



# REGENERATING THE FUTURE

Integrated Management Report 2021

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# CORPORATE GOVERNANCE

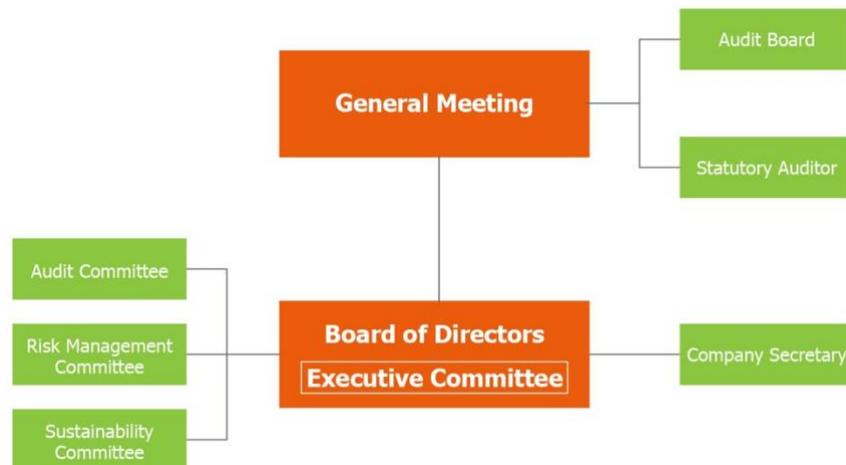


REGENERATING THE FUTURE

## 6.1 Governance model

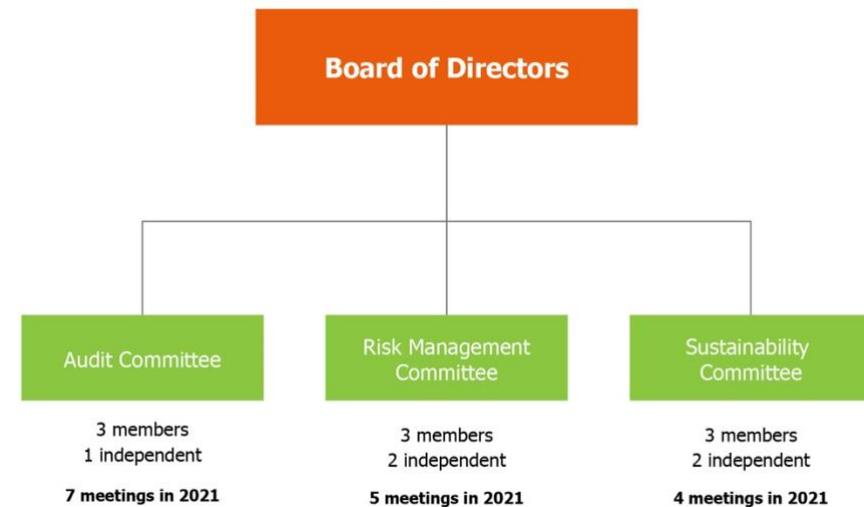
Galp adopts the monist corporate governance model, which comprises:

- General Meeting, which gathers the Company's shareholders;
- Management, comprising a Board of Directors and an Executive Committee with powers delegated by the former;
- Supervision, which includes an Audit Board and a Statutory Auditor; and
- Company Secretary, in charge of the specialised support to the corporate bodies

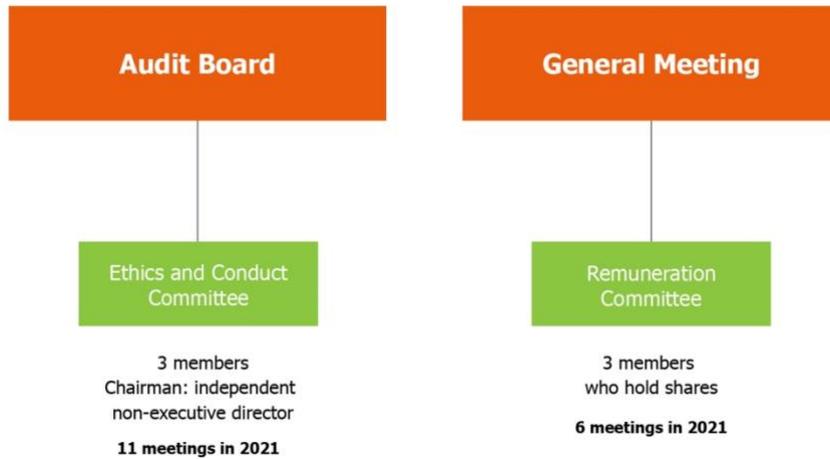


Galp's governance model seeks the transparency and efficiency of the Group's operation, based on a separation of management powers from supervisory powers. While the Board of Directors performs a role of supervision, control and monitoring of strategic guidelines, the role of the Executive Committee – delegated by the Board of Directors – is operational in nature and consists of the day-to-day management of the business and the corporate centre.

