders to access the telematic means in which the General Shareholders Meeting will be held.

Under the applicable legal terms, the Company will register the content of the communications and the respective intervening parties.

The required quorum for the General Shareholders Meeting to meet and resolve will be calculated before the meeting is held, considering as attending the shareholders that validly exercised their voting right, as set out in this notice to convene.

The shareholders who **have exercised their vote by electronic means or by correspondence** and participate by telematic means in the General Shareholders Meeting will be allowed to change the voting direction during the meeting, before the announcement of the result of each vote, by sending an email to AG2020@ren.pt, **from the email address previously identified in the General Shareholders Meeting participation request**.



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Shareholders who **have not exercised their right to vote by electronic means or by correspondence** may participate in the General Meeting (by viewing and intervening in the same), but may no longer exercise such right to vote during the meeting.

REPRESENTATION IN THE GENERAL SHAREOLDERS MEETING

Any Shareholder may be represented in the General Shareholders Meeting by any person with full legal capacity, provided that he/she/it notifies the appointment of the representative to the Chairman of the General Shareholders Meeting Board^(*), through a written document to be received at the Company's head office until **5:00 pm (Lisbon time)** of the second to last working day prior to the date of the meeting, i.e. **May 5th, 2020**, and said notification may be sent by e-mail to the address AG2020@ren.pt.

From the date of publication of the present Notice to Convene, the Company provides to the shareholders a representation letter form which may be obtained directly in the respective website at www.ren.pt, or through a request addressed to AG2020@ren.pt.

Any Shareholder may appoint different representatives in relation to shares held in different securities accounts, without prejudice to the principle of uniform vote, under the terms of article 385 of the Portuguese Companies Code.

The request for a representation document submitted to more than 5 shareholders shall include the following elements:

1. Specification of the General Shareholders Meeting, indicating date, time and Agenda;
2. Information on document consultation by shareholders;
3. Precise details on the person or persons appointed as representatives;
4. The manner in which the representative will exercise the vote if no instructions are given by the represented Shareholder;



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5. Statement according to which, in case of unforeseen circumstances, the representative shall vote in the manner it deems to best satisfy the represented Shareholder's interests;
6. The voting rights that are attributed to the requesting Shareholder pursuant to number 1 of article 20 of the Portuguese Securities Code; and
7. The grounds for the manner in which the votes are to be exercised by the requesting person/entity.

EXERCISE OF THE VOTING RIGHT BY POSTAL OR ELECTRONICAL CORRESPONDENCE OR BY ELECTRONIC MEANS

Under article 22 of the Portuguese Securities Code and Article 12, no. 5 of the Articles of Association, shareholders that may attend the General Shareholders Meeting may also exercise their voting right by correspondence in relation to each of the items in the Agenda:

- a) by letter or by e-mail to AG2020@ren.pt;
- b) bearing an electronic or simple signature identical to the one on the identification card or equivalent identification document, which must be accompanied by a legible copy of the identification document and, in the case of a legal person, in the case of a simple signature, the power of attorney or permanent certificate evidencing the powers of the representative must also be attached;
- c) addressed to the Chairman of the General Shareholders Meeting Board^(*) and sent by registered mail with acknowledgement of receipt, or by email to AG2020@ren.pt, provided that this letter or email is received at the registered office of the Company or mentioned email address until the second business day prior to the date of the meeting, that is, by 11:59 pm (GMT) of May 5th, 2020;



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- d) without prejudice to the previous statement of the intention to participate and to the information on the respective financial intermediary referred to in paragraphs g) and h) of Section “REQUIREMENTS FOR THE PARTICIPATION AND EXERCISE OF THE VOTING RIGHT” above and the previous statement mentioned in paragraph l) of said Section.

In order to allow postal voting to be carried out in accordance with the applicable legal and statutory provisions, shareholders who wish to use this form of voting may request it from the Company, by means of a letter addressed to the Chairman of the Board of the General Shareholders Meeting(*) or of the available on the website at <https://www.ren.pt/en-GB/investidores>, with the necessary advance notice, in order to allow for the delivery of the available documentation, without payment of postage, as well as the timely delivery to the Company of the documentation sent by post.

Shareholders may also exercise their electronic voting right through REN's website <https://www.ren.pt/en-GB/investidores>, under the terms, conditions and deadlines described therein. For such purposes, shareholders must indicate in their communication to participate in the General Shareholders Meeting the email address to where the information necessary to exercise their vote in the electronic platform should be sent to. Further to such communication, shareholders will receive in the email address they indicated the necessary information as well as the respective access codes.

In order to vote in the electronic platform, shareholders must, by 11:59 pm (GMT) of May 6th of 2020, access said website, insert the access codes they will receive in the e-mail indicated by them in the communication to participate in the General Shareholders Meeting and follow the instructions described therein. The platform will be available for shareholders to exercise their voting rights since 00:00h of the Registration Date. In the items on the agenda where the shareholder does not declare a vote to be "for" or "against", it will be considered as abstentions.



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Votes of clients of professional shareholders which hold shares on own name on behalf of clients will be considered by REN in accordance with the instructions sent by the professional shareholders. For this purpose, it will not be necessary for the professional shareholders to insert the votes in the electronic platform, the respective voting direction will be filed at the company's head office.

