

**This translation of the Portuguese document was made only for the convenience of non-Portuguese speaking Shareholders. For all intents and purposes, the Portuguese version shall prevail.**

## **PROPOSAL**

**First and only item** of the agenda  
of the general meeting of  
Galp Energia, SGPS, SA, Public Company,  
on August 3 2011

### **PROPOSAL FOR A RESOLUTION**

It is proposed that the Shareholders approve the following resolutions:

1. To amend article 4 of the Articles of Association of Galp Energia, SGPS, S.A., by the deletion of numbers 3 and 4, with the consequent renumbering of number 5, which is to be considered the new number 3, on the following terms:
  1. (...).
  2. (...).
  3. [*Corresponds to previous number 5*].
  
2. To amend article 12 of the Articles of Association of Galp Energia, SGPS, S.A., by the modification of numbers 4 and 5, the deletion of point a) of number 5 and the consequent renumbering of the subsequent points, on the following terms:
  1. (...).
  2. (...).
  3. (...).
  4. Except where the law requires qualified majorities or where this agreement requires a qualified majority, the resolutions of the general meeting are taken by a majority of the votes cast, not counting abstentions.
  5. The resolutions of the general meeting concerning the following matters are only considered approved if accepted by a qualified majority of two thirds of the votes cast:
    - a) [*Corresponds to previous point b*];
    - b) [*Corresponds to previous point c*];
    - c) [*Corresponds to previous point d*];
    - d) [*Corresponds to previous point e*];
    - e) [*Corresponds to previous point f*];
    - f) [*Corresponds to previous point g*].

**3. To amend number 3 of article 17 of the Articles of Association of Galp Energia, SGPS, SA, on the following terms:**

(...)

3. The executive committee may decide upon the matters referred to in points d), f), g), m), n), o) and p) of number 1 of the following article, provided these matters are delegated to it by the board of directors with the favourable vote of more than 2/3 of its members and they refer exclusively to undertakings controlled by the Company and not to the Company itself.

(...)

**4. Amend number 1 of article 18 of the Articles of Association of Galp Energia, SGPS, SA by the deletion of points a) and b) and of subparagraph x) of point b), being the remaining subparagraphs of point b) and the subparagraphs of point a) to be considered points of number 1, on the following terms:**

1. The resolutions of the Board of Directors will be validly taken by a simple majority of the votes cast, except when they concern matters that are indicated below, including cases when they consist of the approval of proposals for resolutions to be submitted to the General Meeting or of the definition of a position to be adopted by the Company in the corporate boards of undertakings in which it has a stake, the approval of which requires a favourable vote of a qualified majority of more than two thirds of the directors:

- a) [*Corresponds to subparagraph i) of point a)*];
- b) [*Corresponds to subparagraph ii) of point a)*];
- c) [*Corresponds to subparagraph iii) of point a)*];
- d) [*Corresponds to subparagraph iv) of point a)*];
- e) [*Corresponds to subparagraph v) of point a)*];
- f) [*Corresponds to subparagraph vi) of point a)*];
- g) [*Corresponds to subparagraph i) of point b)*];
- h) [*Corresponds to subparagraph ii) of point b)*];
- i) [*Corresponds to subparagraph iii) of point b)*];
- j) [*Corresponds to subparagraph iv) of point b)*];
- l) [*Corresponds to subparagraph v) of point b)*];
- m) [*Corresponds to subparagraph vi) of point b)*];
- n) [*Corresponds to subparagraph vii) of point b)*];
- o) [*Corresponds to subparagraph viii) of point b)*];
- p) [*Corresponds to subparagraph ix) of point b)*].

2. (...)

Appended is the consolidated version of the Articles of Association of Galp Energia, SGPS, S.A. which incorporates the amendments and additions set out in this proposal.

