



# Energy on the move

Corporate Governance Report 2014







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



# Corporate Governance Report 2014

<b>PART I</b>	<b>INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE</b>	<b>7</b>
<b>A</b>	<b>Shareholder structure</b>	<b>7</b>
I	Capital structure	8
II	Shareholdings and bonds held	9
<b>B</b>	<b>Governing bodies and committees</b>	<b>13</b>
I	General shareholders meeting	14
	a) Members of the General Meeting	14
	b) Exercise of voting rights	14
II	Management	15
	a) Composition	15
	b) Functioning	26
	c) Committees within the management or supervisory body and delegated directors	33
III	Supervision	34
	a) Composition	34
	b) Functioning	36
	c) Competences and functions	37
IV	Statutory auditor	37
V	External auditor	38
<b>C</b>	<b>Internal organisation</b>	<b>40</b>
I	Articles of association	41
II	Reporting of irregularities	41
III	Internal control and risk management	42
IV	Investor support	53
V	Website	55
<b>D</b>	<b>Remuneration</b>	<b>56</b>
I	Competence to fix remuneration	57
II	Remuneration Committee	57
III	Remuneration structure	57
IV	Disclosure of remuneration	61
V	Agreements with remuneration implications	63
VI	Share-allocation or stock option plans	63
<b>E</b>	<b>Transactions with related parties</b>	<b>64</b>
I	Control mechanisms and procedures	65
II	Documents relating to the business	65
<b>PART II</b>	<b>REVIEW OF CORPORATE GOVERNANCE</b>	<b>66</b>
<b>1</b>	<b>Corporate Governance Code adopted</b>	<b>67</b>
<b>2</b>	<b>Analysis of compliance with the Corporate Governance Code adopted</b>	<b>67</b>





PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION  
AND CORPORATE GOVERNANCE

# I A. Shareholder structure

- I Capital structure
- II Shareholdings and bonds held

## I. Capital structure

### 1. Capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (Article 245-A/1/a)

Galp Energia's total share capital is €829,250,635, which is fully paid up and consists of 829,250,635 ordinary shares with a nominal value of €1 each.

771,171,121 shares have been admitted to trading on the NYSE Euronext Lisbon stock exchange, which correspond to 93% of the share capital and voting rights.

The remaining 58,079,514 shares are not admitted to trading and are indirectly held by the Portuguese state through Parpública – Participações Públicas, SGPS, S.A. (Parpública).

The shares held by Parpública, corresponding to 7% of the share capital, are a special category of shares, which will be subject to a privatisation process. They may

be converted into ordinary shares on completion of this process, by addressing a simple request to Galp Energia. The conversion shall take place with immediate effect following the request, without the need of approval from any of the Company's bodies.

#### GALP ENERGIA CODES AND TICKERS

ISIN	GALP	PTGALOAM0009
	State-owned shares subject to privatisation	PTGALXAM0006
Sedol		B1FW751
WKN		AOLB24
Bloomberg		GALP PL
Reuters		GALPLS

### 2. Restrictions on the transferability of shares, such as consent clauses for disposal, or limitations on ownership of shares (Article 245-A/1/b))

Shares in Galp Energia are freely transferable according to the law and there are no restrictions imposed by the articles of association hindering their transferability.

Galp Energia's articles of association do not provide for any limitation on the number of votes held or exercised by a sole shareholder individually or together with other shareholders.

### 3. Number of treasury shares, percentage of corresponding share capital and percentage of voting rights to which the treasury shares would correspond (Article 245-A/1/a))

As of 31 December 2014, Galp Energia had no treasury shares.

### 4. Material agreements to which the Company is a party to and which come into effect, are affected or terminate in the event of a change of control in the Company over the course of a takeover bid, as well as the effects thereof, save that if, by their nature, their disclosure would be materially adverse to the Company, unless the Company is specifically required to disclose this information on the basis of other legal requirements (Article 245-A/1/j))

To the best of the knowledge of the Board of Directors, Galp Energia is not party to any significant agreement which takes effect, either being affected or terminated upon a change of control in the Company, following a takeover bid, without prejudice to the standard clauses in banking practice relating to the issuance of debt securities and financing contracts.

Galp Energia does not adopt measures the effect of which is to demand payments or assume liabilities by the Company in the event of a change of control or change in the composition of the management body, in a way that would impair the free transferability of shares and the free appraisal by shareholders of the performance of the members of the management body.

### 5. A system that is subject to the renewal or withdrawal of countermeasures, in particular those that limit the number of votes capable of being held or exercised by a sole shareholder either individually or together with other shareholders

Galp Energia's articles of association do not provide for any limitation to the number of votes susceptible of being held or exercised by a sole shareholder individually or in agreement with other shareholders.

At the same time, Galp Energia's articles of association do not contain any clauses aimed at averting the success of takeover bids nor do they restrict voting rights.



## 6. Shareholders' agreements that the Company is aware of and that may result in restrictions on the transfer of securities or voting rights (Article 245-A/1/g))

The Company is aware, as publicly disclosed, that shareholders of Amorim Energia, B.V. (Amorim Energia) and Eni, S.p.A. (Eni) are part of a shareholder agreement referred to as the Call Option and Right of First Refusal Agreement, which establishes the continuation of the existing

voting agreement between Amorim Energia and Eni, until the election for subsequent terms to those now in force, of Galp Energia's corporate bodies, regarding the election of governing bodies and deliberations of the Board of Directors and general shareholders meeting.

## II – Shareholdings and bonds held

### 7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (Article 245-A/1/c)) and (d), and Article 16), with a detailed indication of capital percentage and votes attributed and the source and causes of such attribution

Holders of qualifying holdings in Galp Energia's share capital, as of 31 December 2014, calculated in accordance with the regime of Article 20 of the Portuguese Securities Market Code (CVM), are detailed in the following table.

#### QUALIFYING HOLDINGS IN GALP ENERGIA'S SHARE CAPITAL AT 31 DECEMBER 2014

Shareholders	No. of shares	% share capital	% voting rights
Amorim Energia, B.V.			
Direct holding	317,934,693	38.34%	38.34%
Holding attributed under Article 20(1)(d) of the Portuguese Securities Code (CVM) by virtue of serving at the Board of Directors of Amorim Energia B.V.	2,410	0.0003%	0.0003%
Holding attributed under Article 20(1)(d) of the CVM by virtue of shareholder agreement with Eni, S.p.A.	66,337,592	8.00%	8.00%
<b>Total attributed holding</b>	<b>384,274,695</b>	<b>46.34%</b>	<b>46.34%</b>
Eni, S.p.A.	66,337,592	8.00%	8.00%
Parpública – Participações Públicas (SGPS), S.A.	58,079,514	7.00%	7.00%
The Capital Group Companies, Inc.			
Holding attributed under Article 20(1)(b) of the CVM by virtue of a control relationship with the Capital Research and Management Company	40,652,757	4.90%	4.90%
<b>Total attributed holding</b>	<b>40,652,757</b>	<b>4.90%</b>	<b>4.90%</b>
Capital Research and Management Company			
Holding attributed under Article 20(1)(b) of the CVM by virtue of a control relationship with the Capital Research and Management Company	20,222,757	2.44%	2.44%
Holding attributed under Article 20(1)(g) of the CVM by virtue of several funds having conceded the respective powers of attorney	20,430,000	2.46%	2.46%
<b>Total attributed holding</b>	<b>40,652,757</b>	<b>4.90%</b>	<b>4.90%</b>
EuroPacific Growth Fund (EUPAC)	20,430,000	2.46%	2.46%
BlackRock, Inc.	20,307,726	2.45%	2.45%
Templeton Global Advisors Limited	16,870,865	2.03%	2.03%

During 2014, there was a significant increase in Galp Energia's free float in comparison to the end of 2013, having increased from 38.32% to 46.66% in this period. Consequently, the Company experienced an increase in its visibility in the capital markets. Indeed, various entities became major shareholders in the share capital of Galp Energia, the disclosure of which was made by the Company pursuant to Articles 16 and 17 of the CVM.

In April, BlackRock, Inc. and the Capital Research and Management Company (CRMC) reported major holdings of 2.4500% and 2.0243% respectively, in the share capital of Galp Energia. In July, EUPAC, part of The Capital Group Companies, Inc. (CGC), communicated that it held a 2.0366% stake in the Company's share capital.

## A Shareholder structure

In September 2014, the CGC communicated that it owned 5.0350%, an amount which dropped to 4.9023% in December, and which included 20,430,000 shares held by EUPAC, the proxy voting authority of which is held by CRMC. It is to be noted that, in 2014, BPCE S.A. and Standard Life Investments (Holdings) Limited (Standard Life) announced major holdings of 2.2490% and 2.0300%, respectively, in the Company's share capital. Nevertheless, both institutions announced, also in 2014, a reduction of their holdings in Galp Energia to 0.3140% in the case of BPCE, and 1.9910% in the case of Standard Life.

In 2012, following the shareholder agreement signed in 2006, agreements were signed between Amorim Energia, Caixa Geral de Depósitos, S.A. (CGD) and Eni, jointly referred to as the "Parties", stipulating the conditions under which Eni could sell its shareholding in Galp Energia. Eni acquired the right to sell on the market up to 20% of the Company's share capital that it held. CGD, in turn, was able to exercise a tag along right on the 1% stake that it held in Galp Energia's share capital.

At the end of July 2012, with regard to the agreements signed, Amorim Energia acquired 5% of the share capital of Galp Energia from Eni. On 27 November 2012, through an accelerated bookbuilding process, Eni placed shares on the market representing approximately 4% of Galp Energia's share capital, while CGD exercised its right to tag along. On that date, Eni also issued bonds convertible into Galp Energia shares, corresponding to approximately 8% of the Company's share capital.

In 2013, Eni sold an equivalent to 8% of Galp Energia's share capital, holding 16.34% in the Company at the end of the year. Of Eni's total shareholding in the share capital of Galp Energia, the underlying asset amounted to 8% of the convertible bonds which it issued at the end of 2012.

On 27 March 2014, Eni sold shares representing approximately 7% of the share capital of Galp Energia to institutional investors, through a process of accelerated bookbuilding. Following the sale of the shares, Eni continued to hold a stake corresponding to approximately 9% of Galp Energia's share capital, 8% of which underlying to the convertible bonds.

On 23 June 2014, Eni completed the sale of ordinary shares, by means of daily sales at a regulated market, representing approximately 1% of Galp Energia's share capital. Thus, at the end of 2014, Eni had a shareholding of approximately 8% of Galp Energia's share capital, corresponding to the underlying asset of the convertible bonds issued in 2012.

Under the agreements signed between the Parties, and under Article 20(1)(c) of the CVM, the voting rights corresponding to the shares held by each of the Parties in the aforementioned shareholder agreement were allocated to the others. This ceased to apply to CGD when it sold its stake of 1% in Galp Energia's share capital. With regard to Amorim Energia and Eni, on 26 July 2013, the Italian company notified Galp Energia that the voting rights attached to the major holding held by Amorim Energia were not understood as allocated to Eni, despite the fact that the voting rights held by Eni were still allocated to Amorim Energia. Thus, at the end of 2014, Eni had a major holding of 8% in Galp Energia's share capital, and the corresponding voting rights, while a total of 46.34% of Galp Energia's voting rights were allocated to Amorim Energia.

In 2010, Parpública, a shareholder that owns 7% of Galp Energia's share capital, issued bonds convertible into company shares, representative of its shareholding.

### Description of major shareholders

Amorim Energia has its head office in the Netherlands. Its shareholders are Power, Oil & Gas Investments, B.V. (35%), Amorim Investimentos Energéticos, SGPS, S.A. (20%) and Esperaza Holding, B.V. (45%). The first two companies are controlled, either directly or indirectly, by Américo Amorim, and the latter is controlled by Sonangol, E.P., Angola's state-owned oil company.

Eni is an Italian energy operator listed on the Milan Stock Exchange and on the New York Stock Exchange (NYSE). Eni is present in over 75 countries in exploration and production (E&P), refining and marketing, gas and power, petrochemicals and engineering services and construction and drilling. On 31 December 2014, Eni had a market capitalisation of approximately €53 bn.

Parpública is a state-owned entity that manages financial stakes owned by the Portuguese state in several companies.

The Capital Research and Management Company is a financial services company set up in 1931. It is a subsidiary of The Capital Group Companies, and is based in Los Angeles, California.

BlackRock, Inc. is a multinational investment management company founded in 1988. It is based in New York and is listed on the NYSE.

Franklin Templeton Investments is a financial investment company based in San Mateo, California. It operates in over 35 countries and is listed on the NYSE.

## 8. Details of the number of shares and bonds held by members of the management and supervisory body

	Acquisition				Alienation			Total shares on 31 Dec. 2014
	Total shares on 31 Dec. 2013	Period from 1 January to 31 December 2014			Date	No. of shares	Value (€/share)	
		Date	No. of shares	Value (€/share)				
<b>MEMBERS OF THE BOARD OF DIRECTORS</b>								
Américo Amorim*	0							0
Manuel Ferreira De Oliveira	85,640							85,640
Luís Palha da Silva	950							950
Paula Amorim*	0							0
Filipe Crisóstomo Silva	0	11.02.2014	5,000	11,3				5,000
Carlos Gomes da Silva*	2,410							2,410
Sérgio Gabrielli de Azevedo	0							0
Thore E. Kristiansen	0							0
Abdul Magid Osman	0							0
Luís Campos e Cunha	0							0
Raquel Rute da Costa David Vunge	0							0
Miguel Athayde Marques	1,800							1,800
Carlos Costa Pina	0							0
Rui Paulo Gonçalves*	0							0
Luís Todo Bom	0							0
Fernando Gomes	1,900							1,900
Diogo Mendonça Tavares	2,940							2,940
Joaquim Borges Gouveia	0							0
José Carlos da Silva Costa	275							275
Jorge Manuel Seabra de Freitas*	0							0
<b>MEMBERS OF THE SUPERVISORY BOARD</b>								
Daniel Bessa Fernandes Coelho	0							0
Gracinda Augusta Figueiras Raposo	0							0
Pedro Antunes de Almeida	5							5
Amável Alberto Freixo Calhau	0							0
<b>STATUTORY AUDITOR</b>								
P. Matos Silva, Garcia Jr., Caiado & Associados	0							0
António Campos Pires Caiado	0							0

## Notes:

1. Stephen Whyte, Executive Director until 3 October 2014, did not own shares in Galp Energia on 31 December 2014, having sold the 2,035 shares that he had held on 4 July 2014, at a price of €13.535 per share.
2. Vítor Bento, non-Executive Director until 31 August 2014, did not own shares in Galp Energia on 31 December 2014.

\* For the purposes of article 447, paragraph 2, point d) of the Companies Code, it is stated that Amorim Energia, in which the indicated director also perform management duties, owns 317,934,693 shares of Galp Energia.

### 9. Special powers of the management body, namely with respect to resolutions to increase share capital (Article 245-A/1/i), indicating, with regard to these resolutions, the date on which they were assigned to it, the time period during which that power may be exercised, the maximum quantitative limit for the share capital increase, the amount already issued under the allocation of powers and the mode of implementation of the powers assigned

The Board of Directors of Galp Energia has the powers typically provided for in company law for its model of corporate governance. There are no special powers provided in its articles of association, namely for the Board of Directors to increase the share capital of the Company.

The general shareholders meeting, held on 28 April 2014, decided to authorise the Board of Directors, under the provisions of Article 5(3) of Galp Energia's articles of association, and Articles 319 and 320 of the Commercial Companies Code (CSC), to acquire and dispose of treasury shares as follows:

A

**Shareholder structure**

B

C

D

E

- The acquisition and sale of treasury shares may be made for a period of 18 months from the date of the resolution adopted by the general shareholders meeting.
- The number of shares to be acquired cannot exceed 10% of the Company's capital at any one time.
- The moment at which acquisition or disposal is effected shall be determined by the Board of Directors, taking into account the market situation, the objectives that have been specifically agreed upon and the Company's criteria and obligations, which may take place one or more times, for the agreed amounts.

The general shareholders meeting of 28 April 2014 also decided to authorise the Board of Directors to carry out, under the provisions of Article 6 of Galp Energia's articles of association, the acquisition of treasury bonds or other debt-representative treasury securities, under the following terms:

- the acquisition and sale of treasury shares may be made for a period of 18 months from the date of the resolution approved by the general shareholders meeting;

- maximum number of bonds which may be acquired: (i) when the acquisition is intended for the total or partial amortisation of the bonds acquired, up to the total number of bonds for each issue held; or (ii) when the acquisition is intended for another purpose, up to the limit corresponding to 10% of the aggregate nominal amount of all the bonds issued, deducted from sales effected, subject to the exceptions provided for in Article 317(3) of the CSC and to the amount that is required for the purchaser's fulfilment of the bonds arising from the law, contract or terms of the respective conditions of issue;
- the moment at which acquisition or disposal is effected shall be determined by the Board of Directors, taking into account the market situation, the objectives that have been specifically agreed upon and the Company's criteria and obligations, which may take place one or more times, for the agreed amounts.

The full terms of the authorisation granted to the Board of Directors regarding the acquisition and sale of treasury shares and bonds, as well as other debt-representative treasury securities, are available at the Galp Energia website at <http://www.galpenergia.com/EN/Investidor/AccaoGalpEnergia/Paginas/Acquisitionanddisposalofownshares.aspx>

## 10. Information on the existence of significant business relationships between the holders of qualifying holdings and the Company

In the context of Galp Energia's day-to-day business, transactions were carried out under normal market conditions with shareholder Eni, as occurs in the field of Oil & Gas trading, in which Group companies entered into purchase and sale contracts for crude oil, oil products and natural gas with Eni.

PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION  
AND CORPORATE GOVERNANCE

# **I** B. Governing bodies and committees

- I General shareholders meeting
- II Management
- III Supervision
- IV Statutory auditor
- V External auditor

## I – General shareholders meeting

### a) MEMBERS OF THE GENERAL MEETING

#### 11. Details and positions of the members of the General Meeting and respective mandate (beginning and end)

The elected members of the General Meeting Board for the 2011-2013 term, beginning on 30 May 2011 and ending on 31 December 2013, are as follows:

**Chairman:** Daniel Proença de Carvalho  
**Vice-Chairman:** Victor Manuel Pereira Dias  
**Secretary:** Maria Helena Claro Goldschmidt

### b) EXERCISE OF VOTING RIGHTS

#### 12. Potential restrictions on voting rights, such as limitations on the exercise of voting depending on the ownership of a number or percentage of shares, imposition of deadlines for exercising voting rights or systems of detachment of rights for equity (Article 245-A/1/f))

Galp Energia's articles of association state that each share represents one vote (Article 10/2).

Galp Energia guarantees the right to a postal vote in a broad way and without any restriction in its articles of association (Article 10/6 to 9).

The right to a vote in absentia may be exercised by electronic means in accordance with the requirements set by the chair of the General Meeting in the notice for each General Meeting, to ensure authenticity and confidentiality.

Neither the articles of association, nor other instruments provide for restrictions on voting rights, such as limitations on the exercise of voting depending on the ownership of a number or percentage of shares, imposition of deadlines for exercising voting rights or special systems of rights for equity.

Galp Energia has not established any mechanism which may have the effect of creating a gap between the right to receive dividends or to subscribe new securities and the voting rights of each share.

#### 13. Specification of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any of the relations referred to in Article 20/1

Galp Energia's articles of association or other instruments do not impose any maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders

that are in any of the relations referred to in Article 20(1) of the CVM.

#### 14. Details of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided, and details of said majority

Galp Energia's articles of association establish that, in accordance with applicable company law, decisions of the general shareholders meeting are taken by a simple majority of votes cast, discarding abstentions, except in cases when the law or the articles of association require qualified majorities.

The Company's articles of association establish the need for the deliberations of the general shareholders meeting to be approved by a qualified majority of two thirds of votes cast when concerning the following matters:

a) decisions on matters of Company management referred to it by the Board of Directors;

b) changes to the articles of association, including capital increases, as well as the limitation or elimination of shareholders' pre-emption right;

c) demerger, merger, transformation or dissolution of the Company.

In relation to the resolutions of the general shareholders meeting on matters referred to in subparagraphs b) and c) or other matters for which the law requires a qualified majority, the deliberative quorum of two thirds of votes cast is applicable both in the first and second call, even if shareholders holding at least half of the share capital are present or represented.

## II – Management

(Board of Directors, Executive Board of Directors and Management and Supervisory Board)

### a) COMPOSITION

#### 15. Details of the corporate governance model adopted

The governance model used at Galp Energia comprises a structure of management and supervision constituted by the Board of Directors, the Supervisory Board and the statutory auditor, corresponding to the Latin model of Article 278(1)(a) and 413(1)(b), of the CSC, complemented by a delegation of management powers upon the Executive Committee.

The current governance model has been effective in clearly separating the powers of governing bodies, particularly those of the Board of Directors in respect of strategy and control, from those of the Executive Committee in respect of the day-to-day management of the business units and corporate services delegated to it by the Board of Directors.

The fact that the Board of Directors has exclusive responsibilities in certain matters has enabled this body to effectively monitor and control Galp Energia's strategic issues, key goals and basic organisation.

The responsibility of each member of the Executive Committee for coordinating specific areas of management, without prejudice to the collective nature of the functions managed by this body, means that the Company management can be effectively monitored and synergies can be created within each business unit and as a whole.

The functioning of the Board of Directors has provided a particularly effective framework for non-executive members to supervise and assess the actions of their executive counterparts.

#### 16. Articles of association rules on procedural and material requirements applicable to the appointment and replacement of members, where applicable, of the Board of Directors, the Executive Board of Directors and the Management and Supervisory Board (Article 245-A/1/h)

The members of the Board of Directors are elected by the general shareholders meeting or appointed by the Board of Directors itself, subject to ratification by the general shareholders meeting.

Galp Energia's articles of association stipulate that members of the Board of Directors are appointed for a period of four calendar years, which is renewable, with the calendar year of the appointment counting as a full year. The members of this body take up office at the time of their election and exercise their functions until the election, co-option or appointment of a substitute, except in cases of resignation or dismissal where the position is maintained in accordance with the CSC.

Regarding the replacement of Directors when they have been found to be permanently absent, as provided in Article 393(1) of the CSC, the Company's articles of association stipulate that a Director is considered to be permanently absent when, without an explanation accepted by the management body, they are absent from three consecutive or five non-consecutive Board meetings.

The election of members of the management and supervisory bodies is carried out using lists, indicating the proposed shareholders, and votes are cast solely from these lists, in accordance with the law and Galp Energia's articles of association.

If the proposal for the election of Directors (except the Director to be elected by minority shareholders as set out below) is not approved by a majority of 55% of the votes cast, and with at least 40% of the share capital entitled to vote, shareholders who (i) are able to participate in this election (not having voted in the election for the Director to be appointed by minority shareholders), have voted against this proposal or have voted for a proposal that has not been approved, and that (ii) hold, by themselves or grouped for this purpose, shares representing at least 25% of the share capital with entitlement to vote, may submit and vote on proposals, and among themselves elect a number equal to one third of the Directors elected (with the exception of the Director to be elected by minority shareholders as set out below). If the total number of Directors appointed cannot be divided by three, the number of Directors to be elected under the terms of the last paragraph can be rounded up to the next largest whole number. The Directors elected under this procedure automatically replace those given in the last places on the list initially approved.

In electing members of the Board of Directors, minority shareholders with a stake of 10% to 20% are granted the right to propose the election of a Director according to the following terms referred to in Article 14(2) of the articles of association:

A

B

**Governing bodies and committees**

C

D

E

- a) Shareholders who, either individually or as a group, have a stake in the share capital with the right to vote of a minimum of 10% to a maximum of 20%, can present proposals for the election of a Director of their choosing.
- b) For the election of the Director under the terms of the previous subparagraph, Article 392(2) to (5) and (10) of the CSC are applicable.
- c) Shareholders who, either individually or as a group, hold less than 10% or more than 20% of the Company's share capital with the right to vote, shall not participate in the aforementioned individual elections.
- d) If no list is provided in accordance with the aforementioned terms, or if the outlined process has been concluded, then the remaining Directors shall be elected, including the Chairman of the Board of Directors. Shareholders who have successfully voted in favour of the appointment of a Director according to paragraphs a) to c) above may not take part in this vote.
- e) The appointment of the remaining Directors, including the Chairman of the Board of Directors, is made with a vote on the lists presented for this purpose, with the successful proposal being the one that receives the most votes.
- f) If the approved proposal includes the maximum number of Directors allowed in Article 14(1) of the articles of association and if a Director has been elected under subparagraphs a) and c) outlined above, the appointed Director shall replace the individual listed under 13th place in the proposal that has been passed under the terms of subparagraph e); if the approved proposal does not include the maximum number of Directors appointed in accordance with subparagraphs a) and c) the number of Directors elected under paragraph 1 shall be increased under the terms of subparagraph e).

### 17. Composition, where applicable, of the Board of Directors, the Executive Board of Directors and the Management and Supervisory Board, detailing the articles of association's minimum and maximum number of members, the duration of term of office, the number of effective members, the date of the first appointment and the date of each member's term of office

In accordance with Galp Energia's articles of association in the amendment introduced via the general shareholders meeting of 24 April 2012, the Board of Directors consists of a minimum of 19 and a maximum of 23 Directors, appointed for four years, to be re-elected one or more times.

The term of the current Board of Directors is three years, which corresponds to the period 2012-2014. A four year period shall now apply to the election of the Board of Directors from the term that starts in 2015.

The 20 current members of the Board of Directors elected for the 2012-2014 term are stated in the following table.