- (*) **Contacts of the Chairman of the General Shareholders Meeting Board:**
Address: Avenida dos Estados Unidos da América, no. 55, 1749-061 Lisbon
E-mail: AG2020@ren.pt

Lisbon, April 8th, 2020

The Chairman of the General Shareholders Meeting Board

(Pedro Maia)

RENH

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PROPOSAL OF RESOLUTION

ITEM 2 OF THE AGENDA FOR THE ANNUAL GENERAL SHAREHOLDERS MEETING OF MAY 7, 2020

According to the annual financial statements of REN - Redes Energeticas Nacionais, S.G.P.S., S.A., in the financial year ended on December 31st, 2019, the amount of 118,899,258.51 Euros (one hundred and eighteen million, eight hundred and ninety- nine thousand, two hundred and fifty-eight, and fifty one cents) has been established as net income in the IFRS consolidated accounts, and the amount of 124,933,430.70 Euros (one hundred and twenty four million, nine hundred and thirty three thousand, four hundred and thirty Euros and seventy cents) has been established in the individual accounts, in accordance with SNC.

Considering the above and pursuant to article 28 of the Articles of Association of REN SGPS, S.A. and articles 31 to 33, article 66(5)(f), articles 294 and 295 and article 376(1)(b) and (2), all of the Portuguese Companies Code, the Board of Directors proposes that the net profit for the financial year of 2019, as seen in the individual financial statements in accordance with National Accounting System rules, amounting to 124,933,430.70 Euros (one hundred and twenty four million, nine hundred and thirty three thousand, four hundred and thirty Euros and seventy cents) be transferred as follows:

- To the legal reserve: 6,246,671.54 Euros (six million, two hundred and forty six thousand, six hundred and seventy one Euros and fifty four cents); and
- To retained earnings: 118,686,759.16 Euros (one hundred and eighteen million, six hundred and eighty six thousand, seven hundred and fifty nine Euros and sixteen cents).



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Furthermore, the Board of Directors also proposes the following distribution:

- As dividends to shareholders from accumulated available reserves: 114,089,705.80 Euros (one hundred and fourteen million, eighty nine thousand, seven hundred and five Euros and eighty cents), corresponding to a distribution of 96 % of REN, S.G.P.S., S.A. consolidated profit for the financial year of 2019, standing at 118,899,258.51 Euros (one hundred and eighteen million, eight hundred and ninety nine thousand, two hundred and fifty eight Euros and fifty one cents), equivalent to a gross dividend per share of 0.171 Euros;
- For distribution to the employees of REN and its subsidiaries: 3,500,000.00 Euros (three million, 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 2019 of REN, S.G.P.S., S.A. (238,310.43 Euros - two hundred and thirty eight thousand, three hundred and ten Euros and forty three cents) and its subsidiaries (3,261,689.57 Euros - three million, two hundred sixty one thousand, six hundred and eighty nine Euros and fifty seven cents).

Lisbon, March 25, 2020

By the Board of Directors of
REN - Redes Energéticas Nacionais, S.G.P.S., S.A.



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PROPOSAL OF RESOLUTION

ITEM 3 OF THE AGENDA FOR THE ANNUAL GENERAL SHAREHOLDERS MEETING OF MAY 7TH, 2020

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) In 2019, REN’s Board of Directors had a very good performance, delivering in all their responsibilities. In particular, it should be highlighted the closing with success of the second investment operation in Chile through the purchase of Empresa de Transmisión Eléctrica Transemel, S.A. and the Company’s commitment to the energy transition effort.
- C) Finally, the diligent, professional and committed performance of functions by REN’s Audit Committee and Statutory Auditor during 2019 has been equally remarkable, and has favorably contributed to the Company’s 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 2019;



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2. A vote of positive appraisal and praise to the Audit Committee of the Company for the performance of its supervisory functions during 2019;
3. A vote of positive appraisal and praise to the Statutory Auditor of the Company for the performance of its functions during 2019.

Lisbon, March 25, 2020

The Shareholders,

State Grid Europe Limited

Mazoon BV

Fidelidade - Companhia de Seguros, S.A.



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PROPOSAL OF RESOLUTION

ITEM 4 OF THE AGENDA FOR THE ANNUAL GENERAL SHAREHOLDERS MEETING

OF MAY 7TH, 2020

Whereas:

- A) Pursuant to no. 2 of Article 5 of the Articles of Association of REN - Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter "REN" or the "Company"), *"the company may acquire, hold, and sell treasury shares, within the situations and limitations set by law"*;
- B) In order to comply with Articles 319 and 320 of the Portuguese Companies Code, the acquisition and transfer of treasury shares is subject to the approval of the General Shareholders Meeting;
- C) Regulation (EU) no. 596/2014 of April 16, of the European Parliament and of the Council, as complemented by the Delegated Regulation (EU) no. 2016/1052 of March 8, of the European Commission, established a special framework for certain treasury share buy-back programs, containing, notably, exemption requirements from the general framework of market abuse, which is convenient to comply with, even when if it is outside the scope of the acquisitions within the relevant programs by the mentioned regulation;
- D) A share buy-back program is expressly exempt from the prohibitions of articles 14 and 15 of the Regulation (EU) no. 596/2014 of April 16, when its purpose is to meet obligations arising from share option programmes, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company;
- E) Regulation no. 5/2008 of the Portuguese Securities Market Commission, as amended, establishes certain duties of communication and disclosure concerning treasury share transactions for companies with shares listed in regulated markets;



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- F) An authorization to acquire, hold and transfer treasury shares was granted to the Board of Directors by the General Shareholders Meeting on May 3rd, 2019, and REN currently holds 3.881.374 treasury shares;
- G) It is still useful, from the corporate interest point of view, to have an authorization in order for the Company or its subsidiaries to acquire, hold or transfer treasury shares, notably in order to undertake actions which are necessary or convenient to pursue the interest of the Company, under the appropriate conditions in light of the current circumstances of the capital markets and in accordance with the law applicable at the time;

The Board of Directors hereby proposes to the General Shareholders Meeting of REN the approval of the following resolutions:

1. To approve the acquisition of treasury shares by REN and/or its subsidiaries, current and/or future, including rights to its acquisition or allocation, subject to a decision of the Board of Directors of REN, and in the following terms:
 - a) **Maximum number of shares to be acquired:** until the limit corresponding to 10% (ten per cent) of the respective share capital, with deduction of any transfers carried out, notwithstanding the exceptions laid down in no. 3 of article 317 of the Portuguese Companies Code and the numbers of shares required to comply with the obligations of the acquirer under the law, contract or terms of issuance of securities or other instruments, and subject, if applicable, to a subsequent transfer, pursuant to the legal terms, of the shares which exceed such limit;
 - b) **Deadline within which the acquisition may be carried out:** within the eighteen months subsequent to the date of this resolution;
 - c) **Forms of acquisition:** subject to the mandatory terms and conditions laid down by the law, the acquisition of shares or rights of acquisition or allocation of shares may be carried out for consideration, in any form, in a regulated market or outside of a regulated market, through a private negotiation or through an offer to the public, in compliance with the legally



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established principle of equal treatment of shareholders, notably through (i) transaction carried out with entities appointed by the Board of Directors of REN, notably strategic partners and financial institutions with which REN or any of its subsidiaries has entered or may enter into an share exchange agreement, equity swap agreements or other similar derivative financial instruments; or (ii) the acquisition, by any means, to enable, or as a consequence of, compliance with an obligation arising from law or contract, including the contractual undertaking to the implementation of the share allocation plan of REN or its subsidiaries, conversion or exchange of securities or other convertible or exchangeable securities, issued by the relevant company, in accordance with its respective issuance terms or agreements related to the abovementioned conversion or exchange;

- d) **Minimum and maximum consideration for the acquisitions:** the price of acquisition shall have as maximum and minimum limits respectively, 120% and 80% of the weighted average of the daily closing listing prices of the Company's shares, during, at least, the last three sessions and, at most, the last thirty sessions of *Euronext Lisbon* immediately prior to the date of the acquisition or establishment of the share acquisition or allocation right, or correspond to the acquisition price resulting from the share exchange agreement, from the financial instruments entered into by REN or a subsidiary, from the terms of issuance of securities or other instruments convertible to or exchangeable with REN shares, carried out by any of the aforementioned entities, or agreements entered into in relation to such conversions or exchanges, or share allocation plan in force at any given moment concerning REN;
- e) **Moment of acquisition:** to be determined by the Board of Directors of REN, especially considering the conditions of the securities market and the convenience or the obligations of REN, its subsidiaries or the acquirer(s), to be carried out one or more times and in the proportions defined by the Board of Directors of REN.



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2. To approve the transfer of treasury shares, including the rights to its acquisition or allocation that have been acquired by REN or any of its subsidiaries, current or future, through a decision of the Board of Directors of REN and in the following terms, and without prejudice of the conditions applicable to the transfer or attribution of shares in accordance with the Share Attribution Plan:
 - a) **Minimum number of shares to be transferred:** the number of shares to be transferred shall be defined by the Board of Directors of REN, by virtue of what, at any given moment, is deemed necessary or convenient to the pursuit of the corporate interest or in order to comply with obligations assumed by REN, arising from the law, contract, or the issuance of securities or other instruments, with a minimum being 100 shares;
 - b) **Deadline within which the transfer may be concluded:** within eighteen months following the date of this resolution;
 - c) **Forms of transfer:** subject to the mandatory legal terms and restrictions, the transfer of shares or rights of acquisition or allocation of shares may be undertaken for consideration, in any form, notably through sale or exchange, through a private negotiation or through an offer to the public, in compliance with the principle of equal treatment of shareholders in accordance with the law, in a regulated market or outside of a regulated market, notably through a transaction carried out with entities appointed by the Board of Directors of REN, including the financial institution with which REN or any of its subsidiaries has entered into an equity swap agreement or other similar derivative financial instruments; or when resolved within the scope or in connection with a proposal for the allocation of results or distribution of retained earnings in kind, without prejudice to, in case of a transfer in compliance with an obligation or stemming from the issuance of other securities by REN or any of its subsidiaries, or from agreements related with such issuance, or from a contractual commitment to the implementation of a share attribution plan



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of the Company, the transfer being made in accordance with applicable terms and conditions;

- d) **Minimum price:** consideration no less than 80% of the weighted average of the daily closing listing prices for REN's shares in Euronext Lisbon during at least the three sessions and at most the thirty sessions in the regulated market immediately prior to the date of transfer, or a price which is determined or results from the terms and conditions of the sale offer to the public of the Company's shares, launched by the latter or by its shareholders, the issuance of other securities, notably securities or other convertible or exchangeable instruments, or from agreement entered into concerning such issuance, conversion or exchange, whenever the transfer arises from it;
 - e) **Moment of transfer:** to be determined by the Board of Directors of REN, especially taking into account the conditions of the securities market and the convenience or obligations of REN, of any of its subsidiaries, or the transferring entity(ies), and to be implemented one or more times and in the proportions defined by the Board of Directors of REN.
 - f) **Share Attribution Plan:** should the transfer of Shares have the purpose of complying with a resolution to attribute shares to Employees, upon approval of a Share Attribution Plan by the Board of Directors, the transfer of Shares to Employees will not be subject to the form of transfer and minimum price requirements established above.
3. To approve that the Board of Directors of REN be informed, in a nonbinding manner, that, notwithstanding its discretion in deciding and acting within the framework set by the resolutions of numbers 1 and 2 above, it shall take into consideration, in light of the circumstances deemed relevant and without prejudice to the compliance with the legal provisions established in the Portuguese Securities Code and in the regulations of the Portuguese Securities Market Commission, the following relevant practices regarding the acquisition