## **APPENDIX**

### **CONSOLIDATED VERSION OF GALP ENERGIA, SGPS, S.A. ARTICLES OF ASSOCIATION**

#### **GALP ENERGIA, SGPS, S.A.**

##### **CHAPTER I**

##### **Name, registered office and corporate object**

###### **Article 1.**

The Company adopts the name Galp Energia, SGPS, S.A. \_\_\_\_\_

###### **Article 2.**

1. The registered office shall be in Lisbon, at Rua Tomás da Fonseca, Tower C, and may be moved by the board of directors, in the terms of the law.
2. The board of directors shall have powers to create and close branches, delegations and other forms of representation of the Company, in Portugal or abroad. \_\_\_\_\_
3. The Company is created for an undetermined period of time. \_\_\_\_\_

###### **Article 3.**

The corporate object of the Company is to manage shareholdings in other companies of the energy sector, as an indirect form of exercise of economic activities. \_\_\_\_\_

## **CHAPTER II Share capital**

### **Article 4.**

1. The share capital is eight hundred and twenty nine million, two hundred and fifty thousand, six hundred and thirty five euros, fully paid up and is represented by eight hundred and twenty nine million, two hundred and fifty thousand, six hundred and thirty five shares with a nominal value of one euro each, forty million shares being class A shares and the remaining seven hundred and eighty nine million, two hundred and fifty thousand, six hundred and thirty five shares class B shares. \_\_\_\_\_
2. Class A shares may be converted into class B shares upon a mere request addressed to the Company by their respective shareholder or shareholders. The aforementioned conversion shall become effective immediately upon such request, not being subject to approval by any body of the Company. \_\_\_\_\_
3. As long as it is not changed by law, ownership of class A shares must belong to public entities, within the meaning of paragraph e) of no. 2 of article 1 of Law no. 71/88 of 24 May. \_\_\_\_\_

### **Article 5.**

1. The shares shall be non-certificated and nominative. Their conversion into bearer shares shall not be permitted. \_\_\_\_\_
2. The Company may acquire own shares, in the cases and conditions permitted by law. \_\_\_\_\_

### **Article 6.**

The Company may issue bonds and any other securities, and the corresponding resolutions may be approved by the board of directors. \_\_\_\_\_

**CHAPTER III**  
**General provisions on the Company's corporate and representative bodies**

**Article 7.**

1. The corporate bodies of the Company are the shareholders' meeting, the board of directors and the supervisory board. \_\_\_\_\_
2. Members of corporate bodies and the statutory auditor or firm of statutory auditors shall be appointed for renewable 3-calendar year periods. The calendar year in which they are appointed shall be deemed a full year. \_\_\_\_\_
3. Members of corporate bodies and the statutory auditor or firm of statutory auditors shall be deemed to be in office as soon as they are elected and shall remain in office until the election of those replacing them. \_\_\_\_\_

**Article 8.**

1. The remuneration of the Chairman of the shareholders' meeting and corporate bodies shall be established by a remuneration committee. \_\_\_\_
2. The remuneration committee shall be composed of three shareholders, elected by the shareholders' meeting for 3-year periods, and may be re-elected. \_\_\_\_\_
3. The position of member of the board of directors and member of the supervisory board is not compatible with that of member of the remuneration committee. \_\_\_\_\_
4. The remuneration of the directors may include a percentage of the profits for the year up to the overall limit of zero point five per cent of such profits. \_\_\_\_\_

**Article 9.**

The Company shall be bound: \_\_\_\_\_

- a) by the joint signature of two directors; \_\_\_\_\_
- b) by the signature of one director, when so resolved by the board of directors or if it concerns the exercise of specifically delegated powers;
- c) by the signature of those holding powers of attorney, in the terms of their respective powers of attorney. \_\_\_\_\_