#### MEMBERS OF THE BOARD OF DIRECTORS

Name	Position	Date of first appointment	End of term of office
Américo Amorim	Chairman	2012.04.24	2014.12.31
Manuel Ferreira De Oliveira	Vice-Chairman	2006.06.30	2014.12.31
Luís Palha da Silva	Vice-Chairman	2012.07.26	2014.12.31
Paula Amorim	Member	2012.04.24	2014.12.31
Filipe Crisóstomo Silva	Member	2012.07.26	2014.12.31
Carlos Gomes da Silva	Member	2007.04.26	2014.12.31
Sérgio Gabrielli de Azevedo	Member	2012.07.26	2014.12.31
Thore E. Kristiansen <sup>1</sup>	Member	2014.10.03	2014.12.31
Abdul Magid Osman	Member	2012.07.26	2014.12.31
Luís Campos e Cunha	Member	2012.11.23	2014.12.31
Raquel Rute da Costa David Vunge <sup>2</sup>	Member	2014.10.03	2014.12.31
Miguel Athayde Marques	Member	2012.11.23	2014.12.31
Carlos Costa Pina	Member	2012.04.24	2014.12.31
Rui Paulo Gonçalves	Member	2008.05.06	2014.12.31
Luís Todo Bom	Member	2012.11.23	2014.12.31
Fernando Gomes	Member	2005.05.24	2014.12.31
Diogo Mendonça Tavares	Member	2006.02.22	2014.12.31
Joaquim Borges Gouveia	Member	2008.05.06	2014.12.31
José Carlos da Silva Costa	Member	2012.11.23	2014.12.31
Jorge Manuel Seabra de Freitas	Member	2012.11.23	2014.12.31

<sup>1</sup> Appointed at the meeting of the Board of Directors of 3 October 2014, replacing Stephen Whyte, who resigned on 12 September 2014.

<sup>2</sup> Appointed at the meeting of the Board of Directors of 3 October 2014, replacing Baptista Sumbé, who resigned on 6 September 2013.

Note: Vítor Bento held the position of member of the Board of Directors until the date on which his resignation took effect (31 August 2014).



## 18. Distinction between executive and non-executive members of the Board of Directors and, for the non-executive members, details of the members that can be considered independent, or, if applicable, details of the independent members of the Management and Supervisory Board

18.1. The independence of the members of the Management and Supervisory Board and members of the Audit Committee is assessed in accordance with the legislation in force. With regard to the other members of the Board of Directors, they are deemed independent if they are not associated with any group of specific Company interests, or if their impartiality of analysis or decision is likely to be affected under no circumstance, particularly in relation to:

- a) having been an employee of the Company or of a company with which it has been in a control or group relationship in the last three years;
- b) having, in the past three years, provided services or established a significant business relationship with the Company or company with which it is in a control or group relationship, either directly or as a partner, director, manager or manager of a collective person;
- c) having received remuneration from the Company, or from a company with which it is in a control or group relationship, other than the remuneration resulting from the performance of their duties as a Director;
- d) living in consensual union, or being a spouse, relative or similar up to the third degree, including the collateral line, of Directors or individuals, directly or indirectly, as major shareholders;
- e) be a major shareholder or representative of a shareholder with major holdings.

The Board of Directors includes 13 Directors with non-executive functions, who perform monitoring and ongoing assessment of the Company's management, to ensure the effective

capacity for overseeing, monitoring and evaluation of the activity of the executive members.

Among the members of the Board of Directors with non-executive functions, six Directors are considered independent in accordance with the arrangements provided for in the applicable regulations and legislation, which represents approximately one third of the members of the management body.

The current number of independent Directors (six) is suitable for the governance model of Galp Energia, insofar as with monitoring the responsibility of a Supervisory Board made up of three independent members, the supervision activities and control of management activity end up, in practice, being performed by nine members from independent corporate bodies.

In fact, since there is a functional indifferentiation in the corporate governance models in Portugal regarding supervision, the fact that the Supervisory Board – which participates in most meetings of the Board of Directors and permanently monitors its activity – is made up of independent members strengthens the scrutiny that such members exercise upon management activity.

On the other hand, considering that there are currently nine independent members from the management and supervisory bodies, there is a close ratio between such members and the free float of the Company (approximately 40%), which is also balanced against the proportion of the main shareholders' stake (around 53%).

Finally, it should be noted that, in comparative terms, the proportion of independent Directors at Galp Energia is in line with companies of equivalent size, measured by the market cap.

### EXECUTIVE AND NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

Name	Position	Independent
Américo Amorim	Non-executive	
Manuel Ferreira De Oliveira	Executive	
Luís Palha da Silva	Executive	
Paula Amorim	Non-executive	
Filipe Crisóstomo Silva	Executive	
Carlos Gomes da Silva	Executive	
Sérgio Gabrielli de Azevedo	Non-executive	Yes
Thore E. Kristiansen	Executive	
Abdul Magid Osman	Non-executive	Yes
Luís Campos e Cunha	Non-executive	Yes
Raquel Rute da Costa David Vunge	Non-executive	
Miguel Athayde Marques	Non-executive	Yes
Carlos Costa Pina	Executive	
Rui Paulo Gonçalves	Non-executive	
Luís Todo Bom	Non-executive	Yes
Fernando Gomes	Non-executive	
Diogo Mendonça Tavares	Non-executive	
Joaquim Borges Gouveia	Non-executive	Yes
José Carlos da Silva Costa	Executive	
Jorge Manuel Seabra de Freitas	Non-executive	

## 19. Professional qualifications and other relevant curricular elements of each member, where applicable, of the Board of Directors, the Management and Supervisory Board and the Executive Board of Directors

Professional qualifications and other relevant curricular elements for each member of the Board of Directors will now be presented.

### Américo Amorim

Started work at the age of 19 at the Amorim & Irmãos group

Created the Sociedade Portuguesa de Investimentos, which later became the Banco Português de Investimento (currently the third largest private bank in Portugal) in 1977

From 1983 to 1984, he created and set up what is now the largest private bank in Portugal, Millennium BCP from 1983 to 1984

Started a joint venture with the Accor Group, a French group in the hotel sector, which has established around 40 classic Accor Group hotels in Portugal: Ibis/Novotel/Mercure/Sofitel in 1988

Signed an agreement with Air Touch to develop a telecommunications project in Portugal. He set up Telecel (mobile phone operator) in 1991

Founded BNC – Banco Nacional de Crédito, S.A., a bank specifically for mortgages in 1992

Alongside other Portuguese businessmen, he took part in the part-privatisation of the oil company Petrogal, Portugal's largest industrial company in 1995

Merged the BNC – Banco Nacional de Crédito with the BPE – Banco Popular Español (the 3rd largest financial institute in Spain) in 2003

One of the founders of BIC – Banco Internacional de Crédito in Angola in May 2005

Through Amorim Energia, he acquired 33.34% of Galp Energia's capital, in partnership with Sonangol in December 2005

Amorim Energia strengthened its share in Galp Energia, and held 38.34% of Galp Energia's capital in July 2012

He is Chairman of the Américo Amorim group

### Manuel Ferreira De Oliveira

Degree in Electrical Engineering – with an elective in Energy – from the Faculdade de Engenharia da Universidade do Porto

Master of Science (MSc) in Energy from the University of Manchester

Doctorate (PhD) on the subject of Energy from the same university

Visiting Professor at Universidade do Porto, where, in 1979, he was awarded a professorship

Training in Management undertaken in programmes at IMD (Switzerland), Harvard Business School and Wharton Business School (UAE); Advisory Member of the Portuguese Society of Chartered Engineers with post-graduate specialisms in Industrial Management and Energy

Effective member of the Portuguese Engineering Academy

Chairman of the Board of Directors and Chief Executive Officer of Unicer – Bebidas de Portugal, S.A. from 2000 to 2006

Chairman of the Board of Directors and Chief Executive Officer of Petrogal from 1995 to 2000

Executive responsibilities at Lagoven, S.A. (affiliate of Petróleos da Venezuela, S.A.) in the areas of production, refining, international trade and corporate planning

Member of the Advisory Board of the Faculdade de Economia da Universidade do Porto from November 2005 to April 2009

Member of the Advisory Board of the Department of Electrical and Computer Engineering at the Faculdade de Engenharia da Universidade do Porto from April 1999 to April 2009

Visiting Professor of the Department of Electrical and Computer Engineering at the Faculdade de Engenharia da Universidade do Porto from April 1999 to April 2009

### Luís Palha da Silva

Degree in Economics from Instituto Superior de Economia, in 1978

Degree in Business Management from Universidade Católica Portuguesa, in 1981

Advanced Management Programmes, from the University of Pennsylvania – Wharton School of Economics, in 2005

Chairman of the Executive Committee for Jerónimo Martins, SGPS, S.A. from 2004 to 2010

CFO for Jerónimo Martins, SGPS, S.A., from 2001 to 2004

### Paula Amorim

Degree in Real Estate Management from Escola Superior de Atividades Imobiliárias (ESAI)

Business activity at Amorim Fashion, since 2005

Various management roles at Américo Amorim Group, since 1992

### Filipe Crisóstomo Silva

Degree in Economics & Financial Management, from the Catholic University of America, Washington D.C.

Master's in Financial Management, from the same university

Head of Investment Banking at Deutsche Bank in Portugal, from 1999 to 2012

Director and Chief Country Officer of Deutsche Bank in Portugal, from 2008 to 2012

**Carlos Gomes da Silva**

Degree in Electrical Engineering and Computer Science from the Faculdade de Engenharia da Universidade do Porto  
 Master's in Business Administration from Escuela Superior de Administración y Dirección de Empresas de Barcelona and Instituto Empresarial Portuense  
 Additional courses from ESADE (Barcelona), London Business School (London) and EGP (Oporto)  
 Member of the Board of Directors of Unicer – Bebidas de Portugal, SGPS S.A. from 2006 to 2007  
 Several executive roles at Américo Amorim Group from April 2007 to May 2008

**Sérgio Gabrielli de Azevedo**

Degree in Economics from the Universidade Federal da Bahia, in 1971  
 Master's in Economics, from the same university, in 1975  
 PhD in Economics, from Boston University, in 1987  
 Visiting Research Fellow at the London School of Economics and Political Science, in 2000  
 Secretary of Government Planning for the State of Bahia, since March 2012  
 Chairman of the Executive Committee of Petrobras, from 2005 to 2012  
 Financial and Investor Relations Director at Petrobras, from 2003 to 2005

**Thore E. Kristiansen**

Degree in Management from the Norwegian School of Management  
 Master's degree in Oil Engineering from Stavanger University, Norway  
 Senior Vice-Chairman of Statoil for South America and Chairman of Statoil Brazil, from January 2013 until joining Galp Energia (in October 2014)  
 Over a professional career spanning more than 25 years at Statoil, he had responsibilities in the areas of marketing of oil products, trading and business negotiation in Norway, England, Denmark and Germany, in the field of exploration and production, with a particular focus on Norway and Sub-Saharan Africa and South American countries. In addition, he held corporate roles, notably in the areas of finance and M&A, as an Investor Relations Officer  
 He was also Chairman of Statoil Germany and Statoil Venezuela

**Raquel Rute da Costa David Vunge**

Degree in Management from the Instituto Superior de Gestão de Lisboa  
 In recent years, she has been a member of the Board of Directors and CFO of Sonangol EP, having performed other roles at Sonangol EP. She was Director of Finances between 2010 and 2012, Head of the Central Treasury Department from 2001 to 2010 and Accounts Analyst at the Department of Accounting and Finance, until 2001

**Abdul Magid Osman**

Degree in Economic and Financial Sciences from Instituto Superior de Economia de Lisboa  
 Non-Executive Director of Mercantile Bank, South Africa, from 2002 to 2007  
 As Chairman of the Board of Directors and Executive Committee of BCI – Banco Comercial e de Investimentos, he led the process of creating a database from scratch. It is now the second largest bank in Mozambique  
 As Divisional Director for Management Development and Governance on the UN Development Programme, he directed the said Programme, including projects in over 60 countries  
 Mozambican Minister of Finance from 1986 to 1991  
 Mozambican Minister of Mineral Resources from 1979 to 1983

**Luís Campos e Cunha**

Degree in Economics from Universidade Católica Portuguesa, in 1977  
 Master of Arts (MA) in Economics from Columbia University – Department of Economics, in 1981  
 Master of Philosophy (MPhil) in Economics from Columbia University – Department of Economics, in 1983  
 Doctorate (PhD) in Economics from Columbia University – Department of Economics, in 1985  
 Aggregation in International Economy at the Universidade Nova de Lisboa – Faculdade de Economia, in 1992  
 Member of the Advisory Board for Banco BANIF from 2006 to 2011  
 Member of the Stakeholders Council at Banco Millennium-BCP from 2006 to 2011  
 Chairman of the General Meeting Board of Banco BANIF from 2007 to 2011

**Miguel Athayde Marques**

Degree (with distinction) in Business Administration from Universidade Católica de Lisboa, in 1977  
 PhD in Business Management from the University of Glasgow, School of Financial Studies, in 1986  
 Professor at the Universidade Católica Portuguesa, Lisbon School of Business & Economics, since September 1986  
 Chairman of the Board of Directors at Euronext Lisbon, S.A. and Interbolsa, S.A. and member of the Managing Board of Euronext, N.V. (Amsterdam), from January 2005 to June 2010  
 Non-Executive Director of Euronext Amsterdam, Euronext Brussels and Euronext Paris from January 2005 to June 2010  
 Member of the Management Committee for NYSE Euronext (New York) from April 2007 to June 2010  
 Chairman of the Supervisory Board at Hugin SAS (Oslo) from 2006 to 2009  
 Member of the National Securities Market Council, presided over by the Minister of State and Finance, from 2006 to 2010  
 Member of the Advisory Board for CMVM from 2005 to 2010

**Carlos Costa Pina**

Degree and Master's in Law from the Faculdade de Direito da Universidade de Lisboa  
 PhD in Law (Legal-Economic Sciences) from the same university  
 Departmental Lecturer in the Faculdade de Direito da Universidade de Lisboa  
 CMVM Director from 2000 to 2005  
 Member of the Advisory Board of the Insurance and Pension Funds Supervisory Authority (Instituto de Seguros de Portugal) from 2001 to 2005  
 Attorney with legal practice in the area of oil exploration and production from 1994 to 1998  
 Company manager for TMT, Property and Services for the Ongoing Group/Portugal and Brazil group from September 2011 to March 2012  
 Secretary of State for Treasury and Finance in the 17th and 18th Constitutional Governments from July 2005 to June 2011

**Rui Paulo Gonçalves**

Degree in Law from the Faculdade de Direito da Universidade Católica in 1992  
 Post-graduate studies in Management at Universidade Católica, School of Business and Economics in 1995  
 Visiting Professor at the Portuguese Institute of Management and Marketing on the degree course (Business Law module) and various graduate courses, from 2004 to 2007  
 Member of the General Meeting Board of various Unicer Group companies from 2002 to 2007

**Luís Todo Bom**

Degree in Chemical-Industrial Engineering from Instituto Superior de Economia, in 1971  
 Master's in Business Administration (MBA), from Universidade Nova de Lisboa/Wharton School of Pennsylvania, in 1982  
 Stanford Executive Programme and Executive Programme on Strategy and Organisation, from the University of Stanford, in 1997 and 1998, respectively  
 Attended the DBA – Doctor of Business Administration Programme at Cranfield University and ISCTE, Lisbon  
 Non-Executive Director of Taguspark from 2010 to 2012  
 Non-Executive Director of Chamartin Imobiliária, SGPS from 2007 to 2009  
 Non-Executive Director of the Seguros Sagres Company, S.A. from 2003 to 2009  
 Member of the Advisory Board of the MRG Group from 2009 to 2012  
 Chairman of the Management Committee for AITECOEIRAS from 2008 to 2012

**Fernando Gomes**

Degree in Economics from the Faculdade de Economia da Universidade do Porto  
 Visiting Professor at Universidade Lusíada do Porto  
 Chairman of the Board of Directors of Metro do Porto, S.A. from 1993 to 1999  
 Member of the Council of State, Mayor of Vila do Conde and of Oporto, Deputy of the European Parliament, Secretary of State and Minister of Internal Affairs  
 Executive Director at Galp Energia from May 2005 to April 2012 with responsibility for the Exploration & Production, International Oil and Biofuels business units

**Diogo Mendonça Tavares**

Graduate in Mechanical Engineering from the Instituto Superior Técnico  
 Attended Company Senior Management Programme (IAESE)  
 Advisor to the Chairman of Amorim Holding II, SGPS, S.A. from 2006 to May 2011

**Joaquim Borges Gouveia**

Degree in Electrical Engineering from Faculdade de Engenharia da Universidade do Porto, in 1973  
 PhD in Electrical Engineering and Computer Science from Faculdade de Engenharia da Universidade do Porto, in 1983  
 Post-doctoral degree in Electrical Engineering and Computer Science from Faculdade de Engenharia da Universidade do Porto, in 1998  
 Head of the Economics, Management and Industrial Engineering department from June 2011 to October 2012  
 Head of GOV COPP – Governança, Competitividade e Políticas Públicas, a research unit of the Instituto de Investigação da Universidade de Aveiro (from October 2009 to June 2011)  
 Director of the Master's in Sustainable Energy Systems from June 2007 to October 2011  
 Chairman of RNAE – National Network of Energy and Environment Agencies from 2005 to October 2012

**José Carlos da Silva Costa**

Degree in Chemical Engineering from the Instituto Superior de Engenharia do Porto, in 1987  
 Director of the Purchasing and Assets Management Centre at Galp Energia, in the second semester of 2012  
 Head of Purchasing for E&P, Refining, Logistics and Projects at Galp Energia from 2010 to 2012  
 Responsible for the organisational restructuring model for the purchasing services from 2008 to 2009  
 Responsible for project procurement for the reconversion of the Matosinhos and Sines refineries, from 2007 onwards

**Jorge Manuel Seabra de Freitas**

Degree in Economics from the Faculdade de Economia da Universidade do Porto, in 1983  
 International Executive Programme at INSEAD in 1991  
 Competitive Strategy at INSEAD in 1995  
 Chairman of the Board of Directors for Coelima – Indústrias Têxteis, S.A. from January 1992 to May 2011

## Governing bodies and committees

### 20. Family, professional or business, regular and significant relationships of the members, as applicable, of the Board of Directors, the Management and Supervisory Board and the Executive Board of Directors with shareholders that are assigned qualifying holdings greater than 2% of the voting rights

The Board of Directors' members Américo Amorim, Paula Amorim, Carlos Gomes da Silva, Rui Paulo Gonçalves and Jorge Manuel Seabra de Freitas are members of the

Board of Directors of the shareholder Amorim Energia, according to information provided in section 26 of this section of the report.

### 21. Organisational charts or flow charts relating to the distribution of powers between the Company's various corporate bodies, committees and/or departments, including information on the delegations of powers, in particular with regard to the delegation of the Company's daily management

#### A. Executive Committee's delegated powers

At its meeting of 26 July 2012, the Board of Directors delegated the day-to-day management of the Company to the Executive Committee, in accordance with Articles 17 and 18 of the articles of association, and Article 407(3) & (4) of the CSC, having prescribed the following limits to this delegation:

1. The following powers are not delegated to the Executive Committee:
  - a) the choice of the Chairman of the Executive Committee;
  - b) the co-option of Directors;
  - c) requesting to convene the Company's general shareholders meetings;
  - d) approval of management reports and annual accounts;
  - e) the provision of pledges and of personal or real guarantees by the Company;
  - f) the changing of headquarters and capital increases under the terms outlined in the Company's contract;
  - g) projects involving the merging, breaking-up or changing of the Company.
2. The following are not considered to be Company management powers and are not delegated to the Executive Committee:
  - a) the approval of the Company's strategic investments and those of companies controlled, directly or indirectly, by the Company and the approval of relative financing;
  - b) the approval of the Company's strategic disinvestments and those of companies controlled, directly or indirectly, by the Company;
  - c) the participation namely through the direct or indirect acquisition of stakes in companies that do not carry out the main operational activities carried out by companies that are directly or indirectly controlled by the Company (i.e. exploration, production, refining, transportation, commercialisation and marketing of oil and gas);
  - d) the establishment of strategic partnerships in the context of the main operational activities carried out by companies that are, directly or indirectly, controlled by the Company;
- e) the approval and modification of the Company's strategic plans and those of companies which carry out the Group's main activities and are, directly or indirectly, controlled by the Company;
- f) the approval of the Group's annual budget and business plans and those of companies that are, directly or indirectly, controlled by the Company, and changes to these that exceed 20% in a particular item or exceed 10% of the total annual budget;
- g) Company transactions, or transactions of companies that are, directly or indirectly, controlled by the Company, with relevant bodies or any Company shareholders involving any amount exceeding €20 million (m);
- h) defining the basic organisational structure of the Company and the Galp Energia Group;
- i) the proposal and application of the right to vote in the election of Boards of Directors for companies controlled by the Company;
- j) the issuing of bonds or other Company debt instruments;
- k) the definition of the limits of management powers for the companies controlled by Galp Energia;
- l) changes to the articles of association of companies controlled by the Company;
- m) projects that involve the break-up, merging, or dissolution of any companies controlled by the Company;
- n) the signing of subordination and group parity contracts by companies under the Company's control;
- o) the proposal and use of the right to vote on behalf of the Company and the companies it controls, with regard to the application of results/distribution of dividends by companies controlled by the Company.

3. Without prejudice to the limitations on the delegation of powers resulting from points 1 and 2, the Executive Committee has a special duty to make proposals to the Board of Directors on the acts and matters covered in the sections of paragraph 2 above.

## Governing bodies and committees

4. For the purpose of the delegation of powers for the Executive Committee, the expressions “companies controlled” or “companies directly or indirectly controlled” shall correspond to all of the following companies:

- a) Petróleos de Portugal – Petrogal, S.A.
- b) Galp Exploração e Produção Petrolífera, SGPS, S.A.
- c) Galp Gás Natural, S.A.
- d) GDP – Gás de Portugal, SGPS, S.A.
- e) Galp Energia España, S.A.U.
- f) Galp Power, SGPS, S.A.
- g) LisboaGás GDL – Sociedade Distribuidora de Gás Natural de Lisboa, S.A.
- h) Lusitaniagás – Companhia de Gás do Centro, S.A.
- i) Petrogal Brasil, S.A.
- j) Petrogal Angola, Lda.
- k) Petrogal Moçambique, Lda.
- l) Petrogal Guiné-Bissau, Lda.
- m) Galp Energia E&P, B.V.
- n) Galp Sinopec Brazil Services, B.V.

The meeting of the Board of Directors on July 26 2012 allocated areas of expertise among the members of the Executive Committee, subject to the collegial exercise of the powers of this body, as follows:

## ALLOCATED AREAS OF EXPERTISE AMONG THE MEMBERS OF THE EXECUTIVE COMMITTEE

	BOARD OF DIRECTORS		Internal Audit <sup>1</sup>				
	Manuel Ferreira De Oliveira CEO	Thore E. Kristeansen COO	Luís Palha da Silva COO	Carlos Gomes da Silva COO	Carlos Costa Pina CCO	José Carlos da Silva Costa CCO	Filipe Crisóstomo Silva CFO
<b>Corporate business</b>	-	Exploration & Production	Refining & Marketing  Marketing of Oil Products	Gas & Power  Supply & Trading of Oil & Gas	-	-	-
<b>Units</b>	Strategy and Investor Relations  Office of the Chairman and Communication	-	-	Human Resources  Legal Services, Compliance and Company Secretary	Risk Management	-	Corporate Planning and Control  Corporate Finance
<b>Solutions</b>	-	-	-	Operational Management of Human Resources <sup>2</sup>	Information Systems	Management of Assets  Purchasing and Contracts	Accounting and Taxation  Treasury Operations <sup>3</sup>
<b>TEC</b>	Research and Technology	-	-	-	Environment, Quality and Security (EQS) and Sustainability	Engineering and Project Management	-

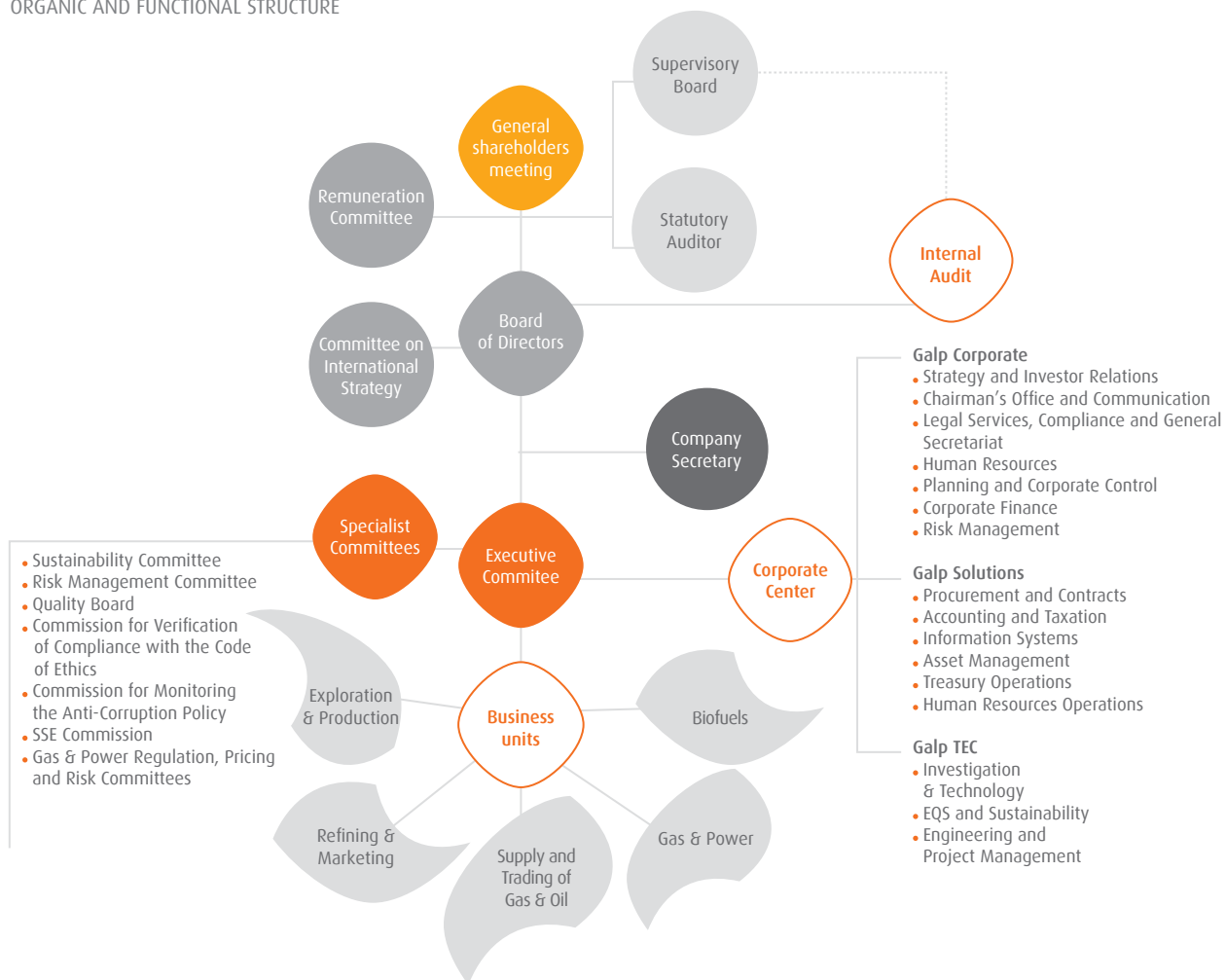
<sup>1</sup> Hierarchical report to the Chairman of the Board of Directors, functional report to the Supervisory Board and administrative report to Carlos Costa Pina.