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and transfer of treasury shares under the authorizations granted in the abovementioned numbers:

- a) Public disclosure, before the beginning of transactions of acquisition and transfer of treasury shares, of the content of the authorization established in numbers 1 and 2 above, especially its purpose, the maximum and minimum counter value, the total number of shares to be acquired and the authorized deadline to perform the transaction;
- b) Maintenance of the registry of each transaction undertaken pursuant to the abovementioned authorizations;
- c) Implementation of the transactions in such a timing, form and volume that does not interfere with the regular functioning of the market, notably avoiding the implementation in sensitive moments of negotiation, in particular, in the opening and closing of the session, in moments of market disturbance and in moments that are close to the disclosure of material information, including the disclosure of financial statements;
- d) Performance of the acquisitions for a price not exceeding the highest between the price of the last independent transaction and the price of the independent offer of highest amount at the time of the acquisition in the *Euronext Lisbon*;
- e) Limitation of the acquisitions to 25% of the daily average negotiation volume;
- f) Public disclosure of the transactions which are relevant pursuant to the applicable regulatory terms, until the end of the third working day counting from the transaction date;
- g) Communication to the competent authority, until the end of the third working day following the date of the transaction, of all the acquisitions and transfers performed;



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- h) Abstention from transferring shares during the potential implementation of the repurchase program encompassed by Regulation (EU) no. 596/2014 of April 16, of the European Parliament and of the Council, as complemented by the Delegated Regulation (EU) 2016/1052 of March 8, of the European Commission and/or other mandatory rules that may be imposed by law, if applicable.

Lisbon, March 25, 2020

By the Board of Directors of

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PROPOSAL OF RESOLUTION

ITEM 5 OF THE AGENDA FOR THE ANNUAL GENERAL SHAREHOLDERS MEETING

OF MAY 7TH, 2020

Whereas:

- A) In accordance with number 1 of Article 6 of the Articles of Association of REN - Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter "REN" or the "Company"), *"the company may issue bonds or other securities within the categories and under the terms of the applicable legislation at the time of the issuance, as well as to carry out any legally permitted operations regarding its own bonds or securities issued by the company"*;
- B) Pursuant to Articles 319 and 320, applicable by virtue of Article 354, all from the Portuguese Companies Code, the acquisition and transfer of own bonds is generally subject to the approval of the General Shareholders Meeting;
- C) It is REN's interest, as well as its subsidiaries' interest, to have the possibility to carry out transactions over own bonds, in accordance with the applicable legal provisions, including transactions of acquisition and transfer of own bonds or other securities or debt securities issued by the company, under the conditions deemed appropriate in light of the present circumstances of the capital markets;

The Board of Directors hereby proposes to the General Shareholders Meeting of REN the approval of the following resolutions:



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1. To approve the acquisition of own bonds or other securities or debt securities issued by REN and/or by its subsidiaries (current and/or future), subject to the decision of REN's Board of Directors, in the following terms:
 - a) **Maximum number of bonds or other securities or debt securities to be acquired:** corresponding to the entirety of each issuance, without prejudice to the limits established by law, deducting any transfers that may have been carried out;
 - b) **Deadline within which the acquisition may be carried out:** within eighteen months following the date of the present resolution;
 - c) **Forms of acquisition:** the acquisition of bonds or other securities or debt securities may be implemented, for a consideration, in any legally permitted form, in regulated or non-regulated markets, through private negotiation or through an offer to the public, through a direct transaction or via derivatives, with or without the resort to financial intermediaries, always in compliance with the applicable mandatory legal rules;
 - d) **Minimum and maximum consideration to be paid for the acquisitions:** the price of acquisition shall fall within an interval of 20% less or more, and measured according to: *(i)* whenever a market listing price is available regarding the bonds or other securities or debt securities to be acquired, the weighted average of the closing listing prices of such bonds or other securities or debt securities in the market where the acquisition is carried out, during, at least, the last three sessions and, at most, the last thirty sessions prior to the date of the acquisition, or corresponding to the price of purchase resulting from any executed financial instruments or from the respective terms of issue; *(ii)* in case a market listing price is not available regarding the bonds or securities or debt securities to be acquired, the average purchase price referenced by an entity with international reputation in the market of debt securities; *(iii)*



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when there is no issuance market listing price or reference under the terms of paragraph (ii), the estimated value calculated by a qualified and independent consultant appointed by the Board of Directors; (iv) in case of an acquisition in connection with, or in compliance with, conditions of issuance of other securities, or an agreement related to such issuance, the price resulting from the terms of such issuance or agreement;

- e) **Time of acquisition:** to be determined by REN's Board of Directors, taking especially into account the situation of the securities market and the convenience or the obligations of REN, of one of its subsidiaries or of the acquirer(s), and to be carried out in one or more times and in such proportions as determined by REN's Board of Directors.
2. To approve the transfer of own bonds or other securities or debt securities issued by REN and/or its subsidiaries (current or future) which were acquired, subject to a decision by REN's Board of Directors, in the following terms:
- a) **Minimum number of bonds to be transferred:** corresponding to the minimum lot which, at the time of the transfer, is legally stipulated for REN's or its subsidiaries' bonds, or to a lesser amount which complies with the obligations assumed, resulting from the law, the agreement or the issuance of other securities;
 - b) **Deadline within which the transfer may be concluded:** within eighteen months following the date of the present resolution;
 - c) **Forms of transfer:** subject to the legally established and mandatory terms and limits, the transfer of bonds shall be carried out for a consideration, by any legally permitted means, through private negotiation or through an offer to the public, in regulated or non-regulated markets, to entities appointed by REN's Board of Directors, always in compliance with the applicable mandatory legal rules, without prejudice to, in case of a transfer to comply with an obligation or



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resulting from the issuance of other securities by REN or any of its subsidiaries, or from any agreements related to such issuance, its implementation being made pursuant to the applicable terms and conditions;

- d) **Minimum price:** a consideration no more than 20% below the prices referred to in paragraph d) of no. 1 of the present resolution, as applicable, in relation to situations of disposal of bonds, of other securities or of debt securities;
- e) **Time of transfer:** to be determined by REN's Board of Directors, taking especially into account the situation of the securities market and the convenience or the obligations of REN, one of its subsidiaries or the transferring entity(ies), and to be carried out one or more times and in such proportions as REN's Board of Directors determines.