**CHAPTER IV  
Shareholders' meeting**

**Article 10.**

- 1. Only shareholders with voting rights shall be entitled to participate in shareholders' meetings. \_\_\_\_\_
- 2. In order to participate in shareholders' meetings, a shareholder must have shares registered in his/her/its name up to five days before the date of the meeting in question. \_\_\_\_\_
- 3. Each share is entitled to one vote. \_\_\_\_\_
- 4. Shareholders that are legal entities may be represented in shareholders' meetings by any person, who may be appointed by any written means. \_
- 5. Shareholders that are natural persons can only be represented by a member of the board of directors, their spouse, direct ascendants or descendants or other shareholders, and the corresponding appointment may be made by any written means. \_\_\_\_\_
- 6. Except with regard to the State, a shareholder that wishes to be represented shall submit the corresponding powers of attorney to the Company and, in the case of legal entities, also designate the person who will represent it, no later than five days before the shareholders' meeting and in accordance with the law; the chairman of the shareholders' meeting may, however, authorise any shareholders that

have not met the deadline established in this number to participate in the shareholders' meeting, provided that such participation will not disrupt the work of the meeting.\_\_\_\_\_

7. Shareholders not entitled to vote and bondholders cannot participate in shareholders' meetings.\_\_\_\_\_
8. Shareholders entitled to vote may vote by post on any of the items on the agenda by means of a recorded-delivery letter bearing a signature identical to that on their identity card, addressed to the chairman of the shareholders' meeting and sent to the Company's registered office, where it must be received no later than the day before the shareholders' meeting.\_\_\_\_\_
9. Any letter containing a voting declaration must be accompanied by a legible photocopy of the shareholder's identity card or, if the shareholder is a legal entity, the voting declaration must be signed by the person who legally represents the company, with this signature certified as such, and the letter shall also contain evidence of registration of the shares in respect of which the shareholder wishes to exercise its voting rights, in the name of the shareholder in a non-certificated securities account.\_\_\_\_\_
10. Any letters containing voting declarations shall be opened by the chairman of the shareholders' meeting at the beginning of the works and upon verification that the shareholder's meeting may resolve validly. The result of postal voting shall be announced in respect of each item of the agenda.\_\_\_\_\_
11. Votes cast by post shall be counted as votes against in respect of resolutions proposed after the votes were cast.\_\_\_\_\_

**Article 11.**

1. The Chairman of the shareholders' meeting shall conduct the meetings and draw up the corresponding minutes, without prejudice to the legal provisions on the Company's secretary.\_\_\_\_\_
2. The Chairman, composed of a chairman, a vice-chairman and a secretary, shall be elected by the shareholders' meeting.\_\_\_\_\_

**Article 12.**

1. Notice of shareholders' meetings may be given to the shareholders through its publication in the legal terms or, since all the shares representing the Company's share capital are nominative, this notice may be sent by registered letter or, to any shareholders that express their prior consent, by electronic mail with a request for a receipt upon having been read, sent at least 21 days before the date of the shareholders' meeting.\_\_\_\_\_
2. When meeting on first notice, a shareholders' meeting may only resolve validly if shareholders representing at least 51% of the share capital are present or represented.\_\_\_\_\_
3. The provisions of no. 4 of article 386 of the Commercial Companies Code shall not apply to the Company's shareholders' meetings.\_\_\_\_\_
4. Except where the law requires qualified majorities or where this agreement requires a qualified majority, the resolutions of the general meeting are taken by a majority of the votes cast, not counting abstentions.
5. The resolutions of the general meeting concerning the following matters are only considered approved if accepted by a qualified majority of two thirds of the votes cast:
  - a) approval of new strategic guidelines;\_\_\_\_\_



- b) appropriation of the profits for the year or distribution of assets to shareholders;\_\_\_\_\_
- c) issue of securities not falling under the powers of the board of directors;\_\_\_\_\_
- d) proposals for strategic partnerships submitted by the board of directors to the Company's shareholders' meeting for approval;\_\_\_\_\_
- e) approval of the Company's annual individual and consolidated accounts; and\_\_\_\_\_
- f) merger, split or dissolution of the Company.\_\_\_\_\_

