

FLOENE ENERGIAS, S.A.

BY-LAWS

CHAPTER I

NAME, REGISTERED OFFICE AND PURPOSE

ARTICLE 1

Name

The company adopts the name Floene Energias, S.A..

ARTICLE 2

Head Office

1 – The company's head office is located in Lisbon, on Rua Tomás da Fonseca, Torre A, 15.º, 1600-209 Lisboa.

2 – The Board of Directors may decide to move the Company's head office to any other location in Portugal and may also decide to open or close any of its branches, agencies, delegations, offices or other forms of representation located in Portugal or abroad.

ARTICLE 3

Corporate Purpose

1 – The corporate purpose is to pursue activities in the energy sector, particularly in the distribution of natural gas, including the provision of business management support services in the fields of business, administration and logistics, procurement and supplies, and information systems, comprising:

- a) Back office and assistance services;
- b) Services necessary for the programming and contracting of access to natural gas transmission networks and transportation;
- c) Services in the fields of engineering, consulting and technical assistance, construction management, energy training and auditing, negotiation and contracting of services, supplies, and building contracts;



d) Management and administration services, notably in the fields of taxation, financing, risk, investment, marketing and advertising, quality and environmental systems, health, and social welfare;

e) Any other additional or related activities.

2 – The Company may participate in other companies of whatever nature or purpose, associations, consortiums, complementary corporate groups, European economic interest groups, joint ventures or any other type of entity.

CHAPTER II

SHARE CAPITAL AND SHARES

ARTICLE 4

Share Capital

1 – The Company's share capital is of € 89,529,141 (eighty-nine million, five hundred and twenty-nine thousand, one hundred and forty-one euros), represented by 89,529,141 (eighty-nine million, five hundred and twenty-nine thousand, one hundred and forty-one) shares with a nominal value of € 1.00 (one euro) each. The fully subscribed and paid up portion of the share capital represents € 50,000.86 (fifty thousand euros and eighty-six cents), whereas the capital in kind represents € 89,479,140.14 (eighty-nine million, four hundred and seventy-nine thousand, one hundred and forty euros and fourteen cents).

2 – The shares are registered book-entry shares.

ARTICLE 5

Own Shares

The Company may acquire, hold or dispose of its own shares, as and when permitted by law.

ARTICLE 6

Amortisation of Shares

1 – The Company may redeem shares without reducing its capital stock, upon decision of the General Meeting.

2 – The General Meeting may also decide to redeem shares with a reduction in capital in the following cases:



- a) When such shares are seized, confiscated, listed, included in bankrupt or insolvent assets, or are generally at risk of being legally transferred;
- b) When such shares are transferred or encumbered in breach of the requirements established by these By-laws.

ARTICLE 7

Bonds and other Securities

- 1 – The Company may issue marketable securities of any type, including debt securities, in accordance with the Portuguese or foreign law in force at the time of issuance; it may also carry out legally permitted transactions using its own securities and issue securities convertible into shares or with subscription rights.
- 2 – The issue of bonds and other marketable securities, including debt securities, of any type that are, or will become, legally permitted may be decided by the Board of Directors, who will determine the amount and other terms of their issuance.

CHAPTER III

CORPORATE BODIES

ARTICLE 8

Corporate Bodies

- 1 – The Company's corporate bodies are the General Meeting, the Board of Directors, the Audit Board or the Statutory Auditor and the Corporate Secretary.
- 2 – The members of the corporate bodies and of the General Meeting Board are appointed for three-year terms and may be reappointed one or more times.
- 3 – The members of the corporate bodies and of the General Meeting Board are remunerated in accordance with that determined by the General Meeting or by a Remuneration Committee appointed by the General Meeting.



SECTION I

GENERAL MEETING OF SHAREHOLDERS

ARTICLE 9

Composition and Convening of the General Meeting of Shareholders

- 1 – The General Meeting is composed of all shareholders with voting rights, one share representing one vote.
- 2 – The General Meeting is convened under the terms and with the minimum period of notice required by law.

ARTICLE 10

Quorum

- 1 – On the first convened date, the General Meeting may not gather without the presence, or representation, of the majority shareholders, irrespective of the issues on the agenda.
- 2 – On the second convened date, the General Meeting may deliberate irrespective of the number of shareholders present or represented and the percentage of share capital in attendance.
- 3 – The General Meeting decides by a majority vote, unless otherwise provided by law and when the resolution is in respect of one of the following matters, in which case it is required the approval of shareholders holding, at least, 80% of the share capital:
 - a) Declaration or distribution of dividends that is not in accordance with the Company's distribution policy, and amortisation of shares without reduction of the share capital;
 - b) Modification of the articles of association of the Company, except for modifications resulting from share capital increases or reductions necessary to comply with legal or regulatory obligations or to comply with the dividends distribution policy of the Company or with the Company's financing mechanisms agreed between the Shareholders;
 - c) Company's financial statement approval, when there are reservations by the auditor;
 - d) Election of the Statutory Auditor or of the Audit Board, as applicable.