Lisbon, March 25, 2020

By the Board of Directors of

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PROPOSAL OF RESOLUTION

ITEM 6 OF THE AGENDA FOR THE ANNUAL GENERAL SHAREHOLDERS' MEETING OF 7 MAY 2020

STATEMENT OF THE REMUNERATION COMMITTEE ON THE REMUNERATION POLICY FOR THE MEMBERS OF THE CORPORATE BODIES

1. Pursuant to paragraph 1 of article 2 of the Law no. 28/2009, of June 19th, the management body or the remuneration committee, if any, of a company with securities admitted to trading on a regulated market shall submit annually to the approval of the General Shareholders Meeting a statement on the remuneration policy for the members of the management and supervisory bodies;
2. In turn, Recommendation V.2.3 of the Corporate Governance Code approved by the Portuguese Institute of Corporate Governance in 2018, recommends that the statement referred to in the preceding paragraph should also contain the additional information described therein, particularly in relation to (i) the total itemized remuneration and the application of the criteria in force; (ii) the remuneration from other entities of the group; (iii) the shares and options that were granted; (iv) the possibility of claw back of variable remuneration; (v) possible discrepancy from the policy, in its application and (v) any entitlement to payments relating to termination of office;
3. Pursuant to article 26 of the Articles of Association of REN - Redes Energéticas Nacionais, SGPS, S.A. (hereinafter referred to as "REN"), the Remuneration Committee of REN is competent and responsible for determining the fixed and, if applicable, the variable remuneration of each Director, as well as for determining the remuneration to be ascribed to the members of the remaining corporate bodies;
4. Under the applicable legal terms, as well as pursuant to the Articles of Association, the Remuneration Committee was appointed by the General



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Meeting on May 3rd, 2018, being composed by three members who are independent towards the members of the managing and supervisory bodies of REN and with appropriate experience regarding remuneration issues;

5. Therefore, on the one hand, in the interest of transparency and legitimacy of the fixing of remuneration according to the *say-on-pay* principle, internationally recognized as a best practice in corporate governance and, on the other hand, for purposes of compliance with the legal and recommendatory provisions described above, the Remuneration Committee submits to the appraisal of the annual General Meeting, the following statement on the remuneration policy of the corporate bodies, which terms were subject to prior resolution of this Committee, as follows.

I. CONTEXT

- 1.1. During 2019, the Remuneration Committee adopted, directly and through the specialized and independent advisors, several proceedings, notably market analysis and study of the legal framework and recommendations applicable to the remuneration policy;
- 1.2. The remuneration policy and conditions approved in 2019 (through the statement about the remuneration policy of the corporate bodies) was also deeply analyzed and a new remuneration policy of the corporate bodies was approved, which shall be applied to the current term of office.
- 1.3. For such purpose, the Remuneration Committee submits to the General Meeting the approval of the following statement about the remuneration policy of the corporate bodies and which will enter into force after such approval.

II. POLICY AND CONDITIONS APPLICABLE DURING THE FINANCIAL YEAR OF 2019

A. REMUNERATION OF THE EXECUTIVE DIRECTORS



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1. Guiding principles

1.1. The remuneration policy of REN follows the following guiding principles:

- a) To be simple, clear, transparent and aligned with REN's interests and culture;
- b) To be suitable and fitting to the size, nature, scope and specificity of REN's activity;
- c) To ensure that overall remuneration is competitive and equitable and in line with the best practices and latest trends in Portugal and in Europe, particularly with regard to REN's peers, and that attracts, at an economically justifiable cost, qualified professionals to induce the alignment of interests with those of shareholders - taking into account the wealth effectively created by the company, the economic situation and the market - and constitute a factor of development of a culture of professionalism and promotion of the merit and transparency in REN;
- d) To be evolutionary, but not disruptive; and
- e) To incorporate a fixed component which matches the duties, availability, competence and responsibility of the Members of the Board of Directors.

1.1.1. The remuneration of the executive members of the Board of Directors, the Remuneration Policy is also based on the following principles:

- a) Competitiveness, taking into consideration the practice of the Portuguese market;
- b) Based on objective, uniform, consistent, fair and balanced criteria that reward performance;
- c) Performance assessment in accordance with duties and level of responsibility as well as the effective performance, assumption of suitable levels of risk and compliance with rules applicable to REN's activity, taking into account the compliance with the strategic plan and the budget of REN, the risk management, the internal functioning of the



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Board of Directors and the contribution of each member for this purpose, as well as the relationship between the Company's bodies and committees;

- d) Incorporating a variable remuneration component which is reasonable overall in relation to the fixed remuneration component, without encouraging excessive risk taking;
- e) Alignment of the interests of executive members of the Board and those of the Company, its sustainability and creation of long-term value including by indexing medium / long-term remuneration to the evolution of the REN's share price; and
- f) Variable remuneration indexed to effective REN's performance, measured against specific, objective and measurable goals which are in line with REN stakeholders' interests.

1.2. The remuneration of the executive members of the Board of Directors includes a fixed component and a variable component, being the latter a non-fixed amount dependent on the performance assessment.