**Article 13.**

Without prejudice to meetings mandatory under the law, the shareholders' meeting shall meet whenever requested to the chairman of the shareholders' meeting by any other corporate body or shareholders, in the terms provided for in the law.\_\_\_\_\_

**CHAPTER V  
Board of directors**

**Article 14.**

1. The board of directors shall be composed of between eleven and twenty one directors. \_\_\_\_\_
2. The shareholders' meeting shall appoint the chairman of the board of directors and set the number of the remaining directors; failing an express resolution, the number of elected directors shall prevail.\_\_\_\_\_
3. The chairman shall call and conduct the meetings of the board of directors.\_\_\_\_\_

**Article 15.**

The board of directors shall have the powers defined in the law and in these articles of association, represent the Company in or out of courts, as plaintiff or defendant, having the widest management powers, as well as resolve on any matter relating to the management of the Company, being further entitled to confess, discontinue or compromise in any disputes, as well as in the context of arbitration proceedings.\_\_\_\_\_

**Article 16.**

1. Without prejudice to the provisions of the following numbers, the Company's board of directors shall operate in compliance with the Organisation and Operation Regulation approved by it for this purpose at the commencement of each term of office. The approval and review of this Regulation must be adopted by the majority stated in no. 1 of article 18. Failing approval of a new Regulation at the commencement of a new term of office, the Regulation from the preceding term of office shall remain in effect.\_\_\_\_\_
2. The board of directors shall meet at least once every three months and, additionally, whenever called by its chairman or two directors.\_\_\_\_\_
3. Meetings shall be called at least five days in advance.\_\_\_\_\_
4. Without prejudice to the provisions of article 18, the majority of its members must be present so that the board of directors may validly meet.\_\_\_\_\_
5. Directors may be represented by other directors in board meetings, by means of a letter addressed to the chairman in each meeting.\_\_\_\_\_
6. It shall be considered that a director is definitively absent when, without a justification accepted by the board, he/she does not attend three consecutive or any five meetings.\_\_\_\_\_

### **Article 17.**

1. The board of directors may delegate the day-to-day management of the company on an executive committee, designating its chairman, the provisions of Article 16, adapted as necessary, applying to its working.  
\_\_\_\_\_
2. The executive committee may not deliberate on any of the matters referred to in Articles 18.1(a) and 18.1(b) except under the terms specifically described in the following number. \_\_\_\_\_
3. The executive committee may decide upon the matters referred to in points d), f), g), m), n), p) and p) of number 1 of the following article, provided these matters are delegated to it by the board of directors with the favourable vote of more than 2/3 of its members and they refer exclusively to undertakings controlled by the Company and not to the Company itself. \_\_\_\_\_
4. The deliberations of the board of directors referred to in the preceding number shall expressly designate the enterprises controlled by the Company relevant to the delegation of powers constituting the object of such deliberations. \_\_\_\_\_
5. The executive committee shall comprise between three and seven directors. \_\_\_\_\_
6. Members of the board of directors having executive duties shall be entitled to a retirement pension or pension complement or to an old-age or disability pension under the terms of the regulations that come to be approved by the general meeting. \_\_\_\_\_

### **Article 18.**

1. The resolutions of the Board of Directors will be validly taken by a simple majority of the votes cast, except when they concern matters that are

indicated below, including cases when they consist of the approval of proposals for resolutions to be submitted to the General Meeting or of the definition of a position to be adopted by the Company in the corporate boards of undertakings in which it has a stake, the approval of which requires a favourable vote of a qualified majority of more than two thirds of the directors:\_\_\_\_\_