<sup>2</sup> Report to Human Resources.

<sup>3</sup> Report to Corporate Finance.

## B. Company organisation and functioning

### ORGANIC AND FUNCTIONAL STRUCTURE



Following the restructuring process of the Company's organisational model started in previous years with a view to adapt the policy macro-structure, optimise the critical processes of decision support and readjust the allocation of human resources, permitting a response to Galp Energia's vision and strategy for 2020, at the end of 2013, Galp Energia approved the macro-structure of the Corporate Centre and, in May 2014, the organisation of the second level of the Corporate Centre.

The new organisational model divided the Corporate Services Unit into three clusters of functions, which reflect its own objectives, culture and modes of operation.

In summary:

- Galp Corporate coordinates the main functions of government, strategy, guidelines and corporate control, monitoring the implementation of defined policies;
- Galp Solutions coordinates the service functions of a more transactional nature, with the clear objective of efficiency/effectiveness and a focus on metrics and service quality provided at a competitive cost;
- Galp Tec coordinates the critical and transverse expertise aimed at increasing and protecting the value of Galp Energia.

## Governing bodies and committees

The Corporate Centre consists of the following departments:

Departments	Mission
<b>Galp Corporate</b>	
Strategy and Investor Relations	Define Galp Energia's strategic guidelines, promoting a clear strategic, operational and financial perception of the Company with its stakeholders, and ensuring that the Company has the organisation and the appropriate human capital in order to pursue its strategy.
Office of the Chairman and Communication	Assist the Chairman in the management, coordination and relationship with the Organisation's corporate bodies and in devising the Group's communication strategy (internal and external), so as to ensure its suitability with the target groups and to promote a homogeneous, positive, clear, rigorous perception and effective management of the Galp brand, aligned with the strategy and the size of the Group as an integrated and global energy player. Coordinate and manage the Organisation's Corporate Responsibility policy, for which Galp Energia may be seen as an active development agent in the communities where it operates, in Portugal and abroad.
Legal Services, Compliance and the Company Secretariat	Implement and manage legal and compliance functions, as well as corporate secretarial functions, in an integrated and cross-cutting way for the Galp Energia Group, particularly in the areas of legal support for business decisions, monitoring legal compliance and compliance policies, definition and implementation of the organisation process, litigation management and the prevention of legal risks.
Human resources management	Formulate and implement integrated human resources management policies anchored in the values, vision and mission of Galp Energia, responding to the strategic and operational needs of the different departments, underpinned in the appreciation of personal and professional staff development, and which are oriented towards the evolution of the business.
Planning and Corporate Control	Define, monitor and consolidate the Company's budgeting, planning and control processes, challenge the performance of the business units and the Corporate Centre, and ensure their alignment with the Galp Energia Group's strategic objectives.
Corporate Finances	Propose and implement the short and medium-long term financing strategy for the Galp Energia Group, in order to optimise and diversify its financial resources, minimising the Group's liquidity risk, ensuring the integrated management of treasury and the trading of different financial products. Identify and propose the financial risk management policy. Manage and control the Group's pension funds. Contribute to the definition of the Group's strategic projects and to the management of its assets and liabilities portfolio, leading the financial structuring processes as part of the finance project system, and ensuring financial optimisation by identifying opportunities for attaining public incentives.
Risk Management	Promoting the implementation of risk management policies defined by the Executive Committee in conjunction with the various business units of the Galp Energia Group; propose insurance policies, negotiate and manage the respective contracts at Group level and manage curative and workplace health and medical plans.
<b>Galp Solutions</b>	
Purchasing and Contracts	Maximising Galp Energia's purchasing power, thereby contributing to a sustained improvement in the Group's results by obtaining the best value for money, while safeguarding the safety, health and environmental protection requirements in the acquisition of goods and services, ensuring that operational procedures demonstrate transparency and ethics in the purchasing process and introducing innovations that optimise the supply chain.
Accounting and Taxation	Preparing the consolidated accounts of the Galp Energia Group and all its sub-holdings and the individual accounts of all Group companies, in accordance with national and international standards and replacement costs; make the respective management information reports in line with a General and Analytical Accounting approach; propose, implement and monitor the Group's permanent capital structure (through the integrated management of intra-group flows – capital, loans, supplies and dividends) and ensure compliance with tax obligations in the context of international taxation and the tax laws of the countries where it operates.
Information Systems	Foster the development and sustainability of Galp Energia's business, by using an information system managed in an efficient, effective, reliable, consistent and innovative way, which is oriented to controlling processes and costs.
Management of Assets	Ensuring the management of "non-operational" assets within the Galp Energia Group, proposing and realising the acquisition, disposal or development of assets, with a view to permanent recovery and cost/benefit optimisation. Developing, implementing and managing service provision strategy to the business/management units to ensure high levels and standards of quality, safety and environment, and comply with the rules in force. Establishing partnerships with the business unit with regard to the sharing of best practices.
Treasury Operations	Coordinate and monitor financial flows for payments and receipts, according to the standards in force, in order to ensure compliance with companies' obligations, keep current accounts of customers, suppliers, and other debtors updated, and optimise working capital. Follow the development of banking practices and tax legislation in order to implement best practices and to use the most efficient solutions, with positive impacts on the Group's results in close coordination with the Treasury.
Operational Management of Human Resources	Develop, implement and monitor the integrated HR information system, help and provide management instruments and indicators, promoting rigorous and timely processing and accounting of remunerations, pensions, social and legal charges and the contractual and administrative management of the admission processes, and the movement and exit of employees. Ensure the application, development and monitoring of the Group's compensation and benefits policies, monitor staffing costs for Galp Energia, producing and analysing information and HR management support indicators.
<b>Galp Tec</b>	
Investigation & Technology	Define and implement integrated policies and projects in innovation, technological research, sustainability and energy efficiency, as part of the Galp Energia Group's strategy, while taking into account the principles of value creation. Create and maintain a forum which guarantees access to the best available technology and to the expertise required in order to adequately respond to the technological challenges that the Galp Energia Group shall face. Protect and guarantee, by means of an independent quantification, the value of the Galp Energia Group's reserves and resources.
EQS and Sustainability	Guarantee the suitability of the strategy, development and implementation of environmental, quality, safety, security and sustainability policies, in accordance with Galp Energia's strategy and values, taking into account the global context in which it performs its activities and the principles of value creation, promoting business excellence and integrated risk and opportunity management and safeguarding compliance with the laws and standards applicable in the geographical areas in which Galp Energia operates.
Engineering and Project Management	Manage Galp Energia's projects in support of its business units, from the design phase until entry into commercial operation, ensuring quality of implementation and compliance with budgets and deadlines for each project, developing essential technical competences, updating knowledge and harmonising processes and standards in order to enhance and protect Galp Energia's value.



Business units are as follows:

**Exploration & Production** – Its mission is to access, find and produce hydrocarbons in a safe, sustainable and ethical manner, with the objective of maximising value for shareholders, customers and employees, and be differentiated, integrated, flexible partners, geologically motivated and proposing commercially innovative and quick solutions.

**Refining & Marketing** – Responsible for ensuring the highest levels of availability and reliability of refineries to enable greater operational efficiency; ensure the marketing of oil products and the marketing of oil and retail non fuel products in the Iberian Peninsula and Africa.

**Gas & Power** – Its mission is to act as a benchmark operator, developing a portfolio of regulated and deregulated activities, including the exploration of natural gas infrastructure and marketing within a regulated market through a combination of natural gas, electricity and services supply to end customers in the Iberian Peninsula.

**Supply and Trading in Oil & Gas** – Ensures the supply of crude oil, oil products, natural gas and liquefied natural gas to guarantee the supply needs of the commercial areas. It operates in the oil & gas trading activity in the international market. Ensures the marketing of Galp Energia's production oil & gas.

**Biofuels** – Develops the biofuels business, respecting the approved strategy, positioning Galp Energia in the production and marketing of these products in an economically, socially and environmentally sustainable manner, coordinating the activity of associated companies in the agro-industrial sector for biofuels, and technically supporting agribusiness and biofuel production activities of the associated companies.

During the 2014 financial year, responsibility for monitoring and directing the Corporate Centre was distributed among the Executive Directors of Galp Energia, according to the allocation of duties approved by the Board of Directors and described above.

### Specialist committees

#### Sustainability Committee

Galp Energia regards sustainability as a strategic issue, and follows an approach that implies generating results without compromising the future. This approach is carried out through continuous performance improvement in the areas of safety, health and the environment, a culture of ethical and responsible conduct, a policy to combat climate change, and innovation and the involvement of stakeholders and communities in the life of the Company.

Inclusion in the Dow Jones Sustainability Index is a plus factor boosting the Galp Energia Group's sustainability to meet existing commitments and promote continuous improvement through the implementation of a strategic plan for sustainability in economic, social and environmental terms.

The Sustainability Committee was created on 12 October 2012 with the aim of ensuring that sustainability principles were integrated into the management processes of Galp Energia Group companies, promoting best sector practices in all business, corporate and services areas. This committee is comprised of representatives from different areas of the Company and chaired by the Executive Director with the respective portfolio, Carlos Costa Pina.

#### Risk Management Committee

The Risk Management Committee was established by the Executive Committee on 22 March 2013, with a mission to support and monitor the formulation and implementation of strategy and policy for risk management at Galp Energia, in conjunction with the Department of Risk Management and those responsible for the management units of the Company. It comprises the Executive Director responsible for the Risk Management Department (Chief Risk Officer), Carlos Costa Pina, the Director of the Internal Audit Department, the Director of the Risk Management Department and the Executive Director for financial matters (Chief Financial Officer), Filipe Silva.

In 2014, a work group was created within the scope of the Risk Management Committee, covering issues related to compliance, the environment, quality, safety and regulatory changes. In this way, it ensures that these issues are duly integrated into the Company's risk management system.

#### Quality Board

The Quality Board was set up in December 2008 with the aim of aligning strategy with functional quality management within the Galp Energia Group. The Board's mission is to promote a culture of positive quality, underpinned by a strong leadership committed to achieving the strategic vision for quality.

The Quality Board is composed of the Executive Committee Chairman, who exercises the same role in the Board, the Executive Director in charge of quality, Carlos Costa Pina, a corporate environment, quality and safety service manager, a corporate quality manager, as secretary, and first-line department managers appointed by the Executive Director in charge of quality

#### Commission for Verification of Compliance with the Code of Ethics

The Code of Ethics, approved in July 2009, aims to provide guidance on the personal and professional conduct of all Galp Energia employees and regulate relationships between colleagues, shareholders, clients, suppliers and representatives of the communities with which the Galp Energia Group interacts.

Once the Code of Ethics came into force, the commission for Verification of Compliance was created. This commission, which is composed of three Senior Executives appointed by the Executive Committee, aims to guarantee the correct interpretation and implementation of the code, as well as the clarification of doubts and/or omissions.

### Commission for Monitoring the Anti-corruption Policy

As a leading company in the oil sector that fully respects the law and the best international practices, Galp Energia is aware of its corporate responsibility and bases the exercise of its activity on the principles of fairness, correctness, honesty, transparency and integrity. In April 2011, the current anti-corruption policy was agreed upon, in which corrupt practices are qualified and prohibited in all their active and passive forms, including any attempt at corrupt practices, even if unsuccessful, either through acts and omissions or through the formation and maintenance of irregular situations or favours.

Galp Energia decided, therefore, to take on the commitment of promoting full respect for the provisions of its Code of Ethics, and the standards of general and specific law applicable to anti-corruption practices, as laid down in Articles 335, 368, 372 to 374-B and 375 to 377, all articles of the Portuguese Criminal Code, as well as under Law 20/2008, of 21 April (criminal regime against corruption in international trade and in the private sector), in Law 36/94, of 29 September (measures against corruption and economic and financial crimes), and also contained in several rules and regulations. Galp Energia regards such standards as directly applicable to Galp Energia, to Group companies, to governing bodies, to employees, to clients and to suppliers, as a management priority and cornerstone in the consolidation of Galp Energia's values and principles.

For the implementation and enforcement of this policy the following regulatory standards were approved: representation expenses with others and managing relationships with the government.

As part of the process of approving Galp Energia's anti-corruption policy, the Commission for Monitoring the Anti-corruption Policy was set up. The main duties of this commission are to ensure that the anti-corruption policy is implemented and monitored, as well as reviewed, and that any questions or clarifications concerning any omissions from it are addressed. This commission is composed of three Senior Executives appointed by the Executive Committee.

## b) FUNCTIONING

### 22. Existence and location where operating regulations, where appropriate, of the Board of Directors, the Management and Supervisory Board and the Executive Board of Directors can be consulted

The Board of Directors of Galp Energia works in accordance with the organisational and operational regulations approved by this body at its meeting on 26 July 2012, pursuant to Article 16 of the articles of association, which is available on the

### Health, Safety and Environment Committee

As part of the integrated organisation model, the structure of Galp Energia's health, safety and environment management is led by the highest hierarchical positions and is made up of groups that are representative of its different activities, with a mission to monitor the policy, programmes, goals and objectives for health, safety and environment.

### Gas & Power Regulation, Pricing and Risk Committees

To date, the Gas & Power Regulation Committee, the Gas & Power Pricing Committee and the Gas & Power Risk Committee were established within the remit of the Gas & Power (G&P) and Supply and Trading of Oil & Gas business units.

The main duties of the Gas & Power Regulation Committee are to supervise the regulatory affairs involved in natural gas and electricity distribution, under the regulatory framework for the sector. It is composed of an Executive Director responsible for the G&P business unit, Carlos Gomes da Silva, and of those responsible for the specific areas of regulation and pricing, distribution and planning, and control. The committee is to meet once every three months.

The Gas & Power Pricing Committee aims to supervise market information, in terms of the supply of natural gas and electricity, to analyse market offers, as well as to follow international market trends within the supply and trading of natural gas the LNG, who shall meet on a monthly basis. Other than the Executive Director responsible for the G&P business unit, Carlos Gomes da Silva, other committee members include those responsible for the specific areas of regulation and pricing, commercialisation, supply and trading of natural gas, as well as planning and control.

The aim of the Gas & Power Risk Committee is to supervise risk management and internal control within the G&P and Supply and Trading of Oil & Gas business units, Carlos Gomes da Silva, and it is composed of their respective Executive Director and of those who are responsible for the specific areas of these units, as well as of the Legal Services and Risk Management Directors, who shall meet once every two months.

official Galp Energia website at [http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Orgaos-sociais/Documents/BoD\\_terms\\_of\\_reference\\_2012.pdf](http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Orgaos-sociais/Documents/BoD_terms_of_reference_2012.pdf)

### 23. Number of meetings held and attendance rates for each member, where appropriate, of the Board of Directors, the Management and Supervisory Board and the Executive Board of Directors for meetings held

In 2014 the Board of Directors convened 12 meetings, of which nine were held with electronic voting.

The attendance rate for members of the Board of Directors is shown in the following table.

## ATTENDANCE OF MEMBERS OF THE BOARD OF DIRECTORS FOR THE 12 MEETINGS HELD IN 2014

Name	Absence	Representation	Attendance %
Américo Amorim		1	91.7%
Manuel Ferreira De Oliveira			100%
Luís Palha da Silva			100%
Paula Amorim	1		91.7%
Filipe Crisóstomo Silva			100%
Carlos Gomes da Silva			100%
Sérgio Gabrielli de Azevedo	1	2	75%
Thore E. Kristiansen			100%
Abdul Magid Osman	2	1	75%
Luís Campos e Cunha			100%
Raquel Rute da Costa David Vunge			100%
Miguel Athayde Marques	1		91.7%
Carlos Costa Pina			100%
Rui Paulo Gonçalves	1		91.7%
Luís Todo Bom			100%
Fernando Gomes	1		91.7%
Diogo Mendonça Tavares			100%
Joaquim Borges Gouveia	1		91.7%
José Carlos da Silva Costa			100%
Jorge Manuel Seabra de Freitas	1		91.7%

#### 24. Details of the Company bodies responsible for evaluating the performance of Executive Directors

The Remuneration Committee has carried out a performance evaluation of Executive and non-Executive Directors, within the jurisdiction of this committee and in accordance with the mandate given to it by the general shareholders meeting, pursuant to Article 8 of the Company's articles of association, including through the consultation of non-executive members on the performance of the executives.

Moreover, the non-executive members, as part of their supervisory duties, monitor the performance of the Executive Directors.

#### 25. Predetermined criteria for evaluating the performance of Executive Directors

The performance of the Executive Directors is assessed according to the attainment of certain economic, financial and operational objectives, as determined annually by the remuneration policy proposed by the Remuneration Committee and approved by the general shareholders meeting.

The pre-determined criteria for evaluating the performance of Executive Directors in 2014 are set out in point 69 of the present report.

#### 26. Availability, where applicable, of each member of the Board of Directors, the Management and Supervisory Board and the Executive Board of Directors, with details of positions simultaneously held in other companies inside and outside the Group, and other relevant activities carried out by members of these bodies during the year

In general, members of the Board of Directors at Galp Energia exhibit a high degree of availability for the exercise of their duties, without prejudice to the natural accumulation of functions by the Executive Directors in Group companies and situations of overlapping functions by non-Executive Directors in companies outside the Group.

In 2014, the members of the Board of Directors held the following positions in other companies within and outside the Group, and carried out the following relevant activities shown on the following page.

**Américo Amorim**

## WITHIN THE GROUP

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Chairman of the International Strategy Committee at Galp Energia, SGPS, S.A.

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## OUTSIDE THE GROUP

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Chairman of ISPG – Instituto do Petróleo e Gás, an Association for Advanced Research and Training

Chairman of the Galp Energia Foundation

Chairman of the Board of Directors of Amorim Investimentos e Participações, SGPS, S.A.

Director of Amorim Energia B.V.

Chairman of the Board of Directors and Executive Committee of Amorim Holding II – SGPS, S.A.

Chairman of the Board of Directors of Solfim, SGPS, S.A.

Chairman of the Board of Directors of Amorim Financial, SGPS, S.A.

Chairman of the Board of Directors of Amorim Holding Financeira, SGPS, S.A.

Chairman of the Board of Directors of Amorim Negócios, SGPS, S.A.

Chairman of the Board of Directors of Amorim Investimentos Energéticos, SGPS, S.A.

Chairman of the Board of Directors of II – Investimentos Ibéricos, SGPS, S.A.

Chairman of the Board of Directors of Imoeuro, SGPS, S.A.

Chairman of the Board of Directors of API – Amorim Participações Internacionais, SGPS, S.A.

Chairman of the Board of Directors of Vintage Prime, SGPS, S.A.

Chairman of the Board of Directors of Stockprice, SGPS, S.A.

Chairman of the Board of Directors of Financimgest – Sociedade de Consultoria de Gestão de Créditos, S.A.

Chairman of the Board of Directors of Warranties, SGPS, S.A.

Chairman of the Board of Directors of Bridge Capital, SGPS, S.A.

Chairman of the Board of Directors of Banco Luso Brasileiro

Director of Investmark Holdings B.V.

Director of Angola Real Estate Investments B.V.

Director of Topbreach Holding B.V.

Director of Amorim Finance Holding B.V.

Director of Amorim Financial Sector B.V.

Director of Amorim Aliança B.V.

Director of Ligardis Holding B.V.

Director of Meerdervaart B.V.

Director of Power Oil & Gas Investments, B.V.

Director of Oil Investments B.V.

Director of Praia do Forte B.V.

Director of Itacaré B.V.

Director of Amorim Investments II, S.A.

Director of Amorim Investments V, S.A.

Director of Amorim Alternative Investments, S.A.

Chairman of the Board of Directors of Unión Europea de Inversiones, S.A.

Chairman of the Board of Directors of AHFB I, INC.

Chairman of the Board of Directors of Amorim/TFI, INC.

Chairman of the Board of Directors of Gestimovel, S.A.

Chairman of the Board of Directors of Amorim Património, S.A.

Chairman of the Board of Directors of Sotomar – Empreendimentos Industriais e Imobiliários, S.A.

Chairman of the Board of Directors of Mosteiro de Grijó – Empreendimentos Turísticos e Imobiliários, S.A.

Chairman of the Board of Directors of Amorim e Alegre – Sociedade Imobiliária, S.A.

Chairman of the Board of Directors of Gaivina – Empreendimentos Turísticos e Imobiliários, S.A.

Chairman of the Board of Directors of Imobis – Empreendimentos Imobiliários Amorim, S.A.

Chairman of the Board of Directors of Porta do Sol – Sociedade Imobiliária Amorim, S.A.

Chairman of the Board of Directors of Alqueva Verde, S.A.

Chairman of the Board of Directors of Paisagem do Alqueva, S.A.

Chairman of the Board of Directors of SSA – Sociedade de Serviços Agrícolas, S.A.

Chairman of the Board of Directors of Casa das Heras – Empreendimentos Turísticos, S.A.

Manager of Agro-Florestal do Panasquinho, Lda.

Chairman of the Board of Directors of CS01, S.A.

Chairman of the Board of Directors of Gesfer, S.A.

Chairman of the Board of Directors of AGS – Moçambique, S.A.

Chairman of the Board of Directors of SF Plus, S.A.

Gerente da KSA – Moçambique, Lda.

Manager of Agrivalor, Lda.

Chairman of the Board of Directors of Interfamília II, SGPS, S.A.

Chairman of the Board of Directors of Amorim Capital, SGPS, S.A.

Chairman of the Board of Directors of Amorim Global Investors, SGPS, S.A.

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## Governing bodies and committees

**Américo Amorim**

## OUTSIDE THE GROUP (CONT.)

Chairman of the Board of Directors of Amorim – Serviços e Gestão, S.A.  
 Manager of Amorim – Viagens e Turismo, Lda.  
 Manager of OSI – Sistemas Informáticos e Eletrotécnicos, Lda.  
 Chairman of the Board of Directors of Amorim Desenvolvimento - Investimentos e Serviços, S.A.  
 Chairman of the Board of Directors of Amorim Negócios Internacionais, S.A.  
 Chairman of the Board of Directors of Gierlings Velpor, S.A.

**Manuel Ferreira De Oliveira**

## WITHIN THE GROUP

Chairman of the Board of Directors of Petróleo de Portugal – Petrogal, S.A.  
 Chairman of the Board of Directors of Galp Exploração e Produção Petrolífera, S.A.  
 Chairman of the Board of Directors of GDP – Gás de Portugal, SGPS, S.A. (renamed Galp Gas & Power, SGPS, S.A. on 12 February 2015)  
 Chairman of the Board of Directors of Galp Gás Natural Distribuição, S.A.  
 Chairman of the Board of Directors of Galp Energia, S.A.  
 Chairman of the Board of Directors of Galp Energia España, S.A.  
 Director of Galp Energia E&P B.V.  
 Chairman of the Board of Directors of Galp Exploração e Produção (East Timor), S.A.  
 Chairman of the Board of Directors of Next Priority – Galp Soluções de Energia, S.A.  
 Director of Galp Energia Overseas B.V.  
 Director of Galp Sinopec Brazil Services B.V.  
 Chairman of the Board of Directors of Petrogal Brasil, S.A.  
 Member of the Advisory Board of Galp Exploração Serviços do Brasil, Lda.  
 Director of Galp Energia Rovuma B.V.  
 Chairman of the Board of Directors of Galp Energia Brasil, S.A.

## OUTSIDE THE GROUP

Chairman of the Scientific and Technical Board of ISPG – Instituto do Petróleo e Gás, Association for Advanced Research and Training  
 Vice-Chairman of the Board of Directors of Galp Energia Foundation  
 Vice-Chairman of the General Board of Universidade do Porto  
 Visiting Professor at Universidade de Aveiro  
 Member of the General Board of Fórum de Administradores de Empresas  
 Chairman of the Advisory Board of Unidade Local de Saúde de Matosinhos, E.P.E.  
 Member of the Advisory Board of IPCG – Instituto Português de Corporate Governance

**Luís Palha da Silva**

## WITHIN THE GROUP

Member of the Board of Directors of Portugal – Petrogal, S.A.  
 Member of the Board of Directors of Galp Exploração e Produção Petrolífera, S.A.  
 Member of the Board of Directors of GDP – Gás de Portugal, SGPS, S.A. (renamed Galp Gas & Power, SGPS, S.A. on 12 February 2015)  
 Member of the Board of Directors of Galp Gás Natural Distribuição, S.A.  
 Member of the Board of Directors of Galp Energia, S.A.  
 Member of the Board of Directors of Galp Energia España, S.A.  
 Director of Galp Energia E&P B.V.  
 Member of the Board of Directors of Galp Exploração e Produção (East Timor), S.A.  
 Chairman of the Board of Directors of Galp Marketing International, S.A.  
 Chairman of the Board of Petrogal Angola, Lda.  
 Chairman of the Managing Board of Petrogal Guiné-Bissau, Lda.  
 Chairman of the Managing Board of Petrogal Moçambique, Lda.  
 Chairman of the Executive Committee of Galp Moçambique, Lda.  
 Chairman of the Board of Galp Gambia, Limited  
 Chairman of the Board of Galp Swaziland, Limited  
 Chairman of the Board of Directors of CLC – Companhia Logística de Combustíveis, S.A.  
 Director of Galp Sinopec Brazil Services B.V.  
 Member of the Board of Directors of Petrogal Brasil, S.A.  
 Director of Galp Energia Brasil, S.A.