1.3. The members of the Board of Directors cannot enter into contracts with REN or otherwise which have the purpose or effect of directly mitigating the risk inherent to the variability of their remuneration established by REN.

2. Fixed component

2.1. The fixed component of the remuneration is exclusively composed by the base remuneration, as there is no other remuneration or payment of any costs or allowances (e.g. travel expenses or meal allowance).without prejudice of "other *Other monetary and non-monetary benefits*" with a total annual cost of around 25,000€/per director, as described under section 4 below.

2.2. This component is paid monthly, in cash.



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- 2.3. The fixed remuneration of executive directors corresponded in 2019 to an annual gross amount of €388,888.08 (three hundred and eighty-eight thousand eight hundred eighty eight euros and eight cents), regarding the Chief Executive Director, and of 308,080.20 Euros (three hundred and eight thousand and eighty euros and twenty cents), regarding the remaining executive directors. There no other fixed remuneration to be added to said amount, without prejudice to the “*Other monetary and non-monetary benefits*” described under section A.4. below.
- 2.4. The Fixed Remuneration of the Executive Members of the Board of Directors will be updated according to the Consumer Price Index (CPI) whenever there has been no nominal change in relation to the Fixed Remuneration paid on the term of the previous term of office. The update according to the CPI will be carried out provided that it has not presented negative values and is applied from the first year of the term of office in which there was no nominal change in the remuneration. That is, if in the first year of the term of office started in year t there was no change in the nominal value of the fixed remuneration compared to the fixed remuneration paid at the term of the term of office of the previous year, then the update will follow the equation below, which will be maintained year after year until new nominal update of the fixed remuneration:

$$\text{Fixed Remuneration}_{t+1} = \text{Fixed Remuneration}_t * CPI_t$$

Where:

CPI_t = Consumer Price Index of year t.

3. Variable component

- 3.1. The variable component integrates a short-term and a medium/long-term components, each component corresponding to 50% of the variable remuneration, as described below.



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3.2. For payment purposes, the Variable Remuneration is divided into two components, each of them corresponding to 50% of the total Variable Remuneration attributed with reference to the relevant annual period, as follows:

- a) a short-term variable remuneration (“STVR”), which is awarded and paid in cash within 30 days following the annual shareholders’ meeting which approves the relevant annual accounts; and
- b) a medium/long-term variable remuneration (“MLTVR”), which is awarded and paid under the terms and conditions established hereunder.

3.3. Common requirements applicable to both components:

- a) The allocation of the variable component of the remuneration only occurs after the approval of the accounts of each financial year and the evaluation of the performance concerning the year to which the payment relates, and only occurs if there is compliance with the pre-defined objectives, measured using indicators of individual performance and company metrics linked to the strategic plan of REN. The evaluation of the performance of the Executive Members of the Board of Directors is carried out by the Remuneration Committee, based on the opinion of the main shareholders of the company, as well as of the Non-Executive Members of the Board of Directors, considering a report to be prepared by the Nominations and Appraisals Committee by march of the following year. The Audit Committee shall validate the numbers that will serve as reference to such evaluation process by the end of march;
- b) The degree of achievement of defined objectives is measured by means of the annual performance evaluation, based on a pre-defined matrix. Accordingly, if the compliance of objectives is below 80% (minimum level of performance) there is no payment of variable remuneration, but if the level of compliance with objectives is between 80% and 120% or higher, the total variable remuneration allocated will correspond, gradually, to a percentage between 20% and 120% of the fixed remuneration; if it is



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between 100% and 119% of objectives achieved, the percentage of fixed remuneration to be awarded as a global variable remuneration is fully proportional to the level of compliance (instead of being indexed by steps);

- c) The annual performance evaluation is based on the Key Performance Indicators (KPI) of REN on a consolidated basis and on an individual performance evaluation, which is only taken into account when it is negative, which leads to the variable remuneration not being granted;
- d) The following Key Performance Indicators will be considered for this purpose: (i) *Cost of Debt*, (ii) *Return on Invested Capital*, (iii) EBITDA in foreign investments, (iv) EBITDA in investments in Portugal; (v) *Earnings per share*, (vi) *Health & Safety*, e (vii) *Service Quality*;
- e) Taking into account the goals of the remuneration policy herein described, the executive directors cannot enter into contracts that mitigate the risk inherent to the variability of their remuneration;
- f) Considering the criteria and requirements applicable to the variability of the remuneration and the value of the fixed remuneration, as referred on 2.3., the maximum potential amount (annual gross value) of the variable remuneration may correspond to €466,666.00 (four hundred and sixty-six thousand six hundred and sixty six euros), regarding the Chief Executive Officer, and 369,696.00 Euros (three hundred and sixty-nine thousand six hundred and ninety-six euros), regarding the remaining executive directors, without prejudice to the evolution of the value of the allocated remuneration units, as described below. The said amount corresponds to a maximum potential amount, defined according to maximum performance goals which essentially envisage to motivate the management team, and which depend on the degree of completion of said goals for a three-year term of office and on the annual performance evaluation, and are also subject to immeasurable aspects inherent to the sector's and the country's context, as well as to the business and commercial specificities.



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3.4. Short Term Variable Remuneration

- a) The STVR is paid in cash and relates to the annual performance evaluation, and its amount varies according to the degree of performance of the objectives set forth in the abovementioned *Key Performance Indicators*.
- b) Therefore, if the annual performance evaluation is below 80% (minimum level of performance), the payment of the STVR will not occur. But, if the annual performance evaluation is between 80% and 120% or higher, the STVR will correspond to between 10% and 60% of the fixed remuneration.
- c) The allocation of the STVR shall correspond to an amount up to 50% of the global variable remuneration granted in relation to each relevant financial year.

