

energy creates energy



Company Standard - Regulation

NT-R-013

GALP GROUP RELATED PARTIES' TRANSACTIONS

Approved by the Executive Committee on 2017-07-21

Contents

1. Object and scope of application	3
2. Requirements	3
3. Matrix of responsibilities	6
4. Periodicity and control of reviews	7
5. Final and transitory provisions	7

1. Object and scope of application

1.1. This standard sets out the criteria and procedures for controlling Relevant Transactions between Galp Energia, SGPS, S.A. (hereinafter referred to as "Galp") or its subsidiaries or other companies under Galp's managerial control (hereinafter jointly referred to as "Galp Group" or individually referred to as "entity of Galp Group") and its Related Parties, aiming to protect the interests of the Galp Group in case of conflict of interests.

1.2. This standard covers all Organisational Units (OU) and entities of the Galp Group, encompassing all locations where the Group operates.

1.3. The people appointed by Galp for management positions at the aforementioned entities must ensure the approval and adoption of this standard by the respective management bodies.

2. Requirements

2.1. Any commitment of a contractual or another nature between a Galp Group entity and any of its Related Parties shall be carried under normal market conditions.

2.2. The execution by an entity of the Galp Group of Relevant Transactions with Related Parties requires the prior opinion of Galp's Audit Board, under the terms set out in this standard.

2.3. For the purposes of this standard, **Related Party** means:

- a) a person or close member of his/her family¹ that:
 - (i) holds control or joint control of an entity of Galp Group;
 - (ii) holds a significant influence over an entity of Galp Group; or

¹ Those members of the family whom, as is expected, might influence or be influenced by that person in his/her business with the entity, including:

- (a) the children and the spouse or domestic partner of the person in question;
- (b) the children of the spouse or domestic partner of the person in question; and
- (c) the dependants of the person in question or of his/her spouse or domestic partner.

NT-R-013 | Galp Group Related Parties' Transactions

- (iii) is a key member of the management of an entity of Galp Group or of a parent company of an entity of Galp Group;
- b) an entity which is in one of the following situations:
 - (i) an entity and the entity of Galp Group are members of the same group (which implies that the parent companies and subsidiaries are interrelated);
 - (ii) an entity is an associate or constitutes a joint venture with an entity of Galp Group (or is associate or constitutes a joint venture of a member of a group to which an entity of Galp Group belongs);
 - (iii) an entity represents a joint venture of a third entity and the entity part of the Galp Group is an associate or constitutes a joint venture of such third entity;
 - (iv) the entity is a post-employment benefit plan in favour of Galp Group personnel or of an entity related to the Galp Group. If the entity of Galp Group is actually a plan of this nature, the promoting personnel are also related to the entity of Galp Group;
 - (v) the entity is controlled or jointly controlled by a person identified in paragraph a);
 - (vi) a person identified in the above-mentioned sub-paragraph a) (i) holds a significant influence over the entity of Galp Group or is a key-member of the management of the entity of the Galp Group (or of its parent company).

2.4. For the purposes of this standard, **Relevant Transaction** is any commitment of a contractual or other nature that involves the transfer of resources, services or obligations between an entity of Galp Group and its Related Party, regardless of the payment of a price, which is included in the following situations:

- a) Financial investments, funding, shareholders' loans and provision of guarantees, of a value exceeding 10 million euros, except in the case of operations developed in the context of pre-existing contractual conditions that have been subject to prior opinion by the Audit Board;
- b) Acquisition or divestment of shareholdings or other assets;

NT-R-013 | Galp Group Related Parties' Transactions

- c) Acquisition, sale, marketing or supply of products and services for an economic value exceeding 10 million euros, except in the case of operations developed in the context of pre-existing contractual conditions that have been submitted to the prior opinion of the Audit Board, without prejudice to the provisions in the following subparagraph;
- d) Acquisition, sale, marketing or supply of energy products and/or products and related services for an economic value exceeding 10 million euros, except in the case of operations carried out within the framework of pre-existing contractual terms which have been submitted to the prior opinion of the Audit Board;
- e) Promise of carrying out or submission to completion of suspension conditions regarding any of the transactions mentioned above;
- f) Any transaction which, not being included in any of the substance criteria defined above, is considered relevant for this purpose by the Board of Directors or by the Executive Committee of Galp, due to its nature or of being prone to configure a situation of conflict of interests.

2.5. Galp's OU proposing to perform a Relevant Transactions with Related Parties must send to the Company Secretary the respective proposal, previously approved in accordance with the applicable authorization standard, for the prior opinion of Galp's Audit Board, containing at least the following information:

- a) Description of the main terms and conditions of the operation, including its economic value;
- b) Reference to the adopted pre-contractual procedures, namely regarding their type, selection criteria, measures planned to prevent or resolve potential conflicts of interests and grounds for selection;
- c) Demonstration of suitability of the transaction elements vis-à-vis normal market conditions.

NT-R-013 | Galp Group Related Parties' Transactions

2.6. The Audit Board shall issue an opinion on the Relevant Transaction with a Related Party within 5 (five) business days as from receipt of the communication established in the previous number. The absence of an opinion within the aforesaid period shall be deemed as a favourable opinion.

2.7. In cases of urgency and exceptional nature, previously approved and duly justified in accordance with the applicable authorization standard, when it is not feasible or possible to obtain the favourable prior opinion of the Audit Board without significant loss of value to the Relevant Transaction with the Related Party for the Galp Group, the opinion shall be requested immediately afterwards.

2.8. If the Audit Board issues an unfavourable opinion, the management body of the competent Galp Group entity may decide to carry out the Relevant Transaction on justified grounds related with the pursuit of Galp Group's corporate interest or of that Galp Group's entity.

3. Matrix of responsibilities

Entity	Responsibilities
Organisational Units	<ul style="list-style-type: none"> • Submit proposals of Relevant Transactions with Related Parties to the Company Secretary.
Company Secretary	<ul style="list-style-type: none"> • Submit the proposal of Relevant Transaction with a Related Party to the prior opinion of the Audit Board. • Provide information to the Audit Board on the Relevant Transaction under appraisal. • Inform the Accounting and Tax Department and the relevant OU of the Audit Board's decision.

NT-R-013 | Galp Group Related Parties' Transactions

Entity	Responsibilities
Competent management body of the entity of Galp Group	<ul style="list-style-type: none"> • Approve and justify the keeping of the proposal of the Relevant Transaction with a Related Party preceded by an unfavourable prior opinion of the Audit Board.
Audit Board	<ul style="list-style-type: none"> • Issue a prior opinion on Relevant Transactions with Related Parties; • Request information from the Company Secretary on the Relevant Transaction under appraisal; • Present proposals to prevent or mitigate any conflict of interests in relation to the Relevant Transaction in question; • Annually assess the implementation of this standard.

4. Periodicity and control of reviews

The Legal Affairs and Governance Department (DAJG) assures the verification of the suitability of this standard vis-à-vis its intended purpose, with a periodicity not exceeding two years.

5. Final and transitory provisions

5.1. This document revokes NR - Transactions with Related Parties (NR 02-2015), and enters into force on the business day following its publication at mygalp.

5.2. Any doubts concerning the interpretation and implementation of this standard are to be addressed to DAJG's Governance area.