



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

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For information purposes only

REGULATION OF THE REMUNERATION COMMITTEE

Article 1 (Purpose and scope)

1. The present Regulation establishes the rules applicable to the composition, operation and competences of the Remuneration Committee of REN - Redes Energéticas Nacionais, SGPS, S.A. (hereinafter referred to as the “Company”).
2. The Remuneration Committee is formed in accordance with the provisions of Article 399(1) of the Commercial Company Code and Article 7(3) of REN’s Articles of Association, and in compliance with the recommendations on corporate governance issued by the Portuguese Institute of Corporate Governance (IPCG). The aims of the Remuneration Committee are to propose the principles of the remuneration policy for corporate bodies and to set annual remunerations, including the respective benefits.
3. The provisions in this Regulation are applicable to all members of the Remuneration Committee who are required to comply with said Regulation, regardless of when or how they are appointed. For such purpose, a full copy of this Regulation shall be provided to the abovementioned members by the Company Secretary, immediately after their appointment.

Article 2 (Composition)

1. The Remuneration Committee shall consist of three members appointed by the General Shareholders’ Meeting in accordance with the provisions of Article 26 of the Company’s Articles of Association. These members shall have suitable knowledge and experience with regard to remuneration policy matters.



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2. The term of office for members of the Remuneration Committee shall be three calendar years, which may be renewed. The calendar year of appointment shall be considered as complete.
3. The resolution to elect the members of the Remuneration Committee shall also appoint the respective Chairman.

Article 3 (Powers)

1. In addition to other duties which are expressly assigned to the Remuneration Committee by a resolution of the General Shareholders' Meeting, the Remuneration Committee shall:
 - a) Define the remuneration policy for members of the Company's corporate bodies and internal committees, at the start of each term of office. More specifically, this shall involve establishing criteria for awarding remuneration and calculating the variable component of remuneration, when applicable, and the respective mechanisms for the limitation and deferral of payment, always in compliance with applicable laws, particularly those in Article 1(2);
 - b) Ensure execution and confirm, on an annual basis, the remuneration policy for members of Company's corporate bodies and committees, submitting the necessary documentation to the General Shareholders' Meeting so as to comply with legislation and recommendations in force;
 - c) Determine the maximum limits of the different components of fixed and variable remuneration, including, possible benefits and supplements, particularly supplements for retirement or disability pensions for members of corporate bodies, when applicable;
 - d) Set the remuneration of members of corporate bodies, in accordance with the defined policy;
 - e) For the purpose of setting the variable remuneration, appraise every year the individual performance of each member of the Executive Committee, including the contribution made by each member to the operation of the



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corporate body and the relationship established among the Company's different corporate bodies. This appraisal shall take into consideration the report to be prepared by the Nominations and Appraisals Committee and the non-executive members of the Board of Directors shall be heard;

- f) Monitor any contractual difficulties relating to the terms of office of members of corporate bodies, more specifically, in the event of suspension or termination of such terms of office;
 - g) Set the maximum amount for all compensation to be paid to members of corporate bodies as a result of termination of duties;
 - h) Monitor the definition of remuneration policies for directors of the controlled companies, when applicable;
 - i) Be represented by its chairman, or when the chairman is unavailable, by another member, and provide information and clarification requested by shareholders at the annual General Shareholders' Meeting or any other meeting if the respective agenda includes matters connected to the remuneration of members of Company bodies and committees, or if such attendance has been requested by shareholders;
 - j) Supervise compliance with the rules applicable to work carried out by members, particularly, those set out in this Regulation and the law.
2. The Remuneration Committee may request the information, documentation and assistance necessary for the discharge of its duties from the Board of Directors, the Executive Committee, or from any other Board of Directors' internal committee.
3. The Remuneration Committee shall provide, if requested, any information required allowing the Statutory Auditor, within the scope of its duties, to verify that remuneration policies and systems for the members of corporate bodies are being applied.

Article 4 (Operation)

1. The Remuneration Committee shall meet every six months and whenever called to do so by its Chairman or at the request of two of its members.