3.5. Medium / Long-Term Variable Remuneration

- a) Shall be awarded in Remuneration Units (“RU”);
- b) The number of RU is calculated by dividing the value attributed to RVMLP by the unit value of the UR, which is calculated in accordance with subparagraph d) below;
- c) The value of each RU for the purposes of award of MLTVR shall be equal to the average closing price of REN’s shares on Euronext Lisbon in the 30 days before the date of the general meeting of shareholders approving the annual accounts of the relevant financial year;
- d) The RU value will be adjusted, over time after its initial calculation, in an amount equal to the *Total Shareholder Return* (TSR) of REN’s shares and the number or value of RUs attributed may also be adjusted considering facts / corporate actions that affect REN’s shares (such as stock splits, reverse stock splits, reduction of nominal value of shares, share capital reduction, among others), in order to obtain a remuneration financially equal to the actual holding of a number of shares equal to the RUs initially attributed;



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- e) The payment of MLTVR shall be deferred during a three-year period, after the awarding date, being paid one third per year, starting in the year after attribution. MLTVR is paid each year within 30 days from the general shareholders meeting which approves each year's accounts. That is, assuming that the attribution of RVMLP for year t is made in general meeting that occurs in year $t + 1$, payment is deferred for years $t + 2$, $t + 3$ and $t + 4$;
- f) In case REN's shares are delisted, the value of the RU's to be paid after such delisting shall be (i) the price offered on a takeover bid, in case that was the reason of such delisting, or (ii) the last closing price on other situations;
- g) The right of each Executive Member to the payment of MLTVR is subject to:
 - (i) REN's positive performance during the relevant period, which means: the consolidated net financial situation in the years $t+1$ or $t+2$ and $t+3$, excluding any extraordinary events which have occurred following the year t , and deducted in every financial period the amount corresponding to a pay-out of 40% over the net profit assessed on the annual consolidated accounts of each financial period of deferral (independently of the effective pay-out), shall exceed the assessed amount in the financial period t .
For this propose, an extraordinary movement within the period between year t and $t+3$ are, in particular, share capital increases, acquisition or sale of own shares, extraordinary delivery of dividends, annual pay-out other than 40% of the consolidated results of the respective financial year and other movements which, affecting the net financial situation of REN, are not derived from its operational results.
The assessment of year $t+1$, $t+2$ and $t+3$ net financial situation of shall be based on the accounting rules applicable to financial year t for comparing proposes.
 - (ii) such Executive Member not breaching any mandatory legal, regulatory or REN's internal rules; and
 - (iii) no occurrence of any Termination Event, as described below.



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3.5.1. Termination Events

- a) In case any Executive Member ceases its term of office before the end of the term and during an evaluation period, the pro-rata Variable Remuneration relating to such evaluation period will be due, except if such termination is caused by or due to causes attributed to such Executive Director.
- b) In case any Executive Member ceases its term of office after the end of the evaluation period but before the awarding date, the Variable Remuneration shall be due, except in case of a Termination Event.
- c) In case the Executive Member terminates its professional relationship with REN due to other facts not qualified as Termination Events, this shall not trigger the loss of the MLTVR already awarded but not yet paid. In this case REN may agree with the Executive Director that the MLTVR will be paid on termination of the professional relationship with REN in which case the condition of REN's positive performance above shall be based on REN's performance until that date.
- d) The following events shall be considered Termination Events for the purpose of this Policy: (i) the Executive Member ceasing the professional relationship with REN due to dismissal with cause; and (ii) in case of material default practiced by the Executive Member.

4. Other monetary and non-monetary benefits

- a) The Executive Members are entitled to the means of communication and transportation, for the performance of their duties, as well as health insurance, life insurance and personal accident insurance, under the terms and conditions approved by the Remunerations Committee in accordance with the best market practices.
- b) No other benefits, including any retirement benefits or pensions, are attributed to the Executive Members.



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- c) In case of dismissal without cause or resignation upon agreement with REN of an Executive Member, no compensation shall be due except if and to the amount legally due, if such termination results from inadequate performance of the director.

In 2018, no compensation was paid to former members of the Board of Directors, or members of other corporate bodies, for the termination of their offices.

There are no mechanisms set out to request directors the reimbursement of variable remuneration.

B. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The non-executive directors (including the members of the Audit Committee) obtained the fixed remuneration mentioned below, monthly paid and defined in line with the best practices of large firms in the Portuguese market, being applicable the established in A.4. above:

- An annual gross amount of 80,807.88 Euros (eighty thousand eighthundred and seven euros and eighty-eight cents) to the Vice-Chairman of the Board of Directors;
- An annual gross amount of 75,757.44 Euros (seventy-five thousand seven hundred fifty-seven euros and forty four cents) to the Chairman of the Audit Committee;
- An annual gross amount of 60,606.00 Euros (sixty thousand six hundred and six euros) to the remaining members of the Audit Committee;
- An annual gross amount of 36,363.60 Euros (thirty-six thousand three hundred and sixty-three euros and sixty cents) to the remaining non-executive directors.



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- The members of the Corporate Governance Committee and the Appointment and Evaluation Committee obtain the following additional remuneration (except for the Chairman of the Board of Directors and/or to the Chairman of the Audit Committee, which will not receive any additional remuneration for the performance of these functions):
 - (i) Chairman: € 5,000.00 (five thousand euros); and
 - (ii) Other members: € 3,000.00 (three thousand euros).

The Remuneration of the Non-Executive Members of the Board of Directors will be updated according to the Consumer Price Index (CPI) whenever there has been no nominal change in relation to the Fixed Remuneration paid on the term of an earlier term of office and follows the same rules applicable to the executive directors expressed in 2.4.