## OUTSIDE THE GROUP

Member of the Board of Directors of Jerónimo Martins, SGPS, S.A.  
 Member of the Scientific and Technical Council of ISPG – Instituto do Petróleo e Gás, Association for Advanced Research and Training  
 Member of the Board of Directors of NYSE Euronext  
 Chairman of APETRO – Associação Portuguesa de Empresas Petrolíferas  
 Chairman of AEM – Associação dos Emitentes Portugueses

**Luís Palha da Silva**

## OUTSIDE THE GROUP (CONT.)

Chairman of the Supervisory Board of Banco Fórum para a Competitividade  
 Chairman of the Supervisory Board of Fundação Francisco Manuel dos Santos  
 Chairman of the General Meeting Board of Gesbanha - Gestão e Contabilidade, S.A.

**Paula Amorim**

## OUTSIDE THE GROUP

Member of the Board of Directors of Stockprice, SGPS, S.A.  
 Member of the Board of Directors of Alqueva Verde, S.A.  
 Member of the Board of Directors of Amorim Projetos, SGPS, S.A.  
 Vice-Chairman of Amorim Investimentos Energéticos, SGPS, S.A.  
 Chairman of Gevisar, S.A.  
 Member of the Board of Directors of Banco Único, S.A.  
 Member of the Board of Directors of Banco Luso-Brasileiro, S.A.  
 Member of the Board of Directors of Amorim e Alegre - Sociedade Imobiliária, S.A.  
 Director of Power, Oil & Gas Investments, B.V.  
 Director of Holding Financeira Blocker I, Inc.  
 Director of Amorim/TFI, Inc.  
 Director of Tom Ford International, LLC  
 Vice-Chairman of Interfamília II, SGPS, S.A.  
 Vice-Chairman of Amorim Patrimónios, S.A.  
 Chairman of the Board of Directors of Amorim Projetos, SGPS, S.A.  
 Vice-Chairman of the Board of Directors of Amorim Negócios, SGPS, S.A.  
 Vice-Chairman of Amorim Holding II, SGPS, S.A.  
 Vice-Chairman of Imoeuro, SGPS, S.A.  
 Vice-Chairman of the Board of Directors of Gaivina, S.A.  
 Vice-Chairman of Portal do Sol, S.A.  
 Manager of Sociedade Agroflorestal do Panasquinho, Lda.  
 Vice-Chairman of AIP Amorim – Investimentos e Participações, SGPS, S.A.  
 Manager of Amorim Five, Lda.  
 Sole Director of Amorim Luxury – SGPS, S.A.  
 Director of Amorim Energia, B.V.

**Filipe Crisóstomo Silva**

## WITHIN THE GROUP

Member of the Board of Directors of Portugal – Petrogal, S.A.  
 Member of the Board of Directors of Galp Exploração e Produção Petrolífera, S.A.  
 Member of the Board of Directors of GDP – Gás de Portugal, SGPS, S.A. (renamed Galp Gas & Power, SGPS, S.A. on 12 February 2015)  
 Member of the Board of Directors of Galp Gás Natural Distribuição, S.A.  
 Member of the Board of Directors of Galp Energia, S.A.  
 Member of the Board of Directors of Galp Energia España, S.A.  
 Director of Galp Energia E&P B.V.  
 Member of the Board of Directors of Galp Exploração e Produção (East Timor), S.A.  
 Member of the Board of Directors of Next Priority – Galp Soluções de Energia, S.A.  
 Director of Galp Energia Portugal Holdings B.V.  
 Director of Galp Energia Overseas, B.V.  
 Director of Galp Energia Overseas, LNG, B.V.  
 Director of Galp Energia Overseas Block 14 B.V.  
 Director of Galp Energia Overseas Block 32 B.V.  
 Director of Galp Energia Overseas Block 33 B.V.  
 Member of the Board of Directors of Petrogal Brasil, S.A.  
 Director of Galp Sinopec Brazil Services B.V.  
 Director of Petrogal Brasil, B.V.  
 Director of Galp E&P Brazil B.V.  
 Director of Galp Energia Brasil, S.A.  
 Director of Windhoek PEL 23 B.V.  
 Director of Windhoek PEL 24 B.V.  
 Director of Windhoek PEL 28 B.V.  
 Director of Galp Energia Tarfaya B.V.  
 Director of Galp East Africa B.V.  
 Director of Galp Energia Rovuma B.V.

**Filipe Crisóstomo Silva**

## WITHIN THE GROUP (CONT.)

Director of Galp Bioenergy B.V.

## OUTSIDE THE GROUP

Member of the Board of ISPG – Instituto do Petróleo e Gás, Association for Advanced Research and Training

**Carlos Gomes da Silva**

## WITHIN THE GROUP

Member of the Board of Directors of Petróleos de Portugal – Petrogal, S.A..

Member of the Board of Directors of Galp Exploração e Produção Petrolífera, S.A.

Member of the Board of Directors of GDP – Gás de Portugal, SGPS, S.A., (renamed Galp Gas & Power, SGPS, S.A. on 12 February 2015)

Member of the Board of Directors of Galp Gás Natural Distribuição, S.A.

Member of the Board of Directors of Galp Energia, S.A.

Member of the Board of Directors of Galp Energia España, S.A.

Director of Galp Energia E&P B.V.

Member of the Board of Directors of Galp Exploração e Produção (East Timor), S.A.

Director of Galp Energia Portugal Holdings B.V.

Director of Galp Energia Overseas LNG B.V.

Director of Galp Bioenergy B.V.

Chairman of the Board of Directors of Galp Gás Natural, S.A.

Chairman of the Board of Directors of Madrileña Suministro de Gás Sur, S.L.

Chairman of the Board of Directors of Madrileña Suministro de Gás, S.L.

Member of the Board of Directors of Gasoducto Al-Andaluz, S.A.

Member of the Board of Directors of Gasoducto de Extremadura, S.A.

Member of the Board of Directors of Europe Maghreb Pipeline, Ltd.

Member of the Board of Directors of Metragaz – Société pour la Construction et l'Exploitation Technique du Gazoduc Maghreb Europe

Chairman of the Board of Directors of Galp Power, S.A.

Chairman of the Board of Directors of GDP Serviços, S.A. (renamed GDP-Gás de Portugal, S.A. on 12 February 2015)

Director of Galp Sinopec Brazil Services B.V.

Member of the Board of Directors of Petrogal Brasil, S.A.

Director of Galp Energia E&P Brasil B.V.

Director of Galp Energia Brasil, S.A.

## OUTSIDE THE GROUP

Member of the Board of ISPG – Instituto do Petróleo e Gás, Association for Advanced Research and Training

Head of Management at AGN, Portuguese Association of Natural Gas Companies

Member of the Board of Directors of Galp Energia Foundation

Member of the Board of Directors of Amorim Investimentos Energéticos, SGPS, S.A., and Amorim Energia, B.V.

**Sérgio Gabrielli de Azevedo**

## WITHIN THE GROUP

Member of the International Strategy Committee at Galp Energia, SGPS, S.A.

## OUTSIDE THE GROUP

Secretary of Government Planning for the State of Bahia

Member of the Board of Directors of Desenhahia – Promotion Agency for the State of Bahia and CAR Promotion – Development and Regional Action Company

Non-Executive Member of the Board of Directors of Itaúsa, S.A.

**Thore E. Kristiansen**

## WITHIN THE GROUP

Member of the Board of Directors of Petróleos de Portugal – Petrogal, S.A..

Member of the Board of Directors of Galp Exploração e Produção Petrolífera, S.A.

Member of the Board of Directors of GDP – Gás de Portugal, SGPS, S.A. (renamed Galp Gas & Power, SGPS, S.A. on 12 February 2015)

Member of the Board of Directors of Galp Gás Natural Distribuição, S.A.

Member of the Board of Directors of Galp Energia, S.A.

Member of the Board of Directors of Galp Energia España, S.A.

Director of Galp Energia E&P B.V.

Member of the Board of Directors of Galp Exploração e Produção, S.A.

Director of Galp Energia Portugal Holdings B.V.

Director of Galp Energia Overseas B.V.

Director of Galp Energia Overseas Block 14 B.V.

Director of Galp Energia Overseas Block 32 B.V.

Director of Galp Energia Overseas Block 33 B.V.

Director of Galp Sinopec Brazil Services B.V.

Director of Petrogal Brasil, B.V.

**Thore E. Kristiansen**

## WITHIN THE GROUP (CONT.)

Member of the Board of Directors of Petrogal Brasil, S.A.  
 Director of Windhoek PEL 23 B.V.  
 Director of Windhoek PEL 24 B.V.  
 Director of Windhoek PEL 28 B.V.  
 Director of Galp Energia Tarfaya B.V.  
 Director of Galp East Africa B.V.  
 Director of Galp Energia Rovuma B.V.  
 Director of Galp E&P Brazil B.V.  
 Chairman of the Board of Directors of Galp Alentejo E&P, S.A.

## OUTSIDE THE GROUP

Member of the Scientific and Technical Council of ISPG – Instituto do Petróleo e Gás, Association for Advanced Research and Training

**Raquel Rute da Costa David Vunge**

## OUTSIDE THE GROUP

Member of Sonangol EP at the Banco Comercial Português

**Abdul Magid Osman**

## WITHIN THE GROUP

Member of the International Strategy Committee at Galp Energia, SGPS, S.A.

## OUTSIDE THE GROUP

Chairman of the BIOFUND Foundation – Protection of Biodiversity  
 Chairman of the Board of Directors at Épsilon Investimento

**Luís Campos e Cunha**

## OUTSIDE THE GROUP

Professor at the Department of Economics at Universidade Nova de Lisboa  
 Vice-Chairman of the Fundação de Serralves  
 Chairman of the Coordinating Council SEDES  
 Chairman of the Supervisory Board of Banco Santander Totta

**Miguel Athayde Marques**

## OUTSIDE THE GROUP

Independent non-Executive Director at Brisa, Concessão Rodoviária, S.A.  
 Chairman of the Supervisory Board at Caixa Banco de Investimento, S.A.  
 Founder and Coordinator of Portugal Economy Probe  
 Member of the Conselho Científico-Pedagógico of Instituto Superior de Gestão Bancária (Portuguese Banking Association)  
 Chairman of the Supervisory Board of the Associação Aprender a Empreender (Junior Achievement Young Enterprise)  
 Chairman of the Supervisory Board of the Sociedade Científica da Universidade Católica Portuguesa  
 Director of Gepasa, SCR, S.A.  
 Member of the Advisory Board for GRACE – Grupo de Reflexão e Apoio à Cidadania Empresarial  
 Chairman of the Supervisory Board and member of the Advisory Board for APBA – Portuguese Association of Business Angels

**Carlos Costa Pina**

## WITHIN THE GROUP

Member of the Board of Directors of Petróleos de Portugal – Petrogal, S.A..  
 Member of the Board of Directors of Galp Exploração e Produção Petrolífera, S.A.  
 Member of the Board of Directors of GDP – Gás de Portugal, SGPS, S.A. (renamed Galp Gas & Power, SGPS, S.A. on 12 February 2015)  
 Member of the Board of Directors of Galp Gás Natural Distribuição, S.A.  
 Member of the Board of Directors of Galp Energia, S.A.  
 Member of the Board of Directors of Galp Energia España, S.A.  
 Director of Galp Energia E&P B.V.  
 Member of the Board of Directors of Galp Exploração e Produção (East Timor), S.A.  
 Chairman of the Board of Directors of Enerfuel, S.A.  
 Chairman of the Board of Directors of Moçamgalp – Agroenergias de Moçambique, S.A.  
 Director of Galp Energia Brasil, S.A.  
 Director of Galp Bioenergy B.V.  
 Chairman of the Board of Directors of Tagus – RE, S.A.

## OUTSIDE THE GROUP

Member of the Scientific and Technical Council of ISPG – Instituto do Petróleo e Gás, Association for Advanced Research and Training



**Rui Paulo Gonçalves**

## OUTSIDE THE GROUP

Director and Managing Director of Amorim Investimentos Energéticos, SGPS, S.A.  
 Director of Amorim Energia B.V.  
 Chairman of the General Meeting Board for Amorim Holding II, SGPS, S.A.  
 Vice-Chairman of the General Meeting Board for Banco Único, S.A.

**Luís Todo Bom**

## OUTSIDE THE GROUP

Inspector-General for Portugal Telecom Group  
 Chairman of the Advisory Board for the PT Group and non-Executive Chairman of Multitel Angola  
 Non-Executive Director of Onyria Internacional (Onyria Group), and Scutvias-AEXXI (Globalvia Group)  
 Visiting Associate Professor of ISCTE

**Fernando Gomes**

## OUTSIDE THE GROUP

Vice-Chairman of Futebol Clube do Porto  
 Member of the Board of Directors of Futebol Clube do Porto – Futebol, SAD  
 Member of the Board of Directors of EuroAntas, Promoção e Gestão de Empreendimentos Imobiliários, S.A.  
 Member of the Board of Directors of PortoComercial, Sociedade de Comercialização, Licenciamento e Sponsorização, S.A.  
 Member of the Board of Directors of PortoEstádio, Gestão e Exploração de Equipamentos Desportivos, S.A.  
 Manager of PortoSeguro – Sociedade Mediadora de Seguros do Porto, Lda.  
 Member of the Board of Directors of FC Porto – Serviços Partilhados, S.A.  
 Member of the Board of Directors of FCP Media, S.A.  
 Member of the Board of Directors of Dragon Tour, Agência de Viagens, S.A.  
 Manager of Porto

**Diogo Mendonça Tavares**

## OUTSIDE THE GROUP

Vice-Chairman of Amorim Holding II, SGPS, S.A.

**Joaquim Borges Gouveia**

## OUTSIDE THE GROUP

Retired Professor at the Department of Economics, Management and Industrial Engineering at Universidade de Aveiro  
 Chairman of APM – Associação Portuguesa de Management  
 Chairman of RNAE – Rede da Agência de Energia e Ambiente  
 Chairman of the Board of Directors of ENERGAIA, Agência Municipal de Energia de Vila Nova de Gaia  
 Member of the Board of Directors of ABAP/BIOCANT

**José Carlos da Silva Costa**

## WITHIN THE GROUP

Member of the Board of Directors of Petróleos de Portugal – Petrogal, S.A..  
 Member of the Board of Directors of Galp Exploração e Produção Petrolífera, S.A.  
 Member of the Board of Directors of GDP – Gás de Portugal, SGPS, S.A. (renamed Galp Gas & Power, SGPS, S.A. on 12 February 2015)  
 Member of the Board of Directors of Galp Gás Natural Distribuição, S.A.  
 Member of the Board of Directors of Galp Energia, S.A.  
 Member of the Board of Directors of Galp Energia España, S.A.  
 Director of Galp Energia E&P B.V.  
 Member of the Board of Directors of Galp Exploração e Produção (East Timor), S.A.

## OUTSIDE THE GROUP

Member of the Scientific and Technical Council of ISPG – Instituto do Petróleo e Gás, Association for Advanced Research and Training

**Jorge Manuel Seabra de Freitas**

## OUTSIDE THE GROUP

Director of Corticeira Amorim, SGPS  
 Director of Amorim Holding II, SGPS, S.A. and Amorim Energia B.V.

## c) COMMITTEES WITHIN THE MANAGEMENT OR SUPERVISORY BODY AND DELEGATED DIRECTORS

### 27. Details of the committees created within, where applicable, the Board of Directors, the Management and Supervisory Board and the Executive Board of Directors, and the place where the operating regulations can be consulted

#### Executive Committee

The current Board of Directors, at the meeting held on 24 April 2012, appointed an Executive Committee of six members, which was later extended to seven members at the Board of Directors' meeting held on 14 December 2012.

Under paragraphs 8.5. and 8.7. of the Regulations of the Board of Directors, the Executive Committee approved, at its meeting on 31 August 2012, the Regulation which sets out the principles and basic rules relating to its organisation and operation, which can be found on the official Galp site at [http://www.galpennergia.com/EN/Investidor/GovernoCorporativo/Orgaos-sociais/Documents/Terms\\_of\\_reference\\_for\\_the\\_executive\\_committee\\_2012.pdf](http://www.galpennergia.com/EN/Investidor/GovernoCorporativo/Orgaos-sociais/Documents/Terms_of_reference_for_the_executive_committee_2012.pdf)

#### Reflection on International Strategy Committee

Given the increasing importance of Galp Energia's activity and business in distant countries and different continents, the Board of Directors at Galp Energia approved the establishment of the Reflection on International Strategy Committee at a meeting on 26 July 2012. This committee consists of four non-Executive Directors chosen by the Board of Directors according to their career, expertise and reputation, and who would therefore be best placed to add value to the decisions and steps to be taken regarding the internationalisation and development of Galp Energia's business.

### 28. Composition, if applicable, of the Executive Committee and/or details of the delegated Director(s)

The Executive Committee of Galp Energia is currently comprised of the following seven Directors:

**Chairman:** Manuel Ferreira De Oliveira (CEO)

**Vice-Chairman:** Luís Palha da Silva

**Members:** Filipe Crisóstomo Silva (CFO)  
Carlos Gomes da Silva  
Thore E. Kristiansen  
Carlos Costa Pina  
José Carlos da Silva Costa

### 29. Details of the powers of each of the committees created and a summary of the activities performed in the exercising of these powers

The Executive Committee is the body responsible for the current management of Galp Energia, in accordance with the strategic guidelines laid down by the Board of Directors, and under the powers delegated to it by this Board, referred to in point 21 of this report.

Without prejudice to the limits of the delegation of powers established by the Board of Directors, the Executive Committee has a special duty of initiative and proposal to that body for acts and matters which were not subject to delegation.

The Executive Committee operates according to the principles and basic rules set out in its regulations and meets as a rule, once a week, having held 42 meetings in 2014.

The notices and minutes of meetings of the Executive Committee are forwarded to the Chairman of the Board of Directors and to the Chairman of the Supervisory Board by the Chairman of the Executive Committee.

Executive Directors provide the members of other decision-making bodies and the non-executive members of the Board of Directors with information pertaining to the Company in an appropriate and timely manner, when requested to do so, and take the initiative to provide periodic information on the management carried out.

#### Reflection on International Strategy Committee

The Reflection on International Strategy Committee was created with the main aim of ongoing reflection on the international strategy of the Group and issuing reports at the request of the Board of Directors, or the Executive Committee, on business opportunities or projects to be developed at international level by Galp Energia or Group companies. In addition, the Reflection on International Strategy Committee shall also produce an annual report on the activities carried out.

In 2014, two working meetings of the Reflection on International Strategy Committee were held, on 24 July and 11 December, at which the following topics, among others, were discussed:

- changes in the Brazilian and Mozambican economies and prospects for the future;
- impact of Brazil's economic situation on Petrobras;
- legal regime of the energy sector in Mozambique;
- opening of the American market to natural gas and fuel exports;
- refining crisis and evolution scenarios;
- new geographical regions in E&P;
- current oil sector and future prospects;
- changes in raw material prices.

## III – Supervision

(Supervisory Board, Audit Committee or Management and Supervisory Board)

### a) COMPOSITION

#### 30. Details of the supervisory body (Supervisory Board, Audit Committee or Management and Supervisory Board) corresponding to the model adopted

According to the governance model adopted, the Supervisory Board is the supervisory body of the Company.

to the examination of the Company accounts, also includes a statutory auditor with the duties provided for in Article 446 of the CSC, who shall not be a member of the Supervisory Board.

Under the terms of Article 413(1)(b) of the CSC, the supervision of Galp Energia, as a public company, with regard

#### 31. Composition, where applicable, of the Supervisory Board, the Audit Committee, the Management and Supervisory Board or the Committee for Financial Matters, detailing the articles of association's minimum and maximum number of members, the duration of term of office, the number of standing members, the date of the first appointment and the date of the mandate of each member, with the possibility of referring to the point in the report where this information is enclosed, by virtue of what is established in paragraph 18

In accordance with the articles of association, the Supervisory Board is composed of three standing members and a deputy member, who are elected by the general shareholders meeting, which also elects the Chairman of the Supervisory Board.

The Supervisory Board of the Company was elected at the general shareholders meeting held on 30 May 2011 for the 2011-2013 term, which was extended to four years (2011-2014) at the general shareholders meeting held on 24 April 2012.

In addition, it incorporates a statutory auditor, with the functions provided for in Article 446 of the CSC, who is not a member of the Supervisory Board.

The details of members of the Supervisory Board and the dates of their appointment and term of office are shown below.

Supervisory Board members are elected for four year terms in conjunction with members of other corporate bodies.

#### MEMBERS OF THE SUPERVISORY BOARD

Name	Position	Date of first appointment	End of term of office
Daniel Bessa	Chairman	2006.10.05	2014.12.31
Gracinda Raposo	Member	2011.05.30	2014.12.31
Pedro Antunes de Almeida	Member	2012.11.23	2014.12.31
Amável Calhau	Deputy	2006.10.05	2014.12.31

#### 32. Details, where applicable, of the members of the Supervisory Board, the Audit Committee, the Management and Supervisory Board or the Committee for Financial Matters, who are deemed independent, under the terms of Article 414(5) of the CSC, with the possibility of referring to the point in the report where this information is enclosed, by virtue of what is established in paragraph 19

All members of the Supervisory Board meet the independence criteria set out in Article 414(5) of the CSC.

#### 33. Professional qualifications, where applicable, for each of the members of the Supervisory Board, the Audit Committee, the Management and Supervisory Board or the Committee for Financial Matters, and other relevant curricular elements, with the possibility of referring to the point in the report where this information is enclosed, by virtue of what is established in paragraph 21

The members of the Supervisory Board have the appropriate skills and professional qualifications to perform their respective duties. A summary of each member's background is given in the following table.

**Governing bodies and committees****Daniel Bessa**

Degree in Economics from the Universidade do Porto, in 1970

PhD in Economics from the Universidade Técnica de Lisboa, in 1986

Chairman of the Advisory Board of IGFCSS – the Portuguese Institute for the Management of Social Security Capitalisation Funds, from November 2000 to October 2012

Member of the Management and Supervisory Board for BCP – Banco Comercial Português, S.A., from April 2011 to February 2012

Non-Executive Director of AICEP – the Portuguese Investment and External Trade Agency, E.P.E., from June 2007 to December 2011

Member of the Board of Directors of Finibanco Holdings, SGPS, S.A., from May 2001 to March 2011

Managing Director of EGP – University of Porto Business School, from June 2000 to March 2009

**Gracinda Raposo**

Degree in Finance from the Instituto Superior do Trabalho e da Empresa, in 1978

Master's in Operational Management from the University of Minneapolis, Minnesota, USA

Advisor to the Board of Directors of the Santander group, from 2007 to 2009

**Pedro Antunes de Almeida**

Degree in Economics and Sociology from the Universidade de Lisboa

Post-graduate qualification in European Economics from the Universidade Católica Portuguesa

Higher Education Course in Public Relations, Marketing and Advertising from the Escola Superior de Meios de Comunicação Social de Lisboa

Auditing Course for National Defence at the National Defence Institute

Secretary of the General Meeting Board at Galp Energia, SGPS, S.A., from 2011 to April 2012

**Amável Calhau**

Chartered accountant (Instituto Militar dos Pupilos do Exército)

Chartered accountant

Managing partner of Amável Calhau, Ribeiro da Cunha e Associados – Sociedade de Revisores Oficiais de Contas

**b) FUNCTIONING**

**34. Existence and location where the operating regulations, where applicable, of the Supervisory Board, the Audit Committee, the Management and Supervisory Board or the Committee for Financial Matters can be consulted, with the possibility of referring to the point in the report where this information is enclosed, by virtue of what is established in paragraph 24**

The powers of the Supervisory Board and its operating rules are defined in the regulations of this body, approved on 29 October 2009, which can be found on the Galp Energia

website at <http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Orgaos-sociais/Documents/Supervisoryboardregulations.pdf>

**35. The number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where said information already appears pursuant to paragraph 25.**

In 2014, 11 meetings of the Supervisory Board were held, with all of its members in attendance.

**36. Availability, where applicable, of each of the members of the Supervisory Board, the Audit Committee, the Management and Supervisory Board or the Committee for Financial Matters, with details of positions simultaneously held in other companies inside and outside the Group, and other relevant activities carried out by members of these bodies during the year, with the possibility of referring to the point in the report where this information is enclosed, by virtue of what is established in paragraph 26**

In general, members of the Supervisory Board of Galp Energia have made themselves very available to carry out their functions.

The relevant activities performed by the members of the Supervisory Board are shown below.

**Daniel Bessa**

Chairman of the Supervisory Board of the Galp Energia Foundation

Chairman of the General Meeting Board for Nanium, S.A.

Managing Director of COTEC Portugal – Business Association for Innovation

Chairman of the Supervisory Board of Bial – Portela e Companhia, S.A.

Chairman of the Supervisory Board of Sonae, SGPS, S.A.

Non-Executive Director of Efacec Capital, SGPS, S.A.

Member of the Board of Directors of Fundação Bial

## Governing bodies and committees

### Gracinda Raposo

Member of the Board of Directors of Tagusgás – Empresa de Gás do Vale do Tejo, S.A. (since October 2013)

Member of the Supervisory Board of the Galp Energia Foundation (since July 2013)

Director of ECS-Capital – management company for private equity and distress funds

Member of the Supervisory Board of Banco BIC Portugal

### Pedro Antunes de Almeida

Member of the Supervisory Board of the Galp Energia Foundation (since July 2013)

Consultant in Economic and Business Affairs for the President of the Republic (since 2006)

Visiting Professor at ISCTE and Universidade Católica de Lisboa

### Amável Calhau

Deputy member of the Supervisory Board of the Galp Energia Foundation

## c) COMPETENCES AND FUNCTIONS

### 37. Description of the procedures and criteria applicable to the intervention of the supervisory body for the purpose of contracting additional services from the external auditor

The contracting of additional services from the external auditor is preceded by an opinion of the Supervisory Board, which evaluates the reasons for their contracting and compliance

with auditor independence requirements, requesting when appropriate the information due from the departments involved.

### 38. Other functions of the supervisory bodies and, if applicable, of the Committee for Financial Matters

The Supervisory Board is responsible for supervising the effectiveness of the risk management system, internal control and internal audit, as well as for annually assessing the functioning of systems and internal procedures, thereby strengthening the internal control environment, namely through recommendations and proposals to adjust the functioning of internal control and risk management systems.

The Supervisory Board monitors the functioning of the corporate governance system adopted by Galp Energia and compliance with legal and statutory standards, as well as legislative and regulatory developments relating to corporate governance issued by the CMVM, presenting proposals aimed at improving the Company's governance.

