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**REGULATIONS
OF THE
AUDIT AND CONTROL COMMITTEE
OF
EDP RENOVÁVEIS, S.A.**



renováveis

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INTRODUCTION

Article 1.-Object and Purpose

The purpose of these regulations is to regulate the basic operation and actions of the Audit and Control Committee, a committee of the Board of Directors of EDP Renováveis, S.A. (hereinafter “EDP Renováveis” or the “Company”) and to establish the norms of conduct of its members so as to ensure the greatest transparency and efficiency in the functions of representation inherent to the Committee.

Article 2.- Interpretation

These Regulations shall be interpreted in accordance with the laws and Articles of Association applicable to them and in keeping with their spirit and purpose. The Audit and Control Committee and the Board of Directors shall settle any doubts regarding the interpretation of these Regulations as they arise.

Article 3.- Hierarchy and Predominance

1. In the event of a discrepancy between these Regulations and the legal rules and Articles of Association and the Regulations of the Board of Directors, the latter shall prevail.
2. The Regulations of the Board shall apply to all matters not specifically regulated herein, to the extent that the provisions do not contravene the nature of the Audit and Control Committee.

Article 4.-Scope of Application

These Regulations apply to the Audit and Control Committee and to its members. The persons to whom these Regulations apply are obligated to understand them, comply with them and enforce them.

Article 5.- Modification

1. These Regulations may only be modified by the Board of Directors at the request of the Chairman, one-third of the directors and the Audit and Control Committee itself.
2. The proposed modification must be accompanied by a report justifying the change prepared by the Audit and Control Committee.
3. The proposed modification and the report of the Audit and Control Committee must be included with the announcement of the Board of Directors meeting at which the changed will be debated and must be specifically included on the meeting agenda.
4. An absolute majority of the directors present or represented at the meeting must vote

in favour of the change in order for it to be validly passed.

Article 6.- Distribution

These Regulations and any changes made to them shall be publicised as required by the rules applicable to them.

TITLE I. BASIC PRINCIPLES AND OBJECTIVES OF THE AUDIT AND CONTROL COMMITTEE

Article 7.- Principles of Action

The Audit and Control Committee shall perform its functions with the best interest of the Company in mind.

Article 8.- Nature and Competence

1. The Audit and Control Committee is a standing committee of the Board of Directors. The Audit and Control Committee shall perform its supervisory functions independently from the Board of Directors.
2. The powers of the Audit and Control Committee are as follows:
 - a. Reporting, through the Chairman, at General Meeting on questions falling under its jurisdiction.
 - b. Proposing the appointment of the Company's auditors to the Board of Directors for subsequent approval by the General Meeting, as well as the contractual conditions, scope of the work – specially concerning audit services, "audit related" and "non audit" – annual activity evaluation and revocation or renovation of auditor appointments.
 - c. Supervising the financing reporting and the functioning of the internal risk management and control systems, as well as, evaluate those systems and propose the adequate adjustments according to the Company necessities.
 - d. Supervising internal audits and compliance.
 - e. Establish a permanent contact with the external auditors, to assure the conditions, including the independence, adequates to the services provided by them, acting as a the Company speaker for these subjects related to the auditing process and receiving and maintaining information on any other questions regarding accounting subjects.
 - f. Preparing an annual report on its supervisory activities, including eventual constraints, and expressing an opinion on the Management Report, the accounts and the proposals presented by the Board of Directors.

- g. Receiving notices of financial and accounting irregularities presented by the Company's employees, shareholders or entity that has a direct interest and judicially protected, related with the Company social activity.
- h. Engaging the services of experts to collaborate with Committee members in the performance of their functions. When engaging the services of such experts and determining their remuneration, the importance of the matters entrusted to them and the economic situation of the company must be taken into account.
- i. Drafting reports at the request of the Board and its committees.
- j. Any other powers entrusted to it by the Board of Directors or the Articles of Association.

Article 9.- Composition and Designation

1. The Audit and Control Committee shall be composed of three (3) to five (5) members, a majority of whom must be independent directors.
2. The term of office of the members of the Audit and Control Committee shall coincide with each Director's term of office. The members of the Audit and Control Committee may be re-elected and removed at the will of the Board of Directors.
3. The members of the Audit and Control Committee may resign from the Committee but remain as company directors.

Article 10.- The Chairman of the Audit and Control Committee

1. The term of office of the Chairman of the Audit and Control Committee is three (3) years, after which he/she may only be re-elected to one addition term of three (3) years.
2. Outgoing Chairmen may continue to be members of the Audit and Control Committee.
3. Notwithstanding the legal or statutory powers vested in him, the powers of the Chairman of the Audit and Control Committee include:
 - a. Convening and presiding over the meetings of the Audit and Control Committee, setting the meeting agenda and overseeing the discussions and deliberations.
 - b. Representing the Audit and Control Committee before other bodies and departments of the Company.

Article 11.- The Secretary of the Audit and Control Committee

1. The Secretary of the Board of Directors or, in his/her absence, the Assistant Secretary

shall be the Secretary of the Audit and Control Committee. In the absence of both, the Secretary for each meeting shall be designated by the Audit and Control Committee.

2. The Secretary may or may not be a Director.
3. In addition to those assigned in the Articles of Association and the law, the functions of the Secretary shall include:
 - a. Assisting the Chairman in the performance of his functions.
 - b. Overseeing the operations of the Audit and Control Committee, advising and reporting to the Committee and its members.
 - c. Providing the Secretary of the Board with information and documentation relative to the Audit and Control Committee.
 - d. Documenting the sessions of the Audit and Control Committee and drafting the meeting minutes.
 - e. Supervising the legal and material formality of the actions of the Audit and Control Committee to ensure that they comply with the Articles of Association and with these Regulations.

TITLE II. OPERATION OF THE AUDIT AND CONTROL COMMITTEE

Article 12.- Applicability of the Regulations of the Board

The provisions of the Regulations of the Board regarding its operation and in particular regarding meeting announcements and sessions, the representation of members, the universal sessions held, the passage of resolutions in writing and without a session, and the approval of meeting minutes shall also apply to the Audit and Control Committee to the extent that they do not contravene these Regulations and not incompatible with the nature of the Audit and Control Committee.

Article 13.- Meetings of the Audit and Control Committee

1. The Audit and Control Committee shall meet at least once per quarter and whenever the Chairman deems it is necessary. The Audit and Control Committee shall be validly convened when one-half plus one of its members are present or represented at the meeting.
2. The resolutions of the Audit and Control Committee shall be passed by majority vote with the Chairman casting the deciding vote in the event of a tie.

3. The Executive Committee shall inform the Board of Directors of the resolutions it passes at the first meeting of the Board following the Committee meeting in which the resolution was passed.