The supervisory powers of the Board are bolstered by the existence of a Lead Independent Director and three committees created within the Board, comprised exclusively of non-executive directors. These committees provide support on key issues related to its supervisory role.



## 6.1 Governance model



The Company also has other specialised committees dedicated to relevant issues.

For more details on the governance model, please refer to Part II of this report - Corporate Governance Report.

	Risk Management Committee	Sustainability Committee	Auditing Committee
Duties	Monitoring Galp's risk management system	Monitoring the integration of sustainability principles into the management process	Monitoring the supervision of the internal audit system
	Ethics and Conduct Committee	Remuneration Committee	
Duties	Monitoring the implementation of the Code of Ethics and Conduct; clarifying questions about its application and reception and processing irregularity reports through the Opentalk ethics line.	Proposing to the General Meeting the remuneration policy of the members of the corporate bodies; annual performance review of executive directors.	

## 6.2 Corporate bodies

### Board of Directors



**Paula Amorim**  
Chairperson  
Chairperson of the  
Audit Committee  
First appointment:  
24 April 2012



**Miguel Athayde Marques**  
Vice-Chairman and  
Lead Independent Director  
Chairman of the Sustainability  
Committee | Member of the Risk  
Management Committee  
First appointment:  
23 November 2012



**Andy Brown**  
Vice-Chairman  
and Chairman  
of the Executive  
Committee (CEO)  
First appointment:  
5 February 2021



**Filipe Silva**  
Chief Financial Officer  
First appointment:  
26 July 2012



**Thore Kristiansen**  
COO Production & Operations  
First appointment:  
3 October 2014



**Teresa Abecasis**  
COO Commercial  
First appointment:  
23 July 2021



**Georgios Papadimitriou**  
COO Renewables & New Businesses  
First appointment:  
1 January 2022



**Luis Todo Bom**  
Chairman of the Risk  
Management Committee  
Member of the Audit  
Committee  
First appointment:  
23 November 2012



**Adolfo Mesquita Nunes**  
Chairman of the Ethics  
and Conduct Committee  
First appointment:  
12 April 2019



**Cristina Neves Fonseca**  
Member of the  
Sustainability  
Committee  
First appointment:  
12 April 2019



**Edmar de Almeida**  
First appointment:  
12 April 2019



**Javier Cavada Camino**  
First appointment:  
17 December 2021



**Diogo Tavares**  
Member of the  
Sustainability Committee  
First appointment:  
22 February 2006



**Rui Paulo Gonçalves**  
Member of the Risk  
Management Committee  
First appointment:  
6 March 2008



**Jorge Seabra de Freitas**  
Member of the  
Audit Committee  
First appointment:  
23 November 2012



**Francisco Teixeira  
Rêgo**  
First appointment:  
16 April 2015



**Marta Amorim**  
First appointment:  
14 October 2016



**Carlos Pinto**  
First appointment:  
12 April 2019

# 46%

of non-executive directors  
are **independent**

Executive Member ———  
Independent Member<sup>1</sup> ———  
Other Members ———

<sup>1</sup> According to the criteria for ascertaining the independence of non-executive directors, as set down in the Corporate Governance Code of the Portuguese Institute of Corporate Governance.

## 6.2 Corporate bodies

The Board of Directors includes 13 non-executive directors, which represents 72% of the total number of directors, six of which are independent, that is 46%. This constitutes an adequate number of non-executive and independent directors, considering the governance model adopted by the Company, Galp's shareholder structure, the respective free float, the size of the Company and the complexity of the risks inherent to its activity, in accordance with the recommendations of Portuguese Institute of Corporate Governance's (IPCG) Corporate Governance Code.

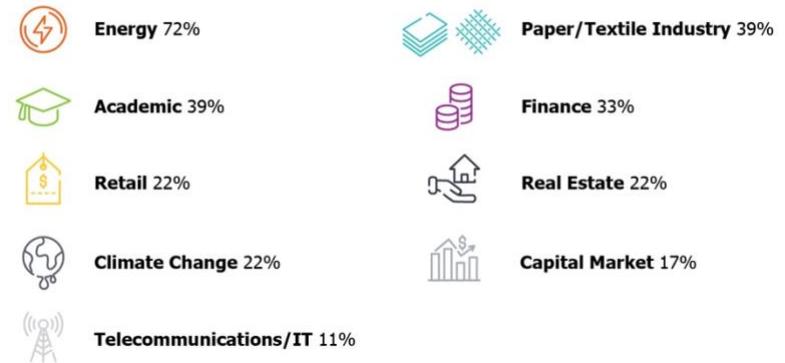
### Diversity within the board of directors

- Age: 34 to 76;
- Gender 22.2% female (above the legal minimum of 20%);
- Geographical: 6 countries; and
- Independence: 46% of non-executive directors are independent.