The Supervisory Board is also responsible for supervising the Company's adoption of principles and policies for the identification and management of the main financial and operational risks related to Galp Energia's operations, as well as following measures which are aimed at monitoring, controlling and disclosing risks.

The Supervisory Board also has the function of forming an opinion on the conduct of business between the Company and related parties as well as receiving reports of irregularities presented by shareholders, the Company's employees, clients or suppliers.

## IV – Statutory auditor

### 39. Details of the statutory auditor and statutory auditor partner representing it

The general shareholders meeting of Galp Energia on 30 May 2011 appointed for the 2011-2013 term, this term having been extended to four years (2011-2014) by a resolution passed at the general shareholders meeting of 24 April 2012, the following persons, both full-time and substitute members, to perform the functions of statutory auditor:

**Standing member:** P. Matos Silva, Garcia Jr., P. Caiado & Associados, Sociedade de Revisores Oficiais de Contas, Lda., represented by Pedro João Reis de Matos Silva

**Deputy:** António Campos Pires Caiado

### 40. Details of the number of years that the statutory auditor has performed functions consecutively at the Company and/or Group

The statutory auditor at Galp Energia has performed its respective functions consecutively from 6 May 2008..

### 41. Description of other services that the statutory auditor provides to the company

The statutory auditor renders no other services to Galp Energia.

## V – External auditor

### 42. Identity of the external auditor appointed for the purposes of Article 8 and the statutory auditor partner representing it in the performance of these functions, as well as the respective registration number with the CMVM

The Galp Energia Group's current external auditor is PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. (PWC), entered into the list of Companies of Statutory Auditors under number 183

and registered with the CMVM under number 1077, being represented by the statutory auditor partner António Joaquim Brochado Correia, ROC No. 1076.

### 43. Number of consecutive years the external auditor and the statutory auditor partner representing it have performed these functions with the Company and/or the Group

The external auditor, and the respective statutory auditor partner representing it, have performed these functions consecutively with Galp Energia and/or the Group since 2011, the year in which they were appointed, following a tender for the 2011-2013 period.

Due to the Company's interest in ensuring the continued provision of audit services, and following the Supervisory Board's proposal at its meeting on 6 March 2014, Galp Energia extended the external audit contract with PWC for two more years.

### 44. Policy and frequency of rotation of the external auditor and the respective statutory auditor partner performing these functions

Galp Energia periodically selects the external auditor, after a proposal is made by the Supervisory Board.

### 45. Details of the body responsible for the review of the external auditor and the regularity with which this review is carried out

The Supervisory Board, as the Company's spokesperson and first recipient of the information prepared by the external auditor, annually assesses the activity of the external auditor through a critical appreciation of reports and statements produced.

and remuneration systems of the governing bodies, as well as the efficiency and effectiveness of the internal control mechanisms, reporting to the Supervisory Board any deficiencies detected.

The Supervisory Board represents the Company for all purposes before the external auditor. Under Article 19(4) of the articles of association, the appointment of the statutory auditor from the company of statutory auditors and respective remuneration shall be proposed to the general shareholders meeting by the Supervisory Board.

The Supervisory Board is also responsible for appointing and dismissing the external auditor, pursuant to approved regulations.

Within their specific audit/statutory audit work, the external auditor for Galp Energia checks the implementation of policies

In the Company's organisation plan, the Supervisory Board, in its relationship with the Board of Directors and Executive Committee, ensures that the external auditor is given information and other appropriate conditions to perform its respective services.

### 46. Details of work, other than audits, performed by the external auditor to the Company and/or companies it controls, as well as details of internal procedures for approval of contracting such services and indication of the reasons for such contracting

In the year 2014, the audit and assurance services contracted to the external auditor by the Company or any entities it controls, given below, accounted for 31.2% of the total

value of services rendered, a percentage close to the 30% recommended by the CMVM.

#### DETAILS OF WORK, OTHER THAN ASSURANCE, PERFORMED BY THE EXTERNAL AUDITOR FOR THE GALP ENERGIA GROUP

Advice on procedures and internal control	€210,337
Support to Human Resources questionnaires and assessment	€143,560
Miscellaneous consulting	€157,855
<b>Total</b>	<b>€511,752</b>

When contracting services from the external auditor, there are procedures to safeguard the independence of auditors by setting a strict definition of the services to be contracted. In order to safeguard the independence of the external auditor, the acquisition of any type of service that may jeopardise such independence is expressly prohibited.

The service proposals presented by the auditor are analysed and assessed and, if possible, checked with the market by the person in charge of the area (or company)

that requires them and, subsequently, depending on the amount of the proposal, by the relevant Director or by the Executive Committee, which decides whether to contract those services.

Services other than those of auditing provided by the external auditor in 2014 for the Galp Energia Group identified above were obtained through market consultation processes, which resulted in the contracting of PWC for having submitted the best tender.

**47. Details of the amount of the annual remuneration paid by the Company and/or legal persons in a control or group relationship to the auditor and other natural or legal persons belonging to the same network and breakdown of the percentage for the following services. [For purposes of this information, the concept of network is taken from the European Commission Recommendation No. C (2002) 1873 of 16 May.]**

In 2014, the remuneration paid to the auditor and other natural or legal persons belonging to the same network was as follows.

REMUNERATION PAID BY GALP ENERGIA\*

Value of audit services (€)	€843,000
Value of assurance services (€)	€297,807
Subtotal assurance services (€)	€1,140.807/68.8%
Value of tax advisory services (€)	€6,000
Value of services other than statutory accounts (€)	€511,752
Subtotal services other than assurance services (€)	€517,752/31.2%
<b>Total of services provided (€)</b>	<b>€1,658,559</b>

\* Including individual and consolidated accounts.



PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION  
AND CORPORATE GOVERNANCE



# C. Internal organisation

- I Articles of association
- II Reporting of irregularities
- III Internal control and risk management
- IV Investor support
- V Website



## I – Articles of association

### 48. Rules applicable to the amendment of the articles of association (Article 245-A/1/h))

In accordance with Article 12/4 of the Company's articles of association, the resolutions of the general shareholders meeting on amendments to the Company's articles

of association can only be approved with a qualified majority of two thirds of the votes cast.

## II – Reporting of irregularities

### 49. Means and policy of reporting Company irregularities

In accordance with the best corporate governance practices and the applicable market rules, and in line with the principles of loyalty, correctness, honesty, transparency and integrity by which the Company conducts its business, the policy for reporting irregularities at Galp Energia is available on its official website at [http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Documents/PoliticaComunicacaoIrregularidades\\_EN.pdf](http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Documents/PoliticaComunicacaoIrregularidades_EN.pdf). This policy governs the mechanism for communicating irregularities within Galp Energia Group companies to the body responsible, the Supervisory Board.

The aim of the policy for reporting irregularities is to allow any shareholder, employee, client or supplier to be able to communicate freely any irregularities they know of or suspect to have occurred within Galp Energia or its subsidiaries, particularly with regard to compliance with current legislation, standards and internal regulations, the code of ethics and anti-corruption policies and support procedures.

This policy aims to facilitate early identification of acts of this nature and to prevent them from being committed to avoid more damaging and harmful situations for Galp Energia or its subsidiaries, for its shareholders, its clients, its suppliers and its employees.

Galp Energia's policy for reporting irregularities obeys the principle of the confidentiality of any communication sent to the Supervisory Board, regardless of the identity of the author, in accordance with the salutary principle of accountability in communication. It also ensures the protection of personal data, provided for under Authorisation No. 5466/2013, granted by the National Commission for Data Protection (NCDP) on 23 July 2013.

The mechanism for reporting irregularities is voluntary in nature, ensuring that the information communicated is used only for the purposes specified therein and the author of the communication is protected from being subject to any act of retaliation, intimidation or discrimination, including disciplinary action or withholding or suspension of payments.

The person identified by the complaint has the right to information about the entity investigating the claim, the facts alleged and purpose of the complaint, as well as the right to access and correct personal data held about them.

Galp Energia thereby makes available to all its employees, shareholders, clients or suppliers, a mechanism allowing them to confidentially report knowledge of any potential irregularities, in order to promote an ethical and responsible culture, as well as to prevent or hinder incorrect or illegal practices, via the following channels:

- E-mail address: [irregularidades@galpenergia.com](mailto:irregularidades@galpenergia.com)
- Postal address: Supervisory Board of Galp Energia, SGPS, S.A., Edifício Galp Energia, Torre A, Rua Tomás da Fonseca, 1600-209 Lisboa

The policy for reporting irregularities was approved at a meeting of the Supervisory Board on 7 November 2013.

In order to support the intervention of the Supervisory Board with regards to the reporting of irregularities, a Support Office was created for the Supervisory Board, to which the operational management and functioning of the irregularity reporting mechanism was delegated, in accordance with the reporting policy.

The Supervisory Board produced a report about irregularities communicated and the procedures to which these led in the financial period of 2014, in compliance with the duty of information provided for in point 2 of Galp Energia's policy for reporting irregularities, and informed the Board of Directors about this report. With respect to the reports received, it was concluded that they did not have an impact on the areas of accounting, finance, internal control and audit. On the other hand, it was noted that there was little use of this mechanism by those to whom it was intended.

## III – Internal control and risk management

### 50. Persons, bodies or committees responsible for internal audit and/or implementation of internal control systems

Within the Galp Energia Group, the Executive Committee is responsible for the implementation of an identifying and assessing mechanism of internal and external risks that may affect the Group's performance. It is assisted in this work by various internal entities, namely the Department of Risk Management, the Internal Audit Department and the Risk Management Committee.

In 2012, risk management activity was concentrated in one specific area, the Department of Risk Management, under the jurisdiction of an Executive Director. This allowed for the definition and management of a more effective and efficient model of integrated risk management.

The mission of this department is to promote the implementation of risk management policies defined by the Executive Committee in conjunction with the various business units of the Galp Energia Group. Hence, it guarantees consistency of principles, concepts, methodologies and assessment and risk management tools for all business units in the Group, including overseas subsidiaries. In addition, its mission is also to ensure the effective implementation of the risk management system, through its relationship with the Executive Committee, Risk Management Committee and the focal points of the business units and Group companies.

The Risk Management Committee, established by the Executive Committee on 22 March 2013, is the body whose mission is to support and monitor the formulation and implementation of strategy and policy for risk management at Galp Energia, in conjunction with the Department of Risk Management and those responsible for the Company's management units, comprising the Executive Director responsible for the Department of Risk Management (Chief Risk Officer), the Executive Director responsible for finance (Chief Financial Officer), the Director of the Department of Risk Management and the Director of the Internal Audit Department.

It is the responsibility of the Risk Management Committee to:

- monitor the evolution of overall risk levels to ensure they are compatible with the goals and strategies approved by the Executive Committee;
- rate and review with the Executive Committee the measures for monitoring and controlling risks, in particular those with significant variations;
- analyse and give its opinion on the proposal for a risk management policy, presented by the Director of Risk Management, and to submit it to the Executive Committee;
- ensure that the Company's strategy and business plans do not contain risks that were not properly examined by the managers of the respective businesses;
- define and revise whenever necessary Galp Energia's top risks, analysing and reporting on the incorporation of the dimensions of risk management into its business objectives;
- approve the annual risk management report and submit it to the Supervisory Board;
- and report regularly to the Executive Committee on the activities of the Committee and the decisions adopted there.

The Supervisory Board is responsible for supervising the effectiveness of the risk management system, internal control and internal audit, as well as for annually assessing the functioning of systems and internal procedures, thereby strengthening the internal control environment.

The recommendations of the Supervisory Board are submitted to the Executive Committee.

The Supervisory Board is responsible for supervising the Company's adoption of principles and policies with regards to the identification and management of the main financial and operational risks related to Galp Energia's operations, as well as following measures aimed at monitoring, controlling and disclosing risks.

In order to issue the legal certification of accounts and the audit report on Galp Energia's separate and consolidated financial statements, the statutory auditor and external auditors assess the internal control mechanisms of the main functional cycles of Group companies with effects on financial reporting.

The independently and systematically evaluates the proper functioning of the risk management and internal control systems, as well as the effectiveness and efficiency of the implementation of controls and mitigation actions, regularly informing and alerting the Board of Directors and the Supervisory Board to comments and to the most relevant recommendations and identifying opportunities for improvement.

An audit plan is established annually, based on the outcome of the evaluation of residual risk for the different processes and various business units, which is approved by Galp Energia's Board of Directors.

A

B

C

D

E

**Internal organisation**

It is thus intended that the risk management system be used effectively through:

- ongoing monitoring of its suitability and efficiency;
- monitoring of corrective measures used to redress any potential faults in the system;
- permanent monitoring of levels of risk;
- and the implementation of control mechanisms for the range of risks to which Galp Energia is exposed.

Within the scope of its supervisory function, the Supervisory Board must monitor the work plans and resources allocated to the Internal Audit Department and the Group's compliance areas, and receives periodic reports from these departments, together with information on matters involving the rendering of accounts, identification or resolution of conflicts of interest

### 51. Explanation, even through the inclusion of an organisational chart, of hierarchical and/or functional relationships to other Company bodies or committees

The organisation and governance structure for risk management at Galp Energia relies on the "three lines of defence" model, in line with generally accepted best practices, as outlined in the organisational chart shown on the next page.

This organisation aims at guaranteeing that the risk management process ensures that all risks and material facts that may lead to losses are identified, assessed and managed.

Another objective of the risk management framework described in this governance model is to enable the monitoring of the Company's integrated risk profile and the specific risks inherent in the business activities of the Galp Energia Group.

The first line of defence consists of the Galp Energia business and support units, which are assigned responsibility for identifying, reporting, self-assessing and mitigating risks. In order to facilitate and standardise the process, risk managers were appointed, known as local risk officers (LRO), who are responsible for identifying risks in their business area and who act as focal points in the risk management relationship with the Risk Management and Insurance Department. The LRO is an experienced employee, with enough expertise to identify, assess and communicate risks.

and detection of potential illegalities.

This relationship model enables the Group's business units and companies to use a centralised risk management system for corporate risk management.

This department monitors local risk control and risk management units to ensure that they are in line with defined policies and strategies, and to maintain the consistency of the principles, concepts, methodologies and tools used for evaluating and managing risk in all of the Group's business units.

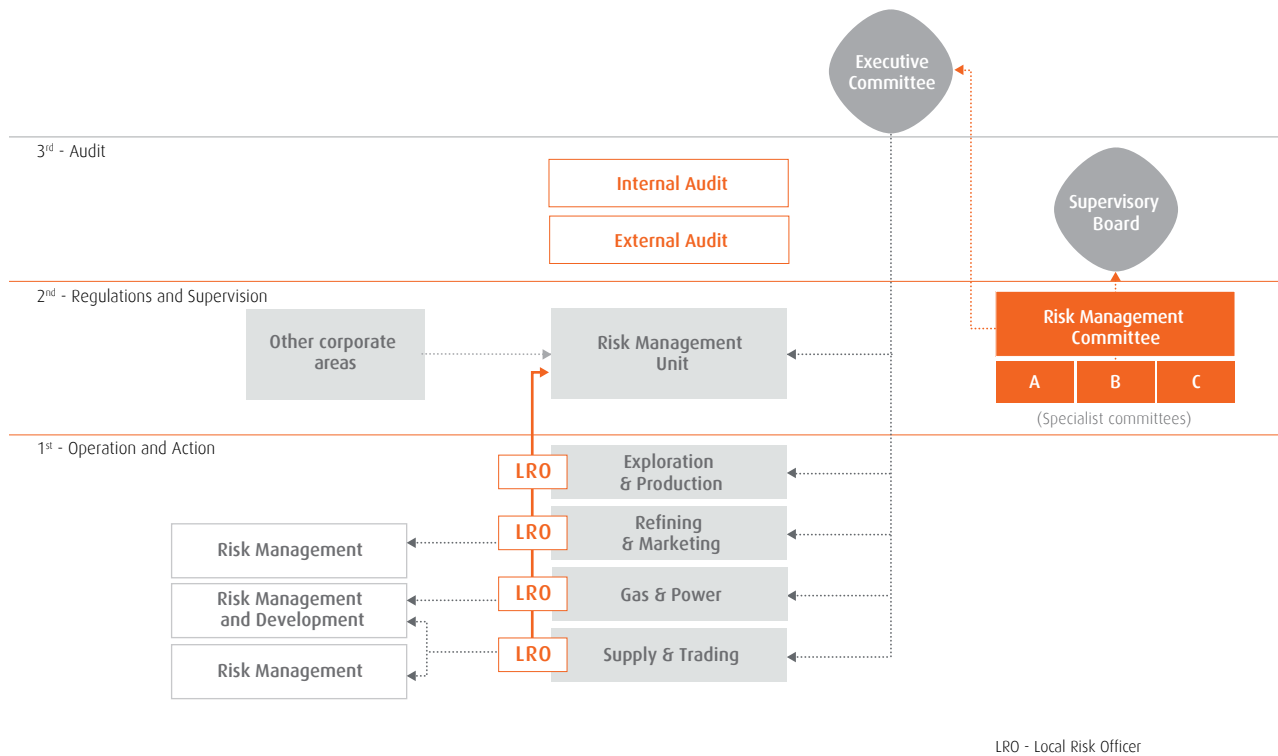
Finally, it is worth highlighting the focus on a know-how development plan for its management, through the promotion and subsequent obtention of international certificates from reputed bodies that can attest to this quality.

It is for the Galp Energia business and support units to carry out their daily duties, in line with the business strategy and the internal standards and procedures which incorporate a risk management philosophy. In terms of risk management, they are responsible for its daily management, namely, the implementation of risk assessments (including the identification of emerging risks) and the implementation of mitigating actions. The operation is ensured by LROs.

The second line of defence is represented by the Department of Risk Management, notwithstanding any other corporate areas which may occasionally perform these functions, albeit subordinate to that department, with respect to matters of risk management. The implementation of the responsibilities of this second line of defence is complemented by the provision of specific forums, designed for assessing Galp Energia's strategy and risk management policy (Risk Management Committee and specialised subcommittees).

The third line of defence is represented by the Central Management of Internal Audit, the external auditor and the Supervisory Board. It is for these bodies to determine independently and systematically whether the activities performed by the first and second lines are in accordance with established standards and regulations.

## RELATIONSHIP MATRIX FOR RISK MANAGEMENT GOVERNANCE



## 52. Other functional areas with competences in risk control

There are no other functional areas with competences in controlling risks, in addition to those in the previous paragraph.

## 53. Identification and description of the major economic, financial and legal risks to which the company is exposed whilst pursuing its business activity

The main risks faced by Galp Energia may negatively affect the implementation of its strategy, its stakeholders – namely its employees and the communities where it operates – its operations, results, financial situation, assets and its reputation.

Consequently, these results can have an impact on returns on shareholder premiums, including the distribution of dividends and Galp Energia's market value. The measures taken by the Company's Board of Directors to mitigate some of these risks are identified and disclosed whenever appropriate.

The main results of the intensive evaluation process of potential risks carried out in 2013 were updated and revised in 2014. Galp Energia groups its main risks into four main categories: strategic, operational or compliance, external and financial. There are mitigation actions for these risks, in order to adjust exposure to them to shareholders' tolerance levels for risk. The following are among the risks which could affect Galp Energia's activities and financial situation, while not ruling out the possibility that other risks of equal or greater importance may exist.

## MAIN RISKS

Main risk	Description and impact	Means of mitigation
<b>Strategic</b>		
<b>Project execution</b>	<p>The success of large projects is essential for the future growth of Galp Energia. If these projects are not executed within the designated budget and time scale, and in compliance with the previously defined specifications, this may influence the execution of Galp Energia's strategy, its results, reputation and financial situation.</p> <p>The execution of these projects is subject to health, safety and environmental risks and to economic, technical, commercial, legal and regulatory risks. In addition, choosing a less than appropriate development option can result in additional costs and/or risks during the project's useful life.</p> <p>Many of the Company's main projects are carried out through partnerships, and may be operated by third parties. In turn, since the business of Galp Energia and its partners depends on the performance of various service providers and other contracted parties, the Company is exposed to execution risks through these entities.</p> <p>It should also be noted that partners' interests or goals may be different from those of the Company, and they may exercise certain veto rights to block certain Galp Energia decisions or actions. Different partners may also approve certain matters without the Company's consent. The fact that Galp Energia is involved in different projects where it is not the operator, and where it holds minority stakes, may affect its ability to influence the partnership's decisions and manage risks and costs.</p> <p>Furthermore, Galp Energia's partners and contracted parties are responsible for bringing suitable technical and human expertise to each project. Otherwise, these partners and other parties may not be able to cope with their financial or other obligations to their contracted parties or projects, thereby potentially affecting their viability.</p>	<p>At Galp Energia the final decision on project investment is made after a detailed review of feasibility studies, including analyses of the effects of key variables, such as prices and costs, the selection and definition of the development concept, correct planning and management of project implementation and the study of marketing options.</p> <p>Another means of mitigating risk when implementing projects is by constantly monitoring them, in order to identify potential risks as early as possible, thus ensuring that corrective measures are implemented in a timely manner. It is also important to note that the information gathered for each project, and subsequently used for other projects, enables the Company to benefit from the experience and learning curve.</p> <p>Although Galp Energia is not in charge of most of the projects it takes part in, it is actively involved in their implementation. The Company monitors the activities of each project on a daily basis and maintains direct contact with the operators, which are international companies with extensive experience in the industry.</p> <p>Galp Energia has an active role in many different projects worldwide, which enables it to benefit from the diversified experience and knowledge it possesses, employing different techniques and experience curves from one region to another. An example of this is the expertise acquired from the ultra-deep waters of Latin America and Africa. Galp Energia believes that its proven and diverse experience, combined with the knowledge it acquires from the various projects it is involved in, is a key factor that allows it to influence the partnerships it has entered into.</p> <p>Galp Energia's goal is also to continue to boost its exploration and production activity, which is expected to help increase its control and influence in every project.</p> <p>With regard to the risk of contracting suppliers, service providers and other contracted parties, Galp Energia analyses and implements a procurement and selection process combining various operational, health, safety and environment (HSE) criteria.</p> <p>For the projects it does not operate, the Company also carries out monitoring during the various project phases, with multidisciplinary internal teams.</p>
<b>Country risk</b>	<p>The Lula/Iracema field is currently the largest contributor to Galp Energia's base of oil and natural gas reserves.</p> <p>Although Galp Energia has had no material problems to date with its operations in Brazil, including, but not limited to, events involving safety failures, civil unrest, expropriated assets or changes to the legal, regulatory or tax framework, there are no guarantees that such events may not occur in the future.</p> <p>As such, although the Brazilian authorities and government have cooperated in terms of developing the country's oil and gas reserves, any adverse circumstance that may arise during the development phase of Galp Energia's E&amp;P projects in Brazil may jeopardise operations there. Thus, the production goals established by the Company may well be compromised and may adversely affect the results of operations and Galp Energia's financial situation.</p>	<p>Galp Energia is constantly aware of every event occurring in the countries where it does business which may have implications on the Company's business, namely in Brazil.</p> <p>In the case of Brazil, the Company's presence there and the relationship it has built with the benchmark oil company, Petrobras, facilitate open communication channels and allow it to react in a timely manner, particularly with respect to the decision-making process and its subsequent ability to influence local interested parties, including its partner. In view of the size of projects in development in Brazil and their importance to the country's economy, regulatory authorities and the Brazilian government are likely to facilitate their execution, thereby reducing the associated risk.</p>
<b>Financial and liquidity needs</b>	<p>Due to its strategy and investment plan, it is expected that Galp Energia shall require relevant funds. Galp Energia hopes to finance a substantial part of its investment plan using the operating cash flow it expects to generate through cash reserves and other liquidity. However, if its operations fail to generate sufficient cash flow, the Company may have to turn to other external financing sources over and above those originally planned, including bank loans, placing debt and equity on the capital markets or creating partnerships.</p>	<p>One of Galp Energia's strategic cornerstones is the maintenance of a solid capital structure, namely through strong financial discipline, which should facilitate access to diverse sources of financing at competitive costs.</p> <p>This solid capital structure, the resilient cash flow generated by downstream businesses and gas, together with the cash flow generated by increased production in Brazil, will be essential for improving credit conditions, extending maturities at competitive rates, and for diversifying sources of financing. By way of example, it must be stressed that the first debt issue on the capital markets in 2013 increased the debt's average life and decreased the average cost of financing.</p>

Main risk	Description and impact	Means of mitigation
Financial and liquidity needs (cont.)	There is no guarantee that Galp Energia will be able to meet all of its financing needs to execute its investment plan under acceptable business terms. If the Company is unable to handle its financing and liquidity needs, it may have to downsize its investment plan, which may negatively impact the Company's strategic plan, its business and, consequently, its operating results.	In addition, Galp Energia keeps credit lines at a level deemed adequate, which gives it flexibility in terms of cash needs.
Efficiency of investments	The Company's organic growth is dependent on creating a portfolio of high-quality assets and investment in the best options. If Galp Energia does not efficiently select and develop its investments, the result may be a loss in value and/or higher investments, jeopardising the implementation of its strategic plans. Thus, if Galp Energia is unable to successfully implement its strategy, this may negatively impact operating results and the Company's financial position.	Galp Energia has a set of exceptional assets, especially in the E&P area. All of the projects undertaken by the Company are thoroughly analysed and submitted to the management team for approval, which is only given when the return exceeds the estimated cost of capital.  In addition to the teams who analyse the feasibility of each project in detail, Galp Energia has a team to assess the projects/assets portfolio and how it fits into the Company's strategy. The goal is to ensure that Galp Energia chooses its investments in an effective manner to protect shareholder value and ensure the Company's sustainability.
Discovery and development of oil and natural gas resources and reserves	Galp Energia's future oil and natural gas production is dependent on its success in acquiring, finding and developing new reserves to replace depleted reserves on a consistent and cost effective basis. However, the Company's ability to acquire and find new resources and reserves is subject to countless risks. For example, there is no guarantee that exploration and development activities will be successful or that, if they are, the size of the discoveries will be sufficient either to replenish current reserves or cover the costs of exploration. In fact, exploration activities may involve negative results in terms of dry wells and discoveries considered economically infeasible.  Moreover, E&P activities are normally carried out in extremely challenging environments, with the potential hazards of technical failure and natural disasters. This may lead to higher costs or the downsizing, delay or cancellation of drilling activities due to a number of factors, such as unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions, compliance with requirements handed down by government entities, and failures or delays in the availability of drilling rigs and equipment delivery.  Furthermore, oil and natural gas production blocks are normally offered by government authorities. Galp Energia is subject to intense competition in bidding for these blocks, particularly those considered potentially more attractive in terms of resources. Due to this competition, Galp Energia may not obtain desirable exploration and production blocks, or may obtain them under less competitive conditions, which may affect the economic feasibility of subsequent production.  If it is not successful in de-risking resources and developing reserves, the Company's total proven reserves will diminish and Galp Energia may run the risk of not achieving its production goals. This will negatively affect future production growth, results and the Company's financial position.	Galp Energia has an extensive portfolio of oil and natural gas resources and reserves, which the Company anticipates will allow it to achieve key production growth in the coming decade. In fact, Galp Energia has a set of E&P projects in different phases of production and development.  With regard to development projects, the Company focuses on superior execution in terms of pre-defined costs and deadlines to develop resources and reserves and, consequently, ensure future production. Nonetheless, it should be noted that these projects may not be operated by Galp Energia, even when the Company contributes to and influences their execution.  Galp Energia has also made efforts to reinforce its internal know-how and expertise, minimising risks associated with exploration activity to the greatest extent possible. Given the nature of this activity, this risk cannot be mitigated in its entirety. However, the Company has a system in place for choosing prospect drilling opportunities according to multiple criteria, namely probabilities, but also technical, commercial and economic risks.  The technical competences of teams, appropriate choice of equipment and a strict policy for procuring goods and services help to reduce operating risks associated with exploration and production activities. This takes into consideration the challenges faced, particularly in extremely complex environments, such as ultra-deep water production.  With regard to possible expansion of the portfolio, the Company has a multidisciplinary team, under the responsibility of the Director of the E&P business unit, which aims at actively managing the exploration portfolio by evaluating new opportunities, according to risk and return matrices.
Attracting and retaining qualified human capital	The successful delivery of Galp Energia's business strategy depends on the skills and efforts of its employees and management teams. In the oil and gas industry, in particular, competition for experienced and qualified managers and employees is intense.  If Galp Energia is unable to attract, retain, motivate and organise the right human capital in the future, this may compromise its business success and, as a result, its operating results and financial position.	Galp Energia promotes strategies it believes are appropriate for recruiting and retaining talent, with a suitable and competitive remuneration policy compared to the competition, and a system for evaluating performance as well as organisational environment. Galp Energia's employee training, in which it has invested in recent years, is also important, particularly its advanced training programmes in management, refining and hydrocarbon exploration and production.  More specifically, in the field of E&P, Galp Energia's strategy for retaining and attracting talent focuses on the competitive position that the Company has in this sector on an international level. Galp Energia operates in two of the most promising basins in the world – the Santos basin in the Brazilian pre-salt and the Rovuma basin in Mozambique. The Company also has a very interesting exploration portfolio with a number of different opportunities to be developed in the future.