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2. Except in cases where the Remuneration Committee has to hold emergency meetings to resolve on matters within its powers, meetings shall be called at least 7 (seven) days in advance by written notice (post, fax or email) or by a simple verbal communication, including by telephone, with express mention of the matters to be dealt with.
3. The Company Secretary shall provide support at the meetings of the Remuneration Committee whenever requested to do so by the said Remuneration Committee.
4. Any member may request new items to be included on the meeting's agenda with 2 (two) days notice, first providing the Chairman with, whenever possible, the supporting documents which may then be sent to the remaining members of the Remuneration Committee. The Chairman of the Remuneration Committee shall state whether he accepts the new items on the agenda at the start of the meeting. Should the request be refused, proper grounds shall be given.
5. Remuneration Committee meetings shall be chaired by the Chairman, or should he not be present or be unavailable, by the member who has been chosen for the purpose by the other members.
6. Remuneration Committee meetings shall take place at the Company's registered office or at a different location designated for such purpose. Such meetings may be held by telematics means.
7. The Remuneration Committee may not resolve without a majority of its members being present. Resolutions shall be made by a majority of votes and in the event of a tie, the Chairman has the casting vote.
8. Minutes shall be drawn up for all Remuneration Committee meetings, which shall be signed by all members so present. When the Company Secretary has not been requested to attend the meeting, the minutes of the said meeting and the respective supporting documents shall be given to the Company Secretary with 5 (five) days from the date of the meeting.



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**Article 5
(Incompatibilities, Independence and Conflicts of Interests)**

1. In the discharge of their duties, the members of the Remuneration Committee shall act in accordance with the highest standards of professionalism and impartiality so as to ensure independence with regard to members of the Board of Directors and members of the Executive Committee.
2. The Remuneration Committee shall consist of members who are independent of the members of the Board of Directors.
3. In addition to other possible applicable rules, members of the the Remuneration Committee are also subject to the regime of incompatibilities and independence provided for in Article 7-A of the Company's Articles of Association.
4. Without prejudice to assessment by the Remuneration Committee of the incompatibility of its members, the members themselves shall be responsible for always ensuring that no circumstances exist which may be liable to create a situation of incompatibility with their duties.

**Article 6
(Rights and Duties)**

1. Without prejudice to other duties as provided for by law and in the Company's Articles of Association, members of the Remuneration Committee are also responsible for:
 - a) Always acting in accordance with the highest standards of professional diligence, impartiality, care and loyalty in the pursuit of the Company's interests;
 - b) Participating in the meetings of the Remuneration Committee and providing justification with due notice, when it proves impossible to attend such meetings;
 - c) Being suitably informed so as to ensure the proper performance of their duties;



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- d) Maintaining confidential the facts and information they become aware of as a result of their duties, except in cases where such disclosure is required by law.
2. The Remuneration Committee may freely decide for the Company to take on the consultancy services required or convenient for the discharge of its duties, within the Company's budgetary limits. It shall ensure that such services are provided in an independent manner and that the respective service providers are engaged to provide any other services for the Company or to other companies in a control or group relationship with the Company, without its express authorisation.

Article 7 (Appraisal of the Remuneration Committee Activity)

1. The Remuneration Committee shall appraise any possible difficulties or obstacles detected by its members with regard to the discharge of their duties and undertake all efforts for the necessary measures to be taken to overcome such difficulties and obstacles.
2. The Remuneration Committee shall supervise compliance with the rules applicable to work carried out by its members, particularly, those set out in this Regulation and the law.

Article 8 (Amendments)

1. This Regulation may be amended by the Remuneration Committee or by the General Shareholders' Meeting, after a proposal has been submitted by the Remuneration Committee or shareholders, in accordance with applicable laws.
2. Any proposal to amend these Regulation shall be accompanied by a reasoned report.
3. This Regulation and the respective amendments shall be published on the Company's website.



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**Article 9
(Entry into Force)**

This Regulation was approved at the Company's Remunerations Committee meeting of 17 January 2019 and shall enter into force immediately.