ARTICLE 11

General Meeting Board

The Board of the General Meeting is composed of a Chairperson and a Secretary.

SECTION II

BOARD OF DIRECTORS

ARTICLE 12

Composition

- 1 – The Board of Directors is composed by a fixed number between 6 and 12 Directors, elected by the General Meeting.
- 2 – The General Meeting elects the Chairman of the Board of Directors.

ARTICLE 13

Replacement

- 1 – In cases where the Chairman of the Board of Directors is absent or prevented from attending, he or she is replaced and represented by whoever he or she indicates.
- 2 – When a Director fails to attend three consecutive or five non-consecutive meetings, without justification deemed acceptable by the Board of Directors, he or she is declared permanently absent.
- 3 – In the event a Director is declared permanently absent, a replacement Director will be appointed to serve for the remainder of the term of the person replaced.

ARTICLE 14

Meetings

- 1 – The Board of Directors should meet at least once every trimester and, additionally, whenever a meeting is called by the Chair or by two Directors.
- 2 – Directors can be convened in writing or by any other appropriate means permitted by law.



3 – Decisions of the Board of Directors shall be valid only when a majority of its members are present or represented at the Board Meeting.

4 – Decisions of the Board of Directors are arrived at by majority vote of the Directors present or represented, vote by correspondence being permitted.

5 – Any Director may be represented at Board Meetings by another Director provided a letter to this effect has been presented to the Chair; however, each proxy instrument may only be used once.

ARTICLE 15

Delegation of Powers

The Board of Directors may delegate the Company's day-to-day management to an Executive Committee or to one or more Directors.

ARTICLE 16

Binding of the company

The Company shall be legally bound before third parties by the following:

- a) The joint signature of any two Directors;
- b) If an Executive Committee exists, by the joint signature of two Directors, at least one of whom must be a member of said Committee;
- c) The signature of only one Director, when the Board of Directors has expressly delegated the power to perform the act in question;
- d) The signature of Company representatives, within the limits of the power of attorney granted them by the Company.



SECTION III

SUPERVISION OF THE COMPANY

ARTICLE 17

Supervisory Body

1 - The supervision of the Company shall be entrusted to a Statutory Auditor or a Company of Statutory Auditors, or an Audit Board, whichever is decided in each election by the General Meeting.

2 – If there is an Audit Board, it is composed of three or five effective members and one or two alternates elected in accordance with the legislation in force, with the chairman designated by the General Meeting.

SECTION IV

COMPANY SECRETARY

ARTICLE 18

Appointment of the Corporate Secretary

1 – The Board of Directors may decide to appoint a Corporate Secretary.

2 – The Corporate Secretary is appointed for a term coinciding with the term of the mandate of the Board of Directors and he or she may be assigned the duties and responsibilities provided by law.



SECTION V

INFORMATION RIGHTS

ARTICLE 19

Information to Shareholders and Directors

1- The Board of Directors shall:

- a) assure that the financial and accounting documentation of the Company is maintained complete and accurate, according to the applicable law;
- b) prepare a monthly management report of the Company, which includes the balance sheet, income statements and cash flows statements of the Company and its Subsidiaries and deliver copies of that report to the Shareholders as soon as it is available and, in any case, within the thirty days following the end of the month to which the report concerns (without prejudice to the possibility of, at the request of the shareholders, and in order to comply with its respective internal policies, including additional information); and
- c) deliver to each shareholder, until the end of March of each year, audited accounts of the financial year.

2. Subject to the applicable legal limitations, the shareholders which hold at least 10% of the Company's share capital (without prejudice of the rights they have under the applicable law) and Directors will be entitled to, upon reasonably in advance request:

- a) inspect the assets of the Company and Subsidiaries;
- b) consult and get copies of documents related with the Company and Subsidiaries, including corporate documentation and financial and accounting statements;
- c) discuss the activity, financial statements and accounts of the Company and Subsidiaries with the responsible person for such matters, any person who is a subordinate of that person or with the Company's auditor.



CHAPTER IV

ALLOCATION OF INCOME

ARTICLE 20

Financial Year Profits

- 1 – The profits of the financial year, established in accordance with the law, are applied towards the constitution or reinforcement of the legal reserves and the remainder, subject to applicable law, must be distributed to the Shareholders.
- 2 – Shareholders may be granted advance payments on profits during the financial year, provided all legal rules are respected.

CHAPTER V

DISSOLUTION AND LIQUIDATION

ARTICLE 21

Dissolution and Liquidation

- 1 - The Company shall be dissolved in the cases provided for by law or upon the decision of the General Meeting, by a two-thirds majority of votes corresponding to the Company share capital.
- 2 – Liquidation shall take place in accordance with the applicable law and the decisions of the General Meeting.