Main risk	Description and impact	Means of mitigation
<b>Operational or compliance</b>		
Estimated oil and natural gas reserves and resources	<p>Estimates of oil and natural gas reserves and resources are based on available geological, technological and economic data, and are therefore subject to a great number of uncertainties. The accuracy of these estimates depends on numerous factors, assumptions and variables, some of which are beyond the Company's control. These factors include: changes in oil and natural gas prices, which may impact the quantity of proven reserves (since reserves are calculated based on the prevailing economic conditions on the date they are estimated); changes to the applicable tax regime or other regulations and contractual conditions after the date of estimating reserves (which may impact the economic feasibility of developing these reserves); and certain potential actions by third parties, including operators in the fields where Galp Energia is involved.</p> <p>The process of estimating reserves involves informed judgements, estimated reserves being, therefore, subject to revision. The results of drilling, testing and production activities after the date of the estimate may result in substantial downward revisions to information on the Company's reserves and resources. Any downward revision of the estimated amounts of proven reserves may negatively affect Galp Energia's operating results, leading to higher depreciation and amortisation and/or impairments.</p>	<p>Galp Energia has made major efforts to expand its knowledge base and strengthen the technical expertise of its teams, helping to give it a better command and control of the various areas of exploration and production, including the estimation of the reserves and resources in its portfolio.</p> <p>Each year, Galp Energia uses an external and independent auditing company in order to certify the amount of funds and resources it possesses.</p>
Health, Safety and the Environment	<p>Given the range and complexity of Galp Energia's operations – for example, in ultra-deep water exploration and production, or during the process of refining – there are considerable potential risks in this area. These include major incidents involving the safety of processes and facilities, failure to meet approved policies, natural disasters, civil unrest, civil war and terrorism. Exposure to generic operational, health and personal safety risks and criminal activities is also included.</p> <p>A major incident of this sort may cause injury, loss of life, environmental damage or the destruction of facilities. Depending on their cause and severity, they may affect Galp Energia's reputation, operational performance or financial position.</p>	<p>Galp Energia understands that protecting the environment and the health and safety of its employees, clients and the community, combined with the protection of assets, is key to ensuring that the Company is sustainable.</p> <p>In this way, it has thus established a commitment to integrate the key aspects of HSE into the Company's strategy and work, as well as ensuring continuous improvement of its performance. The HSE policy is a key part of this.</p> <p>It is also worth noting that the Company has a system for managing HSE. By implementing the directives of this system in the Company's day-to-day operations, the business units can identify and manage inherent operational risks throughout the whole life cycle of different projects, equipment and assets.</p> <p>Galp Energia also has an insurance programme that includes civil liability, in order to mitigate the impact of any potential incidents.</p>
Business continuity and effective crisis management	<p>Galp Energia is subject to business continuity risks from its activities as well as from those of its business partners, and it may be affected by financial losses from any type of business interruption, namely due to natural disasters, industrial accidents, power outages and information systems losses.</p> <p>Galp Energia is also subject to risks from labour disputes and adverse employee relationships, which may interrupt the Company's operations and potentially affect its business, operating results and financial status. Individual and collective labour agreements may not be sufficient to prevent strikes or future work stoppages at the Company's facilities. Any interruption to work may have a negative material impact on Galp Energia's business, operating results and financial position.</p> <p>Plans for managing crises and the ability to cope with crisis scenarios are essential in facing emergencies at every level of the Company's operations. If Galp Energia fails to appropriately address an internal or external crisis or is perceived as having done so, the Company's business may be seriously disrupted, with a potential negative impact on the Company's reputation, operating results and financial position. In addition to this, if Galp Energia fails to resume or replace critical business capacity within the stipulated time frame, this may prolong the effects of the disruption.</p>	<p>Galp Energia has established a set of identification, prevention and contingency procedures to avoid or limit losses and damages and immediately resume operations in order to limit the effects of the disruption.</p> <p>In view of the importance of E&amp;P activities to the Company, namely the inherent value of current projects underway, particularly those in the ultra-deep waters of the pre-salt cluster of the Santos basin, the contingency and emergency response plans laid out are of the utmost importance. The Company primarily focuses on prevention, together with its partners, and regularly monitors activities, focusing on safety measures and audits in this area. All of the Company's E&amp;P activities are supported by oil spill response centres with proper equipment for reaction and containment in the event of an incident leading to a spill. Galp Energia ensures that all new drilling rigs comply with the criteria of standard API 53 IV.</p> <p>The Company has a crisis management plan, which covers HSE issues. Every business area regularly tests its respective emergency response plans.</p> <p>Another key measure is the formulation of a Business Continuity Plan.</p>

Main risk	Description and impact	Means of mitigation
Failures in data reporting	Reports created for outside publication, whether containing financial or non-financial information, are dependent on the integrity of systems and people. Any failure to report information correctly, and not in compliance with applicable standards, may result in legal or regulatory action, or the Company's reputation being damaged, with potential negative impacts on Galp Energia's operating results and financial position.	All reports disclosed to the public are thoroughly reviewed to mitigate the risk of any incorrect information.  Prior to their disclosure, these documents are sent to the respective management and supervisory bodies. All documents containing financial information are approved by these two bodies prior to their disclosure.
Insufficient insurance	<p>Activities in the oil and gas sector involve significant risks. Galp Energia's operations are subject to oil exploration and production risks, such as explosions, fires, equipment failure and others, which may cause bodily injury, loss of life or environmental and property damage, together with uncertainties regarding the physical characteristics of an oil and natural gas field. Exploration in offshore areas is subject to various risks, including the risk of sinking, collision, adverse weather conditions and environmental pollution. Similarly, operations in refining and petrochemical complexes, gas and oil pipeline systems and storage and loading facilities are subject to mechanical difficulties, breakdowns and delays in equipment delivery.</p> <p>In line with the industry's best practices, Galp Energia contracts insurance to cover business-specific risks. The insured risks include, among other hazards, damage to property and equipment, civil liability, liability for maritime transport of crude oil and other goods, pollution and contamination, third-party liability for Directors and staff, and work accidents. However, insurance for some risks is not feasible from an economic standpoint. Galp Energia's insurance policies also have exclusions, which may result in limited coverage under certain circumstances. In addition, Galp Energia may be unable to keep the appropriate insurance at rates or under terms it considers reasonable or acceptable, or may be unable to obtain insurance for given risks that may materialise in the future. Thus, in extreme cases, Galp Energia may incur heavy losses from events that are not covered, which may negatively affect the Company's business, financial position or operating results.</p>	<p>Galp Energia has an insurance programme in place that provides compensation to mitigate any significant losses, which is in line with industry practice. This programme is defined by taking into account the type of operations and their stage of development, the risk rating and the legal context that applies, contractual obligations and the assets at risk.</p> <p>The insurance programme at Galp Energia includes the following:</p> <ul style="list-style-type: none"> <li>i) asset insurance – covering risk of material damage, breakdown of machinery, exploration and construction losses;</li> <li>ii) civil liability insurance – covering risks from general activities (onshore), risks related to maritime activities (offshore), aviation risks, environmental risks and risks pertaining to the management and senior management of companies (Directors &amp; Officers);</li> <li>iii) social insurance – covering the risk of work accidents, personal accidents, life and health insurance;</li> <li>iv) financial insurance – covering credit risks, securities and theft;</li> <li>v) transport insurance – covering risks pertaining to all transported loads and barrels.</li> </ul>
Losses from trading activities	<p>As it does business, Galp Energia is subject to operating risks revolving around cash management and trading activities. Galp Energia carries out trading transactions on the derivatives market, and has periodic procedures to limit exposure to the risks involved with these transactions. With regard to the physical market of the commodities tied to Galp Energia's business, there is no guarantee that the Company will not suffer losses in the future due to downward trends in the prices of these commodities or other factors that may influence the Company's trading positions.</p> <p>Effectively controlling these activities depends on Galp Energia's ability to process, manage and monitor a large number of complex transactions in different markets and currencies. Any event in this regard resulting in losses may negatively impact Galp Energia's business, operating results and financial position.</p>	<p>Galp Energia has implemented a set of procedures aimed at reducing the risk of trading activities.</p> <p>Firstly, the Company has strengthened its expertise in this area, and has developed soft skills to facilitate trading activity, in particular with regard to establishing relationships in value-added markets.</p> <p>For a successful trading business, a sufficient supply of oil products and of raw materials, such as oil and natural gas, is also essential. As such, Galp Energia makes every effort to manage a diversified and flexible mix for the supply of crude oil, natural gas and LNG.</p> <p>With regard to trading oil products, although the Company's priority is to place them on value-added markets, such as the Iberian Peninsula and Africa, the Company properly plans production by analysing the best markets for placing products available for trading.</p> <p>With regard to LNG trading, in addition to ensuring a sufficient and flexible supply mix, Galp Energia seeks to maintain a stable base for natural gas demand on the Iberian Peninsula, which, in turn, will allow the taking of supply risk and an effective management of the portfolio.</p> <p>In addition, Galp Energia has procedures performed periodically in order to limit exposure to risks involving trading transactions.</p>



Main risk	Description and impact	Means of mitigation
<b>External risks</b>		
<b>Political, legal and regulatory environment</b>	<p>Galp Energia's main exploration and production activities are located in non-European countries, whose developing economies or political and regulatory environments have a history of instability.</p> <p>Galp Energia supplies natural gas to its supply &amp; trading business in Algeria and Nigeria, and sells oil products in other African countries. As a result, a proportion of Galp Energia's revenues is, and will be increasingly, derived from or dependent on countries with inherent economic and political risks. These include the possible expropriation and nationalisation of property, significant increases in taxes or royalties on oil and natural gas production, and other risks.</p> <p>In addition, policy shifts can lead to changes to the setting against which the Company does business, such as regulatory changes, the awarding of exploration and production licenses, and specific obligations for drilling and exploration activities.</p> <p>Although Galp Energia has not yet experienced any major disruptions resulting from economic or political instability, potential disruptions in the future may negatively affect its business, operating results and financial position.</p> <p>Galp Energia believes that it abides by applicable international standards in all countries in which it operates. However, any irregularities (actual or alleged) may have an adverse material effect on Galp Energia's ability to conduct its activities and/or on the Company's share price or other financial instruments issued by it.</p> <p>The Company's downstream and gas activities on the Iberian Peninsula are also subject to political, legal and regulatory risk. In fact, any changes to them may impact the business context in which the Company operates, potentially affecting Galp Energia's business and operating results. Significant changes to the applicable tax regimes in the countries where Galp Energia conducts its downstream and gas activities may also materially and adversely impact the Company's operating results and its financial state.</p> <p>Since downstream and gas activities are subject to laws and regulations on matters involving competition in Portugal and Spain, the Company may incur significant losses from any legal actions brought in this regard, including those demanding compensation for alleged damages. Such events may adversely impact Galp Energia's business, operating results and financial position.</p>	<p>With regard to supply safety, Galp Energia ensures access to a diverse mix of options, namely for the supply of oil, oil products, natural gas and LNG. As such, the Company mitigates the risk of any potential supply disruption from a given origin.</p> <p>With regard to political, legal and/or regulatory risks to which the Company may be exposed in its E&amp;P activities, Galp Energia acts on two different fronts. First, the Company has built a balanced portfolio, and has entered into new areas, helping to lower its relative risk exposure in any given country. The level of exposure to these risks is meticulously analysed in the process of entering into new areas. Second, Galp Energia establishes solid relationships with its partners, and makes every effort to work with government entities in the countries where it does business from the standpoint of creating "shared value".</p> <p>In addition, Galp Energia's corporate responsibility policy obliges the Company to meet legal and regulatory requirements in the countries in which it operates. In this way, potential changes brought about by these countries' regulators or legislators are systematically monitored.</p> <p>At the same time, Galp Energia has an anti-corruption policy that aims at publicly promoting its commitment to permanently endorse full respect for the code of ethics and the laws that are in force. In this respect, one of its goals is to follow the best practices for transparency, as outlined in various international standards, such as the 2004 United Nations Convention Against Corruption.</p> <p>Galp Energia has also implemented a policy for reporting irregularities occurring in Group companies, which aims at regulating the communication mechanism to the responsible body, the Supervisory Board. Such notification may be carried out confidentially via letter or via email to (<a href="mailto:irregularidades@galpenergia.com">irregularidades@galpenergia.com</a>). This policy is in accordance with the best corporate governance practices and the applicable market rules, and in line with the principles of loyalty, uprightness, honesty, transparency and integrity, on which Galp Energia's business is based, for the purpose of promoting an ethical and responsible culture and preventing or prohibiting improper or unlawful practices.</p>
<b>Competition in the oil and gas sector</b>	<p>The oil and gas industry is extremely competitive. Competition puts pressure on product prices, affects the marketing of oil products and demands a constant focus from the management team on cutting costs and boosting efficiency, while also ensuring the safety of operations. Implementing the Company's strategy requires efforts towards innovation and constant technology advances, including advances in exploration, production, refining and energy efficiency. The Company's performance may be impacted if its competitors develop or acquire rights for intellectual property or technology needed by the Company, or if the Company is unable to keep pace with the industry in terms of innovation.</p> <p>Some of Galp Energia's competitors are well-established operators on the market, larger in size and have access to more resources. The market strength of these companies is due to a combination of factors, including: diversified and reduced risk; financial capacity needed for developments requiring high investment levels; ability to benefit from economies of scale in terms of technology and organisation; and size, allowing them to capitalise on advantages related to expertise acquired, established infrastructure and reserves. These companies can thus acquire more, or pay more for, exploration prospects, and may be able to invest more than Galp Energia in developing technologies. As such, the intense competition to which the Company is subjected may adversely affect its business, operating results and financial position.</p>	<p>Given the existing competition in the oil and gas sector, and to reduce exposure to risks tied to the high degree of operating complexity in this sector, Galp Energia systematically uses the industry's best practices, coupled with a rigorous monitoring and auditing system.</p> <p>The Company has implemented a solid R&amp;M culture in an attempt to constantly keep pace with the latest advances in the oil and natural gas industry, with a commitment to developing expertise, whether internally or through partnerships allowing it to create, study and deploy new and better technical and technology solutions.</p> <p>With regard to the fact that some of Galp Energia's competitors are larger-sized operators with a greater potential financial capacity and with the possibility of access to more resources, it should be noted that the Company is involved in two of the most important development projects on a worldwide scale. These are the pre-salt region of the Santos basin, in Brazil, and the LNG project in the Rovuma basin, in Mozambique, leveraging Galp Energia's competitiveness compared to other companies in the sector. In addition, Galp Energia boasts a number of competitive advantages and maintains a solid capital structure to support its activities in the E&amp;P business.</p>

Main risk	Description and impact	Means of mitigation
Competition in the oil and gas sector (cont.)	As such, the intense competition to which the Company is subjected may adversely affect its business, operating results and financial position.	With regard to the downstream and gas businesses Galp Energia has also made major efforts to stand out from the competition. An example of this is its refineries upgrade project, which began operating in an integrated manner in 2013, increasing the competitiveness of the Company's refineries on a European scale. In fact, being equipped with more complex and flexible refineries, and notwithstanding its ongoing efforts to streamline processes and the profitability of its refining business, Galp Energia is now able to cope with the structural imbalance between supply and demand for oil products in Europe. In the context of the G&P business, of particular note are initiatives to sustain the trading business on the international market, which involves a number of players, including well-established companies in the LNG market. Along with efforts to maintain a diverse and flexible supply mix, these initiatives also include strengthening the technical expertise and soft skills of the Company's trading team.
Climate change and protection of natural habitats	<p>Galp Energia is subject to the effects of government policies aimed at minimising the impact of climate change. These initiatives can affect the backdrop against which Galp Energia conducts its business, namely with regard to the exploration and production of oil and natural gas as well as to refining, with potential negative impacts on the Company's operating results and financial position.</p> <p>In particular, due to the higher perceived risk of climate change, a number of countries have adopted, or are in the process of adopting, new regulatory requirements to reduce greenhouse gas emissions, such as taxes on carbon, higher efficiency standards or systems to purchase and sell licenses for CO<sub>2</sub> emissions. Although Galp Energia also participates in the development of renewable energy, the adoption of policies to promote the use of this type of energy may affect the demand for hydrocarbon-based energy, whose production makes up the majority of Galp Energia's business. In parallel, the production costs of this type of energy can be significantly affected by restrictive measures in respect of CO<sub>2</sub> emission licenses.</p> <p>Likewise, access to oil and natural gas reserves, which leverages strategic growth opportunities, may be restricted due to initiatives to protect the integrity of natural habitats. In this regard, Galp Energia closely monitors the development of government policies for environmental protection and adjusts its strategy in line with relevant developments.</p> <p>Galp Energia has invested, and will continue to do so, in its compliance with laws and regulations on environmental, health and safety issues. If compliance costs increase to the point that Galp Energia is unable to pass them on to the end client, this may negatively impact the Company's operating results and financial position. If Galp Energia fails to comply with the laws and regulations on environmental, health and safety issues, this may result in substantial costs to the Company, together with obligations.</p>	<p>The strategy for climate change and the protection of natural habitats comprises four strands:</p> <ul style="list-style-type: none"> <li>i) responsible exploration and production;</li> <li>ii) efficient refining and marketing;</li> <li>iii) innovation, research and development and promotion of efficient technologies;</li> <li>iv) anticipating trends and the expectations of stakeholders as regards energy and climate.</li> </ul> <p>Moreover, the Sustainability Committee ensures that sustainability principles are integrated, encouraging best practices in the sector throughout the entire Company. Of particular note is the integration in the Dow Jones Sustainability Index (DJSI) for the second time, one of the most widely recognised international indexes, in issues involving sustainability.</p> <p>In this way, Galp Energia is monitoring a series of environmental indicators, performing regular environmental audits, monitoring changes in environmental legislation and proactively managing CO<sub>2</sub> emission licences.</p>
Corporate responsibility	<p>A number of stakeholders, including employees, investors, media, governments, civil society groups, non-governmental organisations and those living in local communities affected by Galp Energia's operations, have legitimate interests in Galp Energia's business.</p> <p>The possibility, however remote, that Galp Energia will not meet its stakeholders' high expectations in terms of corporate responsibility may harm Galp Energia's reputation and/or its business, financial position and operating results.</p>	Galp Energia's corporate responsibility policy regulates the Company's ethical, environmental, social and economic activities, incorporating them into the organisational culture, thus ensuring that it is one of the main strands of action and communication within the Group.

Main risk	Description and impact	Means of mitigation
<p><b>Uncertainty of the economic situation</b></p>	<p>The current economic environment is causing social tensions to rise, with mounting protectionist trends in various parts of the world. The euro zone remains especially vulnerable, with any worsening in the region's crisis still posing the greatest risk to the global outlook. The main focus is on the peripheral countries, particularly their ability to galvanise economic growth and boost competitiveness, without benefiting from the effects of currency devaluation.</p> <p>Persistent pressure on the sustainability of public finance in developed economies has created deep-rooted tension in credit markets, and may lead to tax reforms or changes to the regulatory scene in the oil and natural gas industry. Finally, current instability and the economic and financial situation may have a negative impact on other parties with whom Galp Energia does or may do various types of business, within the scope of its activities. In particular, the Iberian Peninsula's economies may continue to be impacted in the coming years, resulting in deteriorating demand for Galp Energia's products.</p> <p>Any one of the above factors, taken alone or combined with others, may adversely affect Galp Energia's business, operating results and/or financial position.</p>	<p>Galp Energia has been closely monitoring all developments on the world economic scene, particularly in the euro zone.</p> <p>With regard to potential impacts on results derived from the negative economic climate, particularly in the Iberian Peninsula, the Company has already been affected by lower demand, above all in the marketing of oil products. In this context, Galp Energia has made key efforts to uphold the resilient contribution of this business to the Company's results, particularly in terms of ensuring client loyalty in order to maintain market share, capitalising on synergies and optimising its Iberian structure, with a direct impact on the profitability of the Company's downstream and gas businesses.</p> <p>In this regard, it should also be noted that the intensification of the Company's production activities in E&amp;P is expected to increase the contribution of this business towards Galp Energia's results, which will help to make the generation of results within the European economic context relatively less important.</p>
<p><b>Financial</b></p> <p><b>Fluctuating prices for raw materials and products</b></p>	<p>The prices of oil, natural gas, LNG and oil products are affected at any given time by the market dynamics of supply and demand. These are, in turn, influenced by different factors, such as economic or operational circumstances, natural disasters, weather conditions, political instability, armed conflict or supply constraints in oil-exporting countries. Thus, over the course of trading activities and transactions, Galp Energia's results are exposed to the price volatility of oil, natural gas and by-products.</p> <p>Although the sector's long-term operating costs tend to follow rising and falling prices of raw materials and products, there are no guarantees that this will occur in the short term. Therefore, a drop in the price of oil or natural gas may compromise investment plans, including exploration and development activities.</p> <p>Similarly, rising oil or natural gas prices may also affect the value and profitability of Galp Energia's assets. Although the prices Galp Energia charges to its clients reflect market prices, these may not be immediately adjusted, and may not entirely reflect changes in market prices, particularly prices in the regulated natural gas market. On the other hand, significant price changes occurring between the purchase of raw materials and the sale of refined products can negatively affect Galp Energia's operating results and financial position.</p>	<p>Projects and investments are assessed internally, taking into account analyses of the effects of key variables, namely the price of commodities.</p> <p>The risk associated with raw materials' prices is managed at the business unit level by monitoring the Company's global net commodity position and by balancing its purchasing and supply obligations. In particular, Galp Energia manages the price-setting period so as to obtain, at the end of each month, the average dated Brent price for the month in question, irrespective of daily fixed prices.</p> <p>To this end, the Company purchases and sells oil futures on a day-to-day basis on the Intercontinental Exchange (ICE), based on the difference between the spot price and the average dated Brent price for each month. Purchases are spread over the month, based on market prices, without affecting the pattern of physical purchases.</p> <p>In the natural gas business, due to price liberalisation, Galp Energia uses the over-the-counter (OTC) market to offer its clients the price structures that they demand, thereby not changing its final risk position.</p>
<p><b>Credit</b></p>	<p>This risk follows from the possibility that a party working with Galp Energia may default on its contractual payment obligations, meaning that the level of risk depends on its credit risk.</p> <p>This risk includes both the possibility that a party may default on its payment obligations assumed by signing agreements for financial investments and hedging instruments (related to the exchange rate, interest rate or others) as well as risks stemming from business relationships between the Company and its clients. Increased risk exposure may materially and adversely affect Galp Energia's operating results and financial position.</p>	<p>Credit risk is managed at the business unit level, following Executive Committee directives, namely regarding credit limits and actions to minimise or eliminate risk. The following actions are of note:</p> <ul style="list-style-type: none"> <li>• proper client credit assessment and review (credit management, limit and rating manual), proper management of hedges through credit guarantees and credit insurance, monitoring of overdue credit, proper debt collection efforts and efficient management of litigation;</li> <li>• contracts based on appropriate trading conditions, monitoring of client profitability, including potential reimbursements, the process of raising and managing optimal sales/distribution channels.</li> </ul>
<p><b>Fluctuation in exchange rates and interest rates</b></p>	<p>Galp Energia is exposed to fluctuations in exchange rates, since the results and cash flow generated by the sale of oil, natural gas and refined products are normally expressed in US dollars or are affected by exchange rates associated with this currency.</p> <p>In the countries where Galp Energia conducts its business, whether directly or indirectly, the operating result is also exposed to fluctuations in key exchange rates. Galp Energia is also exposed to exchange risk in relation to the value of financial assets and investments, mainly those denominated in US dollars.</p>	<p>Interest rate, exchange rate and other financial risks are managed throughout the entire Company.</p> <p>Galp Energia's total interest rate position, including financial investments and debt, is managed in a centralised manner. The purpose of interest rate risk management is to reduce volatility of interest charges. Galp Energia's interest rate risk management policy aims at reducing exposure to floating interest rates by fixing the interest rate of part of the debt through the use of plain-vanilla derivative instruments, such as swaps.</p>

Main risk	Description and impact	Means of mitigation
Fluctuation in exchange rates and interest rates (cont.)	<p>In addition, since Galp Energia's financial statements are prepared in euros, the assets and liabilities of its subsidiaries and affiliates expressed in different currencies, such as US dollars or Brazilian reais, are converted into euros using the exchange rate on the date of the financial position. Revenues and expenses in each item of the income statement are converted into euros using the average exchange rate from the transaction's corresponding period. Exchange rate fluctuations applied in the process of converting the different currencies into euros result in variations (gains or losses), which are recognised in Galp Energia's consolidated financial statements, expressed in euros.</p> <p>Adverse exchange rate fluctuations may negatively impact Galp Energia's operating results and financial position.</p> <p>Despite the ability to access market instruments designed to hedge interest rate risk, Galp Energia's financing costs may be affected by volatile market rates, which may negatively influence its operating results.</p>	<p>With regard to mitigating exchange rate risk in the results, Galp Energia may, when it deems appropriate, hedge its position by using derivatives for which a liquid market exists, and where the transaction costs are reasonable in its opinion.</p>

#### 54. Description of the identification, assessment, monitoring, control and risk management process

The internal control system is a set of policies and procedures adopted in order to ensure, with reasonable likelihood, the fulfilment of the Company's goals in the following areas:

- orderly and efficient conduct of its businesses;
- safeguarding of its assets;
- prevention and detection of fraud and errors;
- compliance with laws and regulations;
- and reliability of financial reporting.