The remuneration of the Non-Executive Members of the Board of Directors does not include the payment of any other bonuses linked to REN's performance, any costs or allowances or any other benefits (such as retirement benefits or pensions plans).

C. REMUNERATION OF THE BOARD OF DIRECTORS INTENDED TO PROMOTE THE ALIGNMENT OF INTERESTS WITH REN, SUSTAINABILITY AND CREATION OF WEALTH IN THE LONG TERM

As mentioned above in detail, the remuneration policy of the members of the Board of Directors shall allow the pursuit of the following objectives:

- A global remuneration that is competitive and fair and is aligned with the best practices and recent trends on both national and European levels;
- The motivation of the management team for the pursuit of the established objectives and the attraction and retention of qualified staff;



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- The balance between a fixed remuneration component that is in line with the directors' functions and responsibilities and a variable remuneration component that is globally appropriate in relation to the fixed remuneration; and
- A variable remuneration that is indexed to the performance evaluation, both individual and organizational, in accordance with specific and measurable objectives that are in line with the Company's and the shareholders' interests.

Considering the principles of the remuneration policy listed herein, as well as the abovementioned sections concerning each of its components, the maximum potential amount (gross annual value) of the global aggregate remuneration of the members of the Executive Board and the Audit Committee regarding the year 2019 might correspond to € 2,729,066 (two million seven hundred twenty-nine thousand sixty-six euros), plus the complementary benefits referred to in A.4. above and without prejudice to the evolution of the granted RU. Said amount (i) corresponds, as stated above, to a maximum potential amount, which includes all members of the Board of Directors (three executive members and ten non-executive members) and the members of the Audit Committee (three of the non-executive members) and all components of the remuneration, including the variable remuneration of the executive directors, and (ii) will only be fully paid if the corresponding maximum performance goals are reached, according to the terms better described above.

Indeed, and regarding the variable remuneration, the latter will not be granted if the compliance with the pre-determined goals is below 80%, and it holds a gradual character, i.e., the global variable remuneration shall correspond to between 20% and 120% of the fixed remuneration, in the event that the completion of the maximum performance goals is between 80% and 120% or higher. The completion of said maximum performance goals intended to motivate the management team and to align the management interests is, thus, contingent upon an evaluation process, on the company's evolution and on the involving context.

Taking into account the previous sections and the performance evaluation carried out, the following is the total remuneration broken down by the different components, the relative proportion of the fixed remuneration and the variable



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remuneration paid in 2019, which complies with the remuneration policy adopted, without any detachment of the approved remuneration policy implementation procedure:

Name	Position	Fixed rem.	Corporate committes rem. ¹⁰⁹	Variable short-term rem.	Variable medium-term rem, in relation to the financial years of 2015 and 2017 and paid in 2019	Total
Rodrigo Costa	Chairman of the Board of Directors and the Executive Committee	388,888.08 €		206,360.00 €	279,325.32 €	874,573.40 €
João Faria Concelção	Executive Director	308,080.20 €		163,480.00 €	235,765.27 €	707,325.47 €
Gonçalo Morais Soares	Executive Director	308,080.20 €		163,480.00 €	235,765.27 €	707,325.47 €
Guangchao Zhu	Vice-Chairman	80,807.88 €		-	-	80,807.88 €
Mengrong Cheng	Director	36,363.60 €		-	-	36,363.60 €
Lequan Li	Director	36,363.60 €	8,583.34 €	-	-	44,946.94 €
Omar Al-Wahabi	Director	36,363.60 €	4,291.67 €	-	-	40,655.27 €
Jorge Magalhães Correla	Director	36,363.60 €	4,291.67 €	-	-	40,655.27 €
Manuel Sebastião	Director / Chairman of the Audit Committee	75,757.44 €	7,152.84 €	-	-	82,910.28 €
Gonçalo Gil Mata	Director / Member of the Audit Committee	60,606.00 €		-	-	60,606.00 €
Maria Estela Barbot	Director / Member of the Audit Committee	60,606.00 €		-	-	60,606.00 €
José Luís Arnaut	Director	36,363.60 €	7,152.84 €	-	-	43,516.44 €
Ana Pinho	Director	-	-	-	-	-
Total		1,464,643.80 €	31,472.36 €	533,320.00 €	750,855.86 €	2,780,292.02 €

No amounts were paid by other companies in a controlling or group relationship with REN.

No form of remuneration by which there is an allocation of shares or options or any other system of incentives in shares or options is foreseen or in force.

D. REMUNERATION OF THE STATUTORY AUDITOR



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The remuneration of the Statutory Auditor, proposed by the Audit Committee, is defined considering the remuneration criteria and practice for this kind of services according with the standard market conditions and is not related with the performance of REN.

E. REMUNERATION OF THE MEMBERS OF THE BOARD OF THE GENERAL SHAREHOLDERS MEETING

The remuneration of the members of the Board of the General Shareholders Meeting corresponds to a fixed annual amount, which from 2016 was established in the following amounts:

- To the Chairman, an amount of 15,000.00 Euros (fifteen thousand euros);
- To the Vice-Chairman, an amount of 5,000.00 Euros (five thousand euros);
- To the Secretary, an amount of 3,000.00 Euros (three thousand euros).

III. REMUNERATION POLICY OF THE MEMBERS OF THE CORPORATE BODIES FOR THE FINANCIAL YEAR OF 2019 OF THE CURRENT TERM OF OFFICE

For the financial year of 2020 of the current term of office, the Remuneration Committee confirmed the remuneration policy applicable to 2019, without prejudice of the update of the fixed remuneration, as set out therein.

Lisbon, 31st march 2020

The Remuneration Committee

João Duque

José Galamba de Oliveira



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Fernando Neves de Almeida