The Diversity Policy in the management and supervisory bodies approved by the Board of Directors on 15<sup>th</sup> December 2019 had an impact on the appointments made at the 2019 elective General Meeting, with the election of individuals for the Board of Directors who, in addition to age, gender and geographical diversity, possess a variety of skills, academic backgrounds and professional experience, as shown in the figure below. These are suited to Galp's activities and strategy, displaying an effective diversity within the Board of Directors, which plays a relevant role in the Company's decision-making process.

For further information on the powers of the members of the Board of Directors, refer to section 19 of Part II of this report - Corporate Governance Report.

### Board of Directors' Skills



### Powers of the Board of Directors

- Definition of the tasks of supervision, control and monitoring of the strategic guidelines;
- Monitoring the management and relationship between the shareholders and the other corporate bodies; and
- Issues of exclusive competence – not subject to being delegated by the Executive Committee – and which enables it to promote the definition and monitoring of Galp's strategic guidelines.

## 6.2 Corporate bodies

### Election

Under Portuguese law, the members of the Board of Directors are elected by the shareholders at a General Meeting, for four calendar years, through lists, with the vote being for the entire list and not for each of its members.

Nevertheless, the continuity of each director in office depends on her/his annual performance review, through a vote of praise and/or confidence. The absence of a positive annual review, materialised through a vote of no confidence, may lead to the dismissal of the director in question, as provided for by law.

### Limitation of positions

All members of the Board of Directors must have the availability required for the exercise of their duties, and therefore it is stipulated in the respective internal regulations that non-executive directors cannot hold management positions in more than four companies with shares listed on a regulated market outside of the Galp Group.

### Performance review

The Board of Directors annually reviews its performance and the performance of its committees. This review takes into account compliance with the Company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to those goals, as well as the relations of the Board of Directors itself with the other Company bodies and committees.

**Meetings held in 2021: 17**

**Attendance: 97%**

## 6.2 Corporate bodies

### Executive Committee



CEO  
**Andy Brown**

- People, Organisation & Health
- Energy Management
- Matosinhos Future Hub
- Strategy & Sustainability
- Communications & Corporate Social Responsibility
- Safety
- Corporate Secretary, Compliance & DPO
- External Relations & Regulation
- Legal



COO  
**Teresa Abecasis**

- Commercial
- Facilities Management & Real Estate



CFO  
**Filipe Silva**

- Finance & M&A
- Accounting & Tax
- Planning & Performance
- Investor Relations
- IT & Digital
- Transformation Office
- Data Office
- Procurement & Contracting
- Risk Management & Internal Control
- Internal Audit



COO  
**Georgios Papadimitriou**

- Renewables
- New Businesses
- Battery Value Chain
- Belem Bioenergia Brasil
- Innovation



COO  
**Thore Kristiansen**

- Production & Operations (includes Upstream and Industrial business units)

## 6.2 Corporate bodies

### Powers of the executive committee

Day-to-day management of the business and of the corporate centre, in accordance with the delegation of powers, with the strategic guidelines defined by the Board of Directors and in accordance with the functional delegation between the members of the Executive Committee relating to the business and activities of the Company and of the Group companies set by the Chairperson of the Executive Committee.

### Performance review

The executive directors are evaluated each year by the Remuneration Committee, based on compliance with certain economic, financial, operational and safety and environmental sustainability objectives, defined in the remuneration policy proposed by the Remuneration Committee and subject to approval by the General Meeting.

### Limitation of positions

According to the internal regulations of the Board of Directors, the members of the Executive Committee shall not hold executive positions in companies with shares recognised for trading on a regulated market that are not part of the Galp Group.

**Meetings held in 2021: 37**

**Attendance: 99.6%**

### Audit board

Chairperson:

- José Pereira Alves

Members:

- Fátima Geadá
- Pedro Almeida

Powers:

- Control of the Company's financial information;
- Supervision of internal risk management, internal control and internal audit systems;
- Receive and processing irregularity reports through the Ethics and Conduct Committee;
- Select and propose the Statutory Auditor to the General Meeting and the respective remuneration;
- Check and control the independence of the External Auditor; and
- Monitor, assess and weigh, within the powers legally granted to the Supervisory Board, the strategic lines and risk policy defined by the Board of Directors.

## 6.2 Corporate bodies

### Statutory auditor

Effective:

- Ernst & Young Audit & Associados, SROC, S.A., represented by Rui Abel Serra Martins

Alternate:

- Manuel Mota

Powers:

- Control and review the Company's financial information

### Board of the General Meeting

President:

- Ana Perestrelo de Oliveira

Vice President:

- Rafael Lucas Pires

Secretary:

- Sofia Leite Borges

The General Meeting is the ultimate governing body of the Company. It is through this body that the shareholders actively participate in