This system is based on the guidance provided by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) on the main features of Galp Energia's internal control, namely, environmental control, risk assessment and monitoring, and information and communication.

The control environment is the starting point and the basis for other components of risk control. The control environment comprises the overall attitude, ethical awareness and the initiatives of the Executive Committee, which serve as an example for employees and other stakeholders in the Group.

The introduction of a code of ethics, designed to provide a set of guidelines for the personal and professional conduct of all employees, contributes to the fulfilment of the Company's mission, vision and values. Galp Energia's code of ethics is available on the Company's website at <http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Documents/Code-of-ethics.pdf>

Galp Energia's internal control environment also comprises the internal standards and procedures for delegating powers of authority, which ensure adequate scrutiny of management decisions, in accordance with the nature and substance of these.

Galp Energia has been promoting the systematisation of the risk assessment and internal control systems within its business units. These initiatives cover and are responsible for the risks identified by each business unit.

Since inherent risks and the effectiveness of internal controls are dependent on both internal and external variables, this process is not static. Therefore, it is good practice to perform periodic risk reassessments for the Group's main businesses, in order to guarantee alignment between the risk profile decided by the Executive Committee and the business units' response to risks.

In a general sense, risk and internal control analyses are used initially to identify and classify the main risks that may compromise the achievement of the business units' objectives, as well as the control systems in place to mitigate them. In order to assess the effectiveness of the controls implemented, residual risks are measured and, then, the existence of possible deviations, in relation to the level of risk implicit in the business plan for the unit, is verified.

Finally, business units announce their residual risk, committing to a response plan designed to mitigate, transfer, avoid or accept residual risk. This process is in accordance with the method illustrated by the following chart, which shows the sequence and dependencies of the various activities.

Operational, compliance, and financial audits, along with reviews of information systems, are conducted in order to test the effectiveness of implemented internal control mechanisms.

Every year an audit plan is drawn up, based on the outcome of the residual risk evaluation for several processes and business units, which is approved by Galp Energia's Board of Directors.

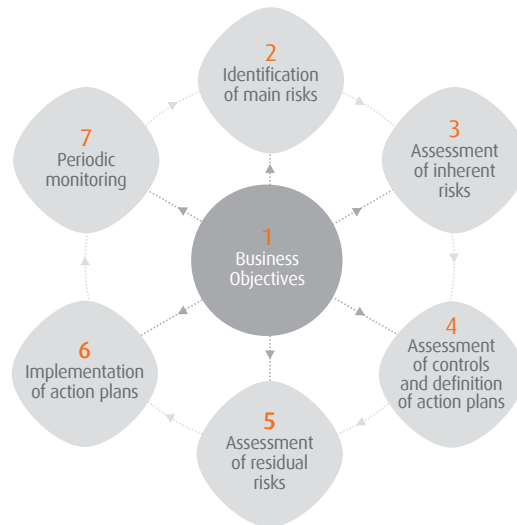
Galp Energia has defined policies and processes to monitor, measure and manage its exposure to risk. These policies aim at supporting business segments in achieving their respective goals whilst monitoring the potential impact of risks on their results.

The area of corporate risk management of the Department of Risk Management and Insurance ensures the effective implementation of the risk management system, through active participation in the main processes with the greatest potential impact on Galp Energia's value. At the same time, it carries out regular monitoring of the main risks in terms of their evolution, as well as the respective mitigation

actions, thus ensuring constant monitoring of the levels of risk to which Galp Energia is subject.

This relationship model enables the Group's business units and companies to use a centralised risk management system for corporate risk management. This department will monitor local risk control and management units to ensure that they are in line with defined policies and strategies, and to maintain the consistency of the principles, concepts, methodologies and tools used for evaluating and managing risk in all of the Group's business units.

RISK ASSESSMENT METHODOLOGY FOR THE GALP ENERGIA GROUP



### 55. Main elements of internal control systems and risk management implemented within the Company in relation to the financial reporting process (Article 245-A/1/m))

The process of disclosing Galp Energia's financial information is monitored by the management and supervisory bodies as well as the various business units and corporate divisions. The Strategy and Investor Relations Department (DERI) prepares the documents for the presentation of financial information to the capital markets, based on information provided by the business units, the Accounting and Taxation and the Corporate Planning and Control Departments.

Prior to their disclosure, these documents are sent to the management and supervisory bodies. All documents containing financial information are, in this way, approved by these two bodies prior to their disclosure.

## IV – Investor support

### 56. Service responsible for investor support, as well as composition, roles, contact details and information made available by these services

#### Composition

The service responsible for investor support is integrated into DERI, and is comprised as follows:

**Head:** Pedro Dias

**Investor Relations Officer:** Otelo Ruivo

**Employees:** Cátia Lopes, Joana Pereira, Marta Oliveira, Pedro Pinto

#### Main roles

DECRI undertakes all the roles of a support office for investors. This department is directly answerable to the Chief Executive Officer (CEO), and its mission is to formulate, manage and coordinate all the activities required to achieve Galp Energia's objectives in terms of its relations with the capital markets, and specifically with shareholders, be they major players or minority shareholders, institutional investors and financial analysts.

The Investor Relations (IR) Department is responsible for ensuring that communication with the capital markets results in a complete and consistent view of Galp Energia's strategy and operations, so that investors are able to make informed investment decisions. To this end, the IR Department must provide the market with relevant, clear and precise information on Galp Energia when appropriate, and in a regular and transparent manner.

The IR remit also includes responsibility for compliance with the legal information obligations of the market and regulatory authorities, including preparing earnings and activity reports on the Group, disclosing price-sensitive information, replying to requests for information by investors, financial analysts and other market players, and assisting the Executive Committee in addressing issues relating to Galp Energia's status as a listed company.

In its advisory role to the Executive Committee, the IR Department monitors the performance of Galp Energia shares on the market, as well as those of its peers. The department also provides support to the management team through direct and regular contact with financial analysts and institutional investors, both domestic and international, at conferences, investor presentations and one-to-one meetings.

#### Information provided

Galp Energia's communications policy with the capital markets aims at providing all the relevant information, so that well-founded judgements can be formed about the Company's operations, current and future earnings, as well as the different risks and opportunities that may affect its performance.

To this end, Galp Energia promotes transparent and consistent communication, supported by an explanation of the principles followed in the disclosure of information as well as by a clarification of the reasons leading to possible changes to the said principles, if any, so as to ensure comparability of information between different reporting periods.

All relevant information is preferably disclosed either before the NYSE Euronext Lisbon opens, or after it closes, in both Portuguese and English, by means of CMVM's information disclosure system. The information is also provided via e-mail to allow access, quickly and without specific costs, to a general database for all investors and other interested parties who have so requested in advance. The relevant information is published simultaneously in the "Investors" section of the Galp Energia website at: <http://www.galpennergia.com/EN/Investidor/Paginas/Home.aspx>

The information disclosed includes reports and presentations of quarterly and annual results and their respective support files; a summary of operational information for each quarter, usually released two weeks before the announcement of quarterly results; the transcription of result presentation teleconferences; presentations about Galp Energia's business activity, including those relating to the Company's strategy, and statements made by the Company, including those which refer to privileged information. In addition, Galp Energia publishes the consensus of quarterly and medium to long-term results, estimated by analysts covering the Company's shares, and releases a summary of the analysts' recommendations. The Company also provides its financial calendar for the period of one year.

### 57. Market relations representative

Galp Energia's market relations representative is Pedro Dias, Director of DERI.

### 58. Information on the proportion and response time to information requests received over the past year or outstanding from previous years

In order to foster a close relationship with the financial community, DECRI guarantees a response to information inquiries it receives, namely by telephone and e-mail.

The internet support site for investor relations also includes a detailed description of Galp Energia's activities and strategy as well as a section on corporate governance and corporate bodies, which contains information on each member of the Executive Committee and Board of Directors. There is also an area dedicated exclusively to the general shareholders meeting, where a description of all procedures and documents can be downloaded, as well as a section on Galp Energia share prices, including comparisons with changes in the PSI-20 and with the prices of comparable companies, the possibility of downloading a series of quotes and transaction volumes, and a calculator designed to calculate the value and return on investment.

#### Contacts

Galp Energia encourages a close relationship with the financial community by actively participating in meetings with institutional investors to disclose both the Company's current activity and strategy.

In 2014, Galp Energia held over 400 meetings with institutional investors in Europe, the USA, Latin America, Canada and Asia. It is noteworthy that almost 60% of these meetings were attended by at least one member of the Executive Committee, which showcases the dedication of the executive team, at the very highest level, in communicating the Company's strategy and its actions to shareholders.

Electronic mail is one of the means favoured by the financial community for submitting requests for information and is therefore a key element in Galp Energia's communication with the market. The e-mail address for IR is: [investor.relations@galpennergia.com](mailto:investor.relations@galpennergia.com).

During NYSE Euronext Lisbon's working hours, telephone access to the IR Department is also guaranteed via the following number: +351 217 240 866.

Responses and explanations are provided as soon as possible and always ensuring the evenness and consistency of the information available.

## V – Website

### 59. Address(es)

<http://www.galpenergia.com/EN/Paginas/Home.aspx>

### 60. Links to access information on the company, public company status, headquarters and other details mentioned in Article 171 of the CSC

<http://www.galpenergia.com/EN/Contactos/Paginas/ContactoGeral.aspx>

### 61. Link to access the articles of association and regulations governing the functioning of organs and/or committees

#### 1. Articles of Association:

<http://www.galpenergia.com/EN/investidor/GovernoCorporativo/Paginas/Estatutos.aspx>

#### 2. Regulations of the Supervisory Board:

<http://www.galpenergia.com/EN/investidor/GovernoCorporativo/Orgaos-sociais/Documents/Regulamento%20do%20conselho%20fiscal.pdf>

#### 3. Regulations of the Board of Directors:

[http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Orgaos-sociais/Documents/BoD\\_terms\\_of\\_reference\\_2012.pdf](http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Orgaos-sociais/Documents/BoD_terms_of_reference_2012.pdf)

#### 4. Regulations of the Executive Committee:

[http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Orgaos-sociais/Documents/Terms\\_of\\_reference\\_for\\_the\\_executive\\_committee\\_2012.pdf](http://www.galpenergia.com/EN/Investidor/GovernoCorporativo/Orgaos-sociais/Documents/Terms_of_reference_for_the_executive_committee_2012.pdf)

### 62. Links to access information on the identity of the members of the governing bodies, the market relations representative and the Office of Investor Support or equivalent, as well as their functions and means of contact

#### 1. Members of governing bodies:

<http://www.galpenergia.com/EN/investidor/GovernoCorporativo/Orgaos-sociais/Paginas/Orgaos-sociais-da-Galp-Energia.aspx>

#### 2. Market Relations Representative and Investor Relations Department:

<http://www.galpenergia.com/EN/investidor/Paginas/Equipa.aspx>

### 63. Links to access documents on accountability, which should be available for at least five years; the semi-annual calendar of company events, published at the beginning of each semester, including, among others, general shareholders meetings; together with annual, semi-annual and, if applicable, quarterly accounts

#### 1. Reports:

<http://www.galpenergia.com/PT/investidor/Relatorios-e-resultados/Paginas/Home.aspx>

#### 2. Calendar:


<http://www.galpenergia.com/EN/investidor/Calendario/Paginas/Home.aspx>

### 64. Link to access the notices convening the general shareholders meeting and all the preparatory and subsequent information pertaining to it

<http://www.galpenergia.com/EN/investidor/AssembleiaGeral/Paginas/Home.aspx>

### 65. Link to access the historical record on the resolutions passed at the Company's general shareholders meetings, the share capital represented therein and the voting results from the previous three years

<http://www.galpenergia.com/EN/investidor/AssembleiaGeral/Arquivo/Paginas/Home.aspx>



PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION  
AND CORPORATE GOVERNANCE

# **I** D. Remuneration

- I Competence to fix remuneration
- II Remuneration Committee
- III Remuneration structure
- IV Disclosure of remuneration
- V Agreements with remuneration implications
- VI Share-allocation or stock option plans



## I – Competence to fix remuneration

### 66. Jurisdiction to determine the remuneration of corporate bodies, members of the Executive Committee or delegated Director and Company managers

The Remuneration Committee is the Company body responsible for determining the amount of remuneration to be paid to members of Galp Energia's governing bodies and Executive Committee.

The management of Galp Energia, within the meaning of Article 248 B(3) of the CVM, comprises the members of the Company's

management and supervisory bodies. Indeed, over and above the members of these bodies, no manager can have regular access to privileged information and participate in the Company's management and business strategy decisions.

## II – Remuneration Committee

### 67. Composition of the Remuneration Committee, including the identities of contracted natural or legal persons providing support and a declaration on the independence of each of its members and advisers

The current Remuneration Committee was elected at the general shareholders meeting of 30 May 2011 for the 2011 to 2013 term, which was extended to four years (2011-2014) at the general shareholders meeting held on 24 April 2012. It is made up of the following members:

- Amorim Energia represented by Francisco Rêgo;
- Jorge Armindo Carvalho Teixeira.

The members of the Remuneration Committee are independent of the Company's management and supervisory bodies in compliance with Article 8 of the Company's articles of association, which stipulates that these roles are incompatible.

The fact that the Directors Américo Amorim, Paula Amorim, Carlos Gomes da Silva, Rui Paulo Gonçalves and Jorge Manuel Seabra de Freitas are members of the Board of Directors of Amorim Energia does not hinder the independence of this body as part of the Remuneration Committee, taking into account that they do not determine the decisions, either by themselves or together, of the Board of Directors of Amorim Energia.

In 2014, no individual or collective person was contracted to support the Remuneration Committee in the performance of its functions.

### 68. Knowledge and experience of the members of the Remuneration Committee with respect to remuneration policy

The members of the Remuneration Committee are competent in the field of remuneration policy, based on their professional activity.

In particular, the Remuneration Committee member Jorge Armindo Carvalho Teixeira has an extensive professional background, including experience at listed companies and board positions, such as the chairmanship, equipping him with know-how in the remuneration of corporate bodies.

## III – Remuneration structure

### 69. Description of remuneration policy for the management and supervisory bodies referred to in Article 2 of Law No. 28/2009, of 19 June

Within the mandate conferred to it by the general shareholders meeting, pursuant to Article 8 of the articles of association, the Remuneration Committee submitted for approval of the Galp Energia's general shareholders meeting, held on 28 April 2014, a statement on the remuneration policy of the management and supervisory bodies, which describes the process followed for the definition and implementation of the Galp Energia remuneration policy for 2014. It also contains

the objectives and general principles thereof, in accordance with Law 28/2009 of 19 June and in harmony with the CMVM Regulation No. 1/2010 and the Code of Corporate Governance (Recommendations 2013), to ensure greater clarity and effectiveness in communication, either to the market or to shareholders.

The general shareholders meeting of 28 April 2014 approved the remuneration policy for the Company's governing bodies in 2014, proposed by the Remuneration Committee, which is as follows.

## Remuneration policy for 2014

### I – Board of Directors

#### 1. Non-Executive Directors

The remuneration of non-executive members of the Board of Directors corresponds to a fixed monthly remuneration, paid 14 times a year, the amount of which is determined by the Remuneration Committee taking into account market practices.

While also in line with market practices, the remuneration of non-executive members of the Board of Directors may be different in the case of the Chairman of the Board of Directors, due to the special Company representation roles legally attributed to him, and in the case of non-executive members of the Board of Directors who perform special Company supervisory and monitoring roles, on existing or yet to be created Committees set up by the Board of Directors.

The remuneration of non-executive members of the management body does not include any component whose value depends on the performance of the Company or its value.

#### 2. Executive Directors

The remuneration of the Executive Directors of Galp Energia has two components: one fixed and one variable.

##### Fixed remuneration

The fixed component corresponds to a monthly remuneration, paid 14 times a year, the amount of which is determined by the Remuneration Committee, taking into consideration the nature of the functions and responsibilities assigned and the practices observed in the market for equivalent positions in large Portuguese and international companies operating in the same sectors.

##### Variable remuneration

The variable remuneration component, which is potential in nature, is based on certain economic, financial and operational goals being met, and aims at not only creating a competitive remuneration framework, but also implementing an incentive system that ensures the alignment of the interests of the executive management with the interests of the Company and its stakeholders, from a perspective of economic and financial sustainability.

In order to best stimulate the alignment of the Executive Directors' practices with the Company's long-term sustainable interests, a policy of formulating multi-annual objectives was introduced in 2012, coming into force in 2013.

Objectives are defined every year for the following three-year period, with the assessment being made at the end of each three-year period. The first three-year period for which multi-annual objectives were set is that of 2013-2015. Thus, following the end of the current period, the multi-annual performance shall be assessed in superimposed three-year cycles.

This policy aligns Galp Energia with good market practices in the field of remuneration, as well as the recommendations of the CMVM regarding the governance of listed companies. Variable remuneration for Executive Directors, therefore, has two components:

- Annual variable remuneration, representing 50% of the total variable remuneration;
- Three-yearly variable remuneration, representing 50% of the total variable remuneration.

The amount of annual variable remuneration is determined by the Remuneration Committee, on compliance with previously defined specific objectives, with the maximum potential limit set by this Committee, with regard to the total annual fixed salary.

The indicators defined by the Remuneration Committee in 2014 to determine the annual variable remuneration are as follows:

- i) Galp Value Added (GVA) of Galp Energia, with a weighting of 33.3%;
- ii) Total Shareholder Return (TSR), with a weighting of 33.3%, which allows the development of Galp's share performance to be compared (including the payment of dividends) against a group of similar companies, consisting of the following: Neste Oil, Repsol, OMV, MOL and the BG Group, together with the PSI 20 Index;
- iii) Galp Energia Ebitda, the replacement cost, with a weighting of 33.3%.

As regards the three-yearly variable remuneration, in line with the best market practices, the following indicators have been set:

- Galp Energia Total Shareholder Return (TSR) versus comparable companies, with a weighting of 50%;
- Galp Energia Ebitda, the replacement cost, with a weighting of 50%.

Although this component is calculated annually by the Remuneration Committee, the payment is only made if, by the end of the three years, the targets were met. Given the nature of the functions of the Executive Directors, the payment of the multi-annual variable remuneration component shall occur at the end of the period 2013-2015, after the clearance of accounts for the last financial year.

In order to maintain coherence between the results obtained and the total amount of variable remuneration paid, the latter is dependent on the Company's results. Therefore, if the Company has net earnings which are lower than 80% of the budget, there will be no scope for paying the variable remuneration.

The nature of indicators and their respective weight in determining actual variable remuneration guarantee the alignment of the interests of the executive members of the management body with those of the Company.

On the other hand, the remuneration of the executive members of the management body shall be based on the actual performance of the Company and the discouragement of excessive risk-taking.

#### Other benefits

The Company gives the executive members of the Board of Directors the right to create a pension savings plan, or another financial product of a similar nature, for their benefit, under the terms and conditions set out by the Remuneration Committee.

The value of the aforementioned plan is calculated annually, and is subject to the necessary adjustments, so that, in the year which sees the beginning or ending of director functions, this value can be calculated pro-rata for the period in which these functions were actually performed.

For Executive Directors whose permanent residence lies outside the area in which the Company is based, the Remuneration Committee shall fix an amount for housing allowance.

#### Other conditions

The remuneration of Galp Energia Directors includes all remuneration due for positions held on other management bodies in other Group companies.

The current policy does not include the attribution of any indemnity or compensation to Directors with regard to dismissal or cessation of functions, namely when it is credited to unsatisfactory performance, without prejudice to the application of the legal provisions in force in this field, nor, similarly, may any indemnity or compensation be demanded by the Director, over and above that which is legally due.

### 70. Information on the way in which remuneration is structured, so as to allow the alignment of the interests of the members of the management body with the long-term interests of the Company, as well as on the way in which it is based on the assessment of performance and the discouragement of excessive risk-taking

In order to best stimulate the alignment of the Directors' practices with the Company's long-term goals, a three-year policy of multi-annual objectives was introduced in 2012.

The variable remuneration of Directors who exercise executive functions incorporates an annual and a three-yearly variable component, both of which having the same weighting (50%).

The executive members of the Board of Directors shall not enter into contracts with the Company or third parties that shall have the effect of mitigating the risk inherent in the variability of the remuneration established by the Company.

There are currently no plans for share grants or stock options in force in the Company.

#### II – Supervisory Board and Statutory Auditor

The remuneration of the members of the Supervisory Board and the Statutory Auditor of the Company is fixed by the Remuneration Committee, based on national and international market practices, and taking into account the effort to be aligned with the interests of the Company and its stakeholders.

The remuneration of the members of the Supervisory Board corresponds to a fixed monthly remuneration, paid 14 times a year. The remuneration of the Chairman of the Supervisory Board differs from that of the other Board members, taking into account the special functions this member performs.

The remuneration of the members of the Supervisory Board does not include any component whose value depends on the performance of the Company or its value.

The remuneration of the Statutory Auditor is for work on revision and legal certification of Company accounts and is contracted under normal market conditions.

#### III – General Meeting Board

The remuneration of the members of the General Meeting Board corresponds to an annual fixed amount defined by the Remuneration Committee, with different amounts for the Chairman, the Vice-Chairman and the Secretary, based on the Company's situation and market practices.

These variable remunerations depend on the performance evaluation carried out by the Remuneration Committee. This evaluation is based on specific predefined, measurable criteria, which, together, consider the Company's growth indicators as well as the wealth generated for the shareholders in a sustainable manner in the short, mid and long-term, according to the terms established in the remuneration policy for 2014 outlined above.

### 71. Reference, if applicable, to the existence of a variable component of remuneration and information on the potential impact of performance assessment in this component

In 2014, the remuneration of Executive Directors included a variable component determined according to the attainment of certain economic, financial and operational objectives during the financial year of 2013 and under the remuneration policy for 2014, which was presented by Galp Energia's Remuneration Committee and approved by the general shareholders meeting on 28 April 2014.

Variable remuneration has a minimum and maximum limit of 0% and 60%, respectively, of the fixed annual remuneration, and the applicable percentage is determined by the Remuneration Committee according to the degree to which objectives have been met. This is in line with generally recognised practice in the Portuguese market and with the rules for banking institutions set out in Annex II (1)(n) of Directive 2011/61/EU of 8 June 2011, which sets a maximum limit of 40% for variable remuneration. On account of this, the proportion which the variable remuneration component assumes against the fixed component is deemed to be reasonable.

Thus half of the variable component payable to the Executive Directors is deferred for three years and shall only be paid after this three-year period, provided the defined objectives have been met.

The members of the management body shall not enter into contracts with the Company or third parties that have the effect of mitigating the risk inherent in the variability of the remuneration established by the Company.

For 2014, the Remuneration Committee established that the annual variable remuneration would represent 50% of total variable remuneration and the three-yearly variable remuneration would represent 50% of the total variable remuneration.

### 72. Deferral of payment of the variable remuneration component, with mention of the deferral period

The remuneration policy for 2014 incorporates the deferral of the payment of half of the variable remuneration component for three years.

Thus, the payment of the multi-annual component of the variable remuneration for Executive Directors shall only occur if, at the end of the three-year period, the goals set are achieved, which, if this does occur, shall be at the end of the 2013-2015 period, following clearance of the last financial year.

### 73. Criteria that underpin the allocation of variable remuneration in shares, as well as the maintenance of these shares by the Executive Directors concerning the potential agreement of contracts on these shares, particularly hedging or risk transfer contracts, their respective limit, and their relationship against the total annual remuneration amount

Currently, Galp Energia does not have a system for allocating variable remuneration in stock options.

### 74. Criteria that underpin the allocation of variable remuneration in options and details of the deferral period and price for the financial year

Currently, Galp Energia does not have a system for allocating variable remuneration in stock options.

### 75. Main parameters and grounds for any system of annual bonuses and any other non-cash benefits

Galp Energia has no annual bonus scheme, and there are no plans to introduce any other relevant non-monetary benefits.

## 76. Main characteristics of supplementary pension or early retirement schemes for Directors and the date on which they were approved by the general shareholders meeting, in individual terms

Galp Energia has no supplementary pension or early retirement scheme for Directors.

The 2014 remuneration policy, approved at the general shareholders meeting and transcribed in paragraph 69 of this report, provides a pension savings plan or similar financial product for the benefit of the members of the Executive Committee, through the application of an amount corresponding to a percentage of their fixed annual remuneration.