- a) approval of strategic investments and their financing;\_\_\_\_\_
- b) approval of annual budgets and business plans, as well as changes thereto or deliberations not provided for therein, leading to an excess of 20% in any specific item of the said documents or to a 10% excess of the annual budget;\_\_\_\_\_
- c) transactions with any entities related with shareholders in excess of the sum of €20,000,000.00; \_\_\_\_\_
- d) designation of the senior management of the Company and of the companies it controls; \_\_\_\_\_
- e) issue of bonds or other securities within the scope of the competence of the board of directors;\_\_\_\_\_
- f) changes to the articles of association of companies controlled by the Company.\_\_\_\_\_
- g) approval of strategic divestments by the Company or by the companies it controls;\_\_\_\_\_
- h) involvement in businesses not included in the Company's principal activities (principal activities are considered to be: exploration and production, refining, transport, marketing and distribution of oil and its derivative products and of gas, and production and marketing of electricity), particularly through the acquisition of

holdings in companies operating outside the scope of these activities; \_\_\_\_\_

- i) selection of strategic partners within the scope of the Company's principal activities; \_\_\_\_\_
- j) approval and modification of the Company's strategic guidelines and strategic plan and of its respective business areas; \_\_\_\_\_
- l) definition of the basic management and organisational structure, including delegation of powers by the board of directors on the executive committee or on one or more managing directors (including the positions of the members of the executive committee); \_\_\_\_\_
- m) definition of the limits of the management autonomy of the companies controlled by the Company; \_\_\_\_\_
- n) the split, merger and winding up of any companies controlled by the Company; \_\_\_\_\_
- o) the entering into of parity group or subordination agreements by companies controlled by the Company; \_\_\_\_\_
- p) distribution of dividends by enterprises controlled by the Company; \_\_\_\_\_

2. Postal balloting is allowed. \_\_\_\_\_

**CHAPTER VI**  
**Supervision of the Company**  
**Article 19.**

1. The supervision of the Company shall be entrusted to a supervisory board and a statutory auditor or firm of statutory auditors that shall not be a member of the supervisory board.\_\_\_\_\_
2. The supervisory board shall be composed of three members and a substitute elected by resolution of the shareholders' meeting, which shall also elect its chairman and the statutory auditor or firm of statutory auditors and the respective substitute.\_\_\_\_\_
3. The majority of the members of the supervisory board shall be independent, in compliance with the legal provisions on this matter.\_\_\_\_\_
4. In addition to other matters stated in the law, the supervisory board shall propose to the shareholders' meeting the appointment of the statutory auditor or firm of statutory auditors, the appointment or removal of the Company's external auditors, permanently monitor the business of the Company and its affiliates, observing their relations with the various corporate bodies, as well as give opinions on internal audit procedures or matters submitted to it in respect of the accounting practices followed by the Company.\_\_\_\_\_
5. The statutory auditor or firm of statutory auditors shall carry out any examinations and verifications necessary for the review and legal certification of the Company's accounts, as well as exercise any other powers attributed to him/her/it by law.\_\_\_\_\_

**CHAPTER VII**  
**The secretary**  
**Article 20.**

1. The Company shall have a Company secretary, to be designated by the board of directors. \_\_\_\_\_
2. When an effective secretary is designated, a substitute shall also be designated. \_\_\_\_\_
3. The term of the duties of the secretary shall coincide with the terms in office of the members of the board of directors that designate him/her. \_

**CHAPTER VIII**  
**Appropriation of profits**  
**Article 21.**

1. The net profits for the year shall be appropriated as the shareholders' meeting freely resolves, the restriction laid down in article 294, no. 1, of the Commercial Companies Code not applying. \_\_\_\_\_
2. The Company may distribute profits to the shareholders in the course of the financial year, provided that the conditions laid down in the law are complied with. \_\_\_\_\_

**CHAPTER IX**  
**General and final provisions**  
**Article 22.**

1. The Company shall be dissolved in the cases contemplated in the law. \_\_\_
2. The directors in office on the date of dissolution shall act as liquidators, unless the shareholders' meeting resolves otherwise. \_\_\_\_\_

**Article 23.**

Any disputes between the Company and its shareholders or other members of corporate bodies shall be submitted to the courts having jurisdiction over the place of the registered office. \_\_\_\_\_