This savings plan shall not result in any future burden for Galp Energia, insofar as it only corresponds to the allocation of an amount for financial application, whilst the members of the Executive Committee are performing their functions, not being covered under the terms provided for in Article 402(1) of the CSC.

## IV – Disclosure of remuneration

### 77. Details of the annual amount for remuneration received in aggregate and individually by the members of the Board of Directors of the Company, paid for by the Company, including fixed and variable remuneration and, with regard to this, mentioning the various components that led to it

The gross annual amount of remuneration received in aggregate by members of the Company's Board of Directors, during the 2014 financial period, as set by the Remuneration Committee, was €5.325.903. Of this amount, €4.011.680 was fixed remuneration, €578,500 was variable remuneration and €735.723 was pension savings plan.

The table below shows the gross individual remuneration of the members of the Board of Directors in the year 2014, with the variable remuneration given corresponding to the year 2013.

#### INDIVIDUAL REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS IN THE YEAR 2014

Name	Position	Fixed remuneration	PPR (retirement savings plan)	Variable remuneration	
				Paid component	Deferred component
Américo Amorim <sup>1</sup>	Chairman of the Board of Directors (non-executive)	-	-	-	-
Manuel Ferreira De Oliveira	Vice-Chairman and Chief Executive Officer	€1,069,600	€267,400	€191,000	€191,000
Luís Palha da Silva	Vice-Chairman and Executive Director	€490,000	€122,500	€87,500	€87,500
Paula Amorim	Non-Executive Director	€49,000	-	-	-
Filipe Crisóstomo Silva	Executive Director	€420,000	€105,000	€75,000	€75,000
Carlos Gomes da Silva	Executive Director	€420,000	€105,000	€75,000	€75,000
Sérgio Gabrielli de Azevedo	Non-Executive Director	€98,000	-	-	-
Thore E. Kristiansen <sup>2</sup>	Executive Director	€123,295	€30,823	-	-
Abdul Magid Osman	Non-Executive Director	€98,000	-	-	-
Luís Campos e Cunha	Non-Executive Director	€49,000	-	-	-
Raquel Rute da Costa David Vunge <sup>3</sup>	Non-Executive Director	€11,785	-	-	-
Miguel Athayde Marques	Non-Executive Director	€49,000	-	-	-
Carlos Costa Pina	Executive Director	€420,000	€105,000	€75,000	€75,000
Rui Paulo Gonçalves	Non-Executive Director	€49,000	-	-	-
Luís Todo Bom	Non-Executive Director	€49,000	-	-	-
Fernando Gomes	Non-Executive Director	€49,000	-	-	-
Diogo Mendonça Tavares	Non-Executive Director	€49,000	-	-	-
Joaquim Borges Gouveia	Non-Executive Director	€49,000	-	-	-
José Carlos da Silva Costa	Non-Executive Director	€420,000	-	€75,000	€75,000
Jorge Manuel Seabra de Freitas	Non-Executive Director	€49,000	-	-	-

<sup>1</sup> The Chairman of the Board of Directors declined his payment.

<sup>2</sup> Appointed at the meeting of the Board of Directors on 3 October 2014, to substitute Stephen Whyte.

<sup>3</sup> Appointed at the meeting of the Board of Directors on 3 October 2014, to substitute Baptista Sumbe.

A

B

C

D  
Remuneration

E

In 2014, the following remuneration amounts were also paid to members of the Board of Directors Vítor Bento and

Stephen Whyte, who performed functions until 31 August and 3 October, respectively:

INDIVIDUAL REMUNERATION OF FORMER MEMBERS OF THE BOARD OF DIRECTORS (€)

Name	Position	Fixed remuneration	PPR (retirement savings plan)	Variable remuneration	
				Paid component	Deferred component
Stephen Whyte	Executive Director	€270,000	€67,500	€75,000	€75,000
Vítor Bento	Non-Executive Director	€38,494	-	-	-

### 78. Any amounts paid by other companies in a control or group relationship or that are subject to a common control

The remuneration of Galp Energia Directors includes all remuneration due for positions held on management bodies of Galp Energia Group companies.

As a result, no amounts of any kind were paid by other companies in a control or group relationship, or that are subject to a common control.

### 79. Remuneration paid in the form of profit-sharing and/or bonus payments and the reasons why such bonuses and/or profit-sharing were granted

Galp Energia has no profit-sharing remuneration system and/or bonus payments; as such, no remuneration of this kind was paid.

### 80. Compensation paid or owed to former Executive Directors following the termination of their functions during the financial year

The Executive Director, Stephen Whyte, received compensation of €517,675 in 2014, for the early termination of his functions, equivalent to the amounts he would have received if he had continued in his position until the end of the term.

### 81. Details of the amount of annual remuneration earned, in aggregate and individually, by the members of the Company's supervisory body for the purposes of the Law No. 28/2009, of June 19

Aggregated remuneration paid to members of the Supervisory Board in 2014, in accordance with the amount fixed by the Remuneration Committee, was €92,400.

- the member of the Supervisory Board, Gracinda Raposo, received a fixed remuneration of €25,200 in 2014;
- the member of the Supervisory Board, Pedro Antunes de Almeida, received a fixed remuneration of €25,200 in 2014.

The individual remuneration paid to the members of the Supervisory Board in 2014 is detailed below:

- the Chairman of the Supervisory Board, Daniel Bessa, received a fixed remuneration of €42,000 in 2014;

The members of the Supervisory Board do not receive variable remuneration.

### 82. Details of the remuneration for the year in question of the Chairman of the General Meeting Board

In 2014, a remuneration amount of €1,500 was paid to the Chairman of the General Meeting Board.

## V – Agreements with remuneration implications

### 83. Contractual limitations provided for compensation payable for unfair dismissal of Directors and the relationship with the variable remuneration component

In the event of the unfair dismissal of a Director, the amounts payable shall correspond to those resulting from statutory provisions. There is no provision for the allocation

of remuneration amounts relating to the variable component if Galp Energia's net earnings are less than 80% of the budget.

### 84. Reference to the existence and description, with the sums involved, of agreements between the Company and the members of the management body and officers, as set out in Article 248-B(3) of the Portuguese Securities Market Code, providing for compensation in case of dismissal without just cause or termination of the working relationship following a change of control in the Company (Article 245-A(1)(I))

Galp Energia is not a party to any agreement with members of the management body or Directors, as laid out in Article 248-B(3) of the CVM, that may provide for any indemnities for the resignation, unfair dismissal or termination of the working relationship, resulting from a change of control in the Company.

The management of Galp Energia, within the meaning of Article 248 B(3) of the CVM, comprises the members of the Company's management and supervisory bodies.

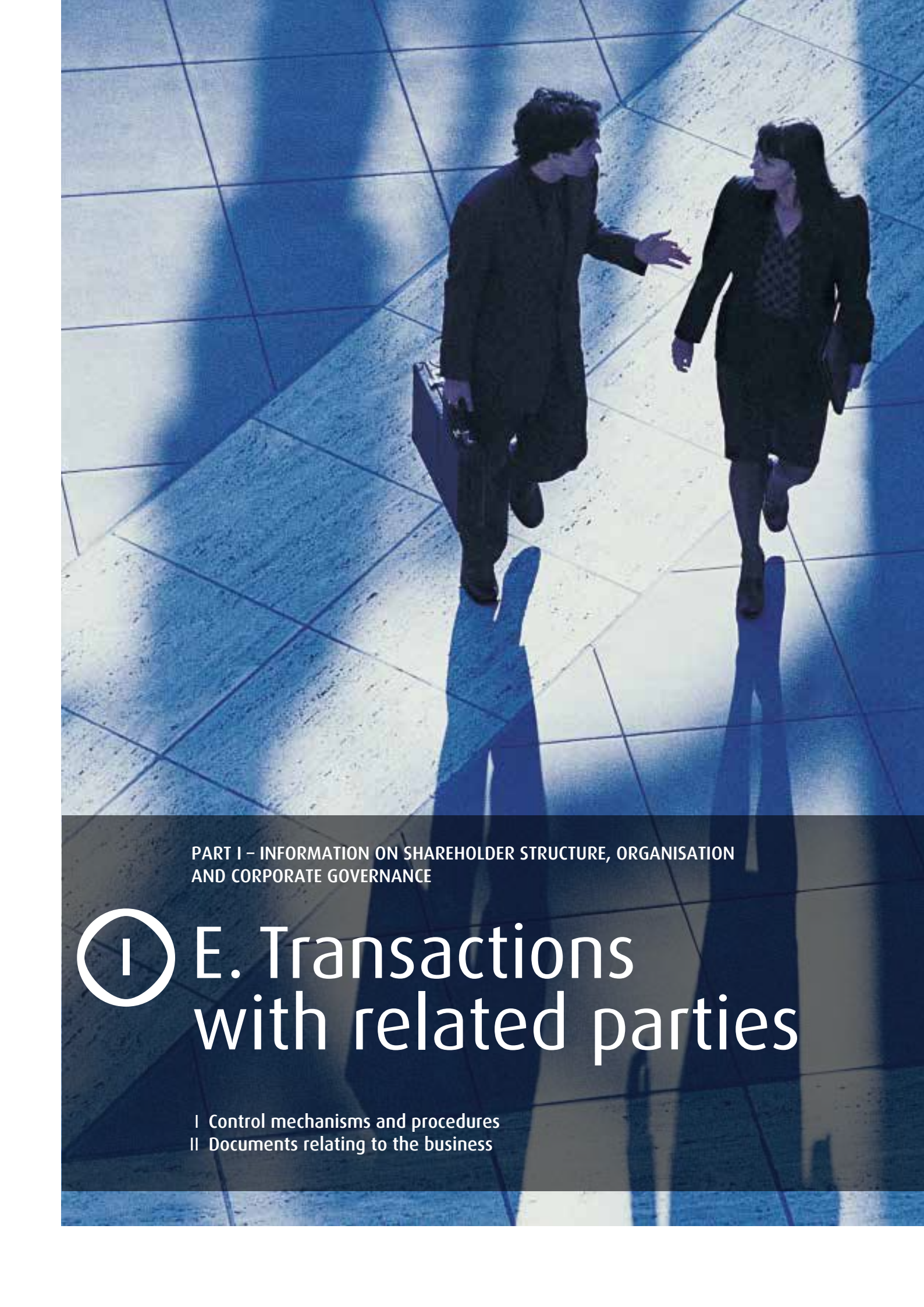
Indeed, over and above the members of these bodies, no manager can have regular access to privileged information and participate in the Company's management and business strategy decisions.

## VI – Share-allocation or stock option plans

### 85 to 88

– Not applicable.

Galp Energia has currently no share-allocation or stock option plans.



PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION  
AND CORPORATE GOVERNANCE

# ① E. Transactions with related parties

- I Control mechanisms and procedures
- II Documents relating to the business



## I – Control mechanisms and procedures

89. Mechanisms implemented by the Company for the purposes of monitoring transactions with related parties (to this end, please refer to the concept stemming from IAS 24)

Company transactions with related parties are subject to prior opinion of the Supervisory Board.

90. Details of transactions subject to control in the year in question

In 2014, there were no transactions with related parties subject to control of the Supervisory Board.

91. Description of the procedures and criteria applicable to the intervention of the supervisory body for the purposes of a preliminary assessment of business to be carried out between the Company and major shareholders or entities that are in a relationship with them, in accordance with Article 20 of the CVM

Business between the Company and major shareholders or entities that are in a relationship with them, in accordance with Article 20 of the CVM, is preceded by a prior opinion of the Supervisory Board, so as to safeguard legal provisions

and to protect the interests of the other parties with an interest in the Company's activities and which are not involved in these operations.

## II – Documents relating to the business

92. Location of accounting documents with available information on business with related parties

Information on business with related parties, in accordance with IAS 24, is available in Note 28 of the Annex to Galp Energia's consolidated accounts.



PART II – REVIEW OF CORPORATE GOVERNANCE

# II Review of corporate governance

- 1 Corporate Governance Code adopted
- 2 Analysis of compliance with the Corporate Governance Code adopted

## Review of corporate governance

### 1. Corporate Governance Code adopted

Under and for the purposes of Article 2 of CMVM Regulation No. 4/2013, Galp Energia decided to voluntarily submit to the Corporate Governance Code of the CMVM approved

in 2013 (CMVM recommendations), which is available on the organisation's website at <http://www.cmvm.pt/en/Pages/default.aspx>

### 2. Analysis of compliance with the Corporate Governance Code adopted

The Company's corporate governance has evolved, drawing ever nearer to best practices in corporate governance and to the CMVM Corporate Governance Code, having accepted most of its recommendations.

Indeed, out of a total of 40 recommendations, Galp Energia adopted 31 recommendations in their entirety; six of these did not apply to it and three were not adopted for the

reasons given in the table below. The justification for fulfilling each recommendation or a reference to the point of this report where the issue is laid out in detail (chapter, section, paragraph, page) is also indicated in the table, along with the justification for the possible non-compliance or partial compliance and respective further indication of a possible alternative mechanism adopted by the Company for the purpose of pursuing the same recommendation.

#### STATEMENT OF COMPLIANCE

CMVM recommendation	Corporate governance practice	Justification	Reference in this report
<b>I Voting and control of the company</b>			
I.1	Companies should encourage their shareholders to participate in and vote at general shareholders meetings, in particular by not fixing an excessively high required number of shares to be entitled to a vote and by implementing the means necessary for the right to vote to be exercised by postal or electronic means.	Adopted	Chapter B, section I b), point 12, page 14
I.2	Companies should not adopt mechanisms that hinder the passing of resolutions by shareholders, including setting a higher quorum than required by law.	Not adopted	The quorum of two thirds of the votes cast, provided for in the articles of association, for some of the general shareholder meeting's decisions, in addition to those established by law, aims to ensure that shareholders are suitably represented in the adoption of decisions on matters strategic to the Company.
I.3	The companies must not establish any mechanisms which may have the effect of creating a gap between the right to receive dividends or to subscribe for new securities and the voting rights of each share, unless they are duly based on the long-term interests of shareholders.	Adopted	Chapter B, section I b), point 12, page 14
I.4	If the articles of association provide for a limit on the number of votes that may be held or exercised by a sole shareholder, either individually or in agreement with other shareholders, they should also contain the provision that, at least once every five years, the general shareholders meeting shall decide on whether that limit should be kept or amended – without enhanced quorum requirements relative to the one provided by law. In this provision, all votes placed should be counted without the limit in question being applied.	Not applicable	Galp Energia's articles of association do not provide for any limitation on the number of votes held or exercised by a sole shareholder individually or in conjunction with other shareholders.
I.5	No measures should be adopted that have the effect of requiring payments or assuming liabilities by the Company in the event of a change of control or change in the composition of the management body, and which appear likely to prejudice the free transferability of shares and free assessment by shareholders of the performance of the members of the management body.	Adopted	Chapter A, section I, point 4, page 8
<b>II Supervision and administration</b>			
II.1 Supervision and administration	II.1.1. Within the limits defined by law, and unless the company is reduced in size, the Board of Directors shall delegate the day-to-day management of the company. The delegated powers should be identified in the annual Corporate Governance report.	Adopted	Chapter B, section II.a), point 21, page 21
	II.1.2. The Board of Directors must ensure that the company acts in accordance with its goals, and must not delegate its powers regarding: i) formulating the strategy and general policies of the company; ii) defining the corporate structure of the group; iii) decisions that must be considered strategic due to the amounts, risk and particular characteristics.	Adopted	Chapter B, section II.a), point 21, page 21

## Review of corporate governance

CMVM recommendation	Corporate governance practice	Justification	Reference in this report	
II.1 Supervision and management (continued)	II.1.3. The Management and Supervisory Board, in addition to exercising the supervisory powers entrusted to it, must assume full responsibility at corporate governance level, so that, by statutory provision or equivalent means, there is a requirement for this body to decide on the Company's strategy and main policies, the definition of the corporate structure of the Group and the decisions that must be deemed strategic due to the amount or risk they involve. This body should also assess compliance with the strategic plan and the implementation of the main policies of the Company.	Not applicable	Galp Energia's governance model does not include a Management and Supervisory Board and therefore this recommendation does not apply.	
	II.1.4. Unless the company is small, the Board of Directors and the Management and Supervisory Board, in accordance with the model adopted, must create committees required to do the following:  a) ensure a competent and independent assessment of the Executive Directors' performance and an assessment of their own overall performance, as well as those of all the existing committees;  b) reflect on the management system and governance practices adopted, check their effectiveness and propose, to the competent bodies, the adoption of measures aimed at improving them.	Adopted		Chapter B, section III b), point 24 page 27  Chapter B, section III c), point 38, page 37
	II.1.5. The Board of Directors or the Management and Supervisory Board, according to the model applicable, should set objectives for risk-taking and create systems for their control to ensure that the risks actually incurred are consistent with those objectives.	Adopted		Chapter C, section III, points 50 to 52 pages 42 to 53
	II.1.6. The Board of Directors shall include a number of non-executive members to ensure the effective monitoring, supervision and assessment of the remaining members of the management body.	Adopted		Chapter B, section II a), point 18, page 17
	II.1.7. There must be a suitable proportion of independents among the non-Executive Directors, taking into account the governance model adopted, the size of the Company, its shareholder structure and the respective free float.  The independence of the members of the Management and Supervisory Board and members of the Audit Committee is assessed in accordance with the legislation in force. As for the other members of the Board of Directors, they are considered independent if they are not associated with any group of specific interests in the Company, or if their impartiality of analysis or decision is likely to be affected under no circumstance, particularly in relation to:  a) having been an employee of the company or a company with which it is in a control or group relationship in the past three years;  b) having, in the past three years, provided services or established a significant business relationship with the company or a company with which it is in a control or group relationship, either directly or as a partner, Director, manager or manager of a collective person;  c) being in receipt of compensation paid by the company, or by a company with which it is in a control or group relationship, other than the remuneration resulting from the performance of Director duties;  d) living in consensual union, or being a spouse, relative or similar up to the third degree, including in the collateral line, of Directors or individuals, directly or indirectly, as major shareholders;  e) being a major shareholder or representative of a shareholder with major shareholdings.	Adopted		Chapter B, section II a), point 18, page 17
	II.1.8. When prompted by other governing body members, Executive Directors shall, in a timely and appropriate manner, make available any information requested.	Adopted		Chapter B, section II c), point 29, page 34
	II.1.9. The Chairman of the executive management body or of the Executive Committee must send, as applicable, the convening notices and the minutes of its meetings to the Chairman of the Board of Directors, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, the Chairman of the Management and Supervisory Board and the Chairman of the Committee for Financial Matters.	Adopted		Chapter B, section II c), point 29, page 34

## Review of corporate governance

CMVM recommendation	Corporate governance practice	Justification	Reference in this report
II.1 Supervision and management (continued)	II.1.10. If the Chairman of the management body exercises executive powers, this body must appoint, from among its members, an independent trustee to ensure coordination of the work of other non-executive members and the necessary conditions, so that they can make independent and informed decisions or find an equivalent mechanism that ensures such coordination.	Not applicable	The Chairman of the Board of Directors at Galp Energia does not have executive responsibilities.
II.2 Supervision	II.2.1 According to the model that is applicable, the Chairman of the Supervisory Board, of the Audit Committee or of the Committee for Financial Matters, shall be independent and have the appropriate skills for the exercise of his or her duties.	Adopted	Chapter B, section III a), points 32 and 33, pages 35 and 36
	II.2.2. The supervisory body shall be the main interlocutor of the external auditor and the first recipient of its reports, and should propose its remuneration and ensure that it is provided, within the company, with the appropriate conditions for the provision of services.	Adopted	Chapter B, section V, point 45, page 38
	II.2.3. The supervisory body must annually evaluate the external auditor and propose, to the competent body, his or her dismissal or termination of the service provision contract, provided that a just cause for this can be proved.	Adopted	Chapter B, section V, point 45, page 38
	II.2.4. The supervisory body shall evaluate the functioning of the internal control and risk management systems and propose adjustments that may be required.	Adopted	Chapter C, section III, point 50 page 42
	II.2.5. The Audit Committee, the Management and Supervisory Board and the Supervisory Board shall decide on the work plans and resources for the internal audit services and services that ensure compliance with the standards applicable to the Company (compliance services), and should be the object of reports from these services at least when they concern matters related to accountability, identification or resolution of conflicts of interest and detection of potential illegalities.	Adopted	Chapter C, section III, point 50, page 43
II.3 Setting of remuneration	II.3.1. All members of the Remuneration Committee or equivalent must be independent from the executive members of the management board and include at least one member with knowledge of and experience in the field of remuneration policy.	Adopted	Chapter D, section II, point 67, page 57
	II.3.2. No natural or legal person who provides or has provided, in the past three years, services to the company's own management body or to any structure subject to it, or who has a current relationship with the company or a consultant of the company, should be contracted to assist the Remuneration Committee in performing its functions. This recommendation also applies to any natural or legal person who has an employment contract or provides services.	Adopted	Chapter D, section II, point 67, page 57
	II.3.3. The statement on the remuneration policy for the management and supervisory bodies referred to in Article 2 of Law No. 28/2009, of 19 June, shall also contain:	Adopted	Chapter D, section III, point 69, page 57
	a) identification and explanation of the criteria for determining the remuneration to be paid to members of governing bodies;		
	b) information on the maximum potential amount, in individual terms, and the maximum potential amount, in aggregate terms, to be paid to members of the governing bodies, and identification of the circumstances under which these maximum amounts may be payable;		
c) information regarding the enforceability or unenforceability of payments relating to the dismissal or termination of the functions of Directors.			
II.3.4. A proposal must be submitted for approval to the general shareholders meeting regarding the plans for share grants and/or stock options or based on share price variation applicable to members of governing bodies. The proposal shall contain all elements necessary for a correct evaluation of the plan.	Not applicable	At Galp Energia, there are no plans for share grants and/or stock options or any based on share price variation applicable to members of governing bodies.	
II.3.5. A proposal must be submitted to the general shareholders meeting for the approval of any system of retirement benefits established for members of governing bodies. The proposal shall contain all the elements necessary for a correct evaluation of the system.	Not adopted	Galp Energia's articles of association state that Executive Directors are entitled to a pension or pension compensation from the Company, under the terms of the regulations approved by the Remuneration Committee (Article 18(3)).	

## Review of corporate governance

CMVM recommendation	Corporate governance practice	Justification	Reference in this report
<b>III Remuneration</b>			
III.1	The remuneration of executive members of the management body shall be based on actual performance and discourage excessive risk-taking.	Adopted	Chapter D, section III, point 70, page 59
III.2	The remuneration of the non-executive members of the Board of Directors and the remuneration of the members of the supervisory body must not include any component whose value depends on the performance of the Company or on its value.	Adopted	Chapter D, section III, point 69, page 57
III.3	The variable component shall be consistent with the fixed component and there shall be maximum limits for all components.	Adopted	Chapter D, section III, point 71, page 60
III.4	A significant part of the variable remuneration shall be deferred for a period longer than three years and its payment shall be dependent on the sustainability of the Company's positive performance during that period.	Adopted	Chapter D, section III, point 72, page 60
III.5	The members of the management body shall not enter into contracts with the company or third parties that shall have the effect of mitigating the risk inherent in the variability of the remuneration established by the company.	Adopted	Chapter D, section III, point 71, page 60
III.6	Until the end of their term, Executive Directors must hold up to twice the value of the total annual remuneration in company shares that were allotted by virtue of the variable remuneration schemes, with the exception of those shares that are required to be sold for the payment of taxes resulting from the gains of the said shares.	Not applicable	There were no Company shares granted to the Executive Directors by way of variable remuneration.
III.7	When the variable remuneration includes stock options, the period for exercising these shall be deferred for a period of not less than three years.	Not applicable	There were no Company shares granted to the Executive Directors by way of variable remuneration.
III.8	When the removal of a Director is not due to a serious breach of his or her duties or his or her unfitness for the normal exercise of his or her functions, but may still be linked to poor performance, the Company shall find itself provided with the appropriate and necessary legal instruments, so that any damages or compensation, beyond those legally due, shall not be required.	Adopted	The removal of a Director for insufficient performance is subject to legal rules in force, and affords no entitlement to damages or compensation beyond those provided for by this legal scheme.
<b>IV Audit</b>			
IV.1	The external auditor shall, within its powers, verify the implementation of remuneration policies and systems, the effectiveness and functioning of internal control mechanisms and report any shortcomings to the company's supervisory board.	Adopted	Chapter B, section V, point 45, page 38
IV.2	The company or any entities with a controlling relationship with it should not recruit the external auditor, nor any entity that is in the same group or incorporates the same network, for services other than audit services. Where there are reasons for contracting such services – which must be approved by the supervisory body and explained in the annual corporate governance report – these shall not be greater than 30% of the overall amount of services provided to the Company.	Not adopted	The value of services other than reliability corresponding to 31% of total services provided by the external auditor, exceeds not significantly for extraordinary reasons of extra work, the reference value stipulated in this recommendation.
IV.3	Companies shall promote the rotation of auditors after two or three terms depending on whether they are for four or three years respectively. Their continuation beyond this period must be based on a specific opinion for the supervisory body to formally consider the conditions of auditor independence and the benefits and costs of replacement.	Adopted	Chapter B, section V, point 44, page 38
<b>V Conflicts of interest and transactions with related parties</b>			
V.1	Deals concluded between the company and major shareholders, or entities with which they are linked in accordance with Article 20 of the Portuguese Securities Market Code, shall be carried out under normal market conditions.	Adopted	Chapter A, section II, point 10, page 12
V.2	The supervisory body or Supervisory Board shall establish the procedures and criteria required to define the relevant significance level of business with major shareholders, or with entities in any of the relationships described in Article 20(1) of the Portuguese Securities Code, making the conduct of significant business dependent on the prior opinion of that body.	Adopted	Chapter E, section I, points 89 and 91, page 65

## Review of corporate governance

CMVM recommendation	Corporate governance practice	Justification	Reference in this report
<b>VI Information</b>			
VI.1	Companies must provide, through their website in Portuguese and English, access to information, which allows people to find out about their evolution and their current situation in economic, financial and governance terms.	Adopted	Chapter C, section V, points 59 to 65, page 55
VI.1	Companies should ensure that there is an investor support office and permanent contact with the market, responding to requests from investors in a timely manner and keeping a record of all the applications submitted as well as of their processing.	Adopted	Chapter C, section IV to V, point 56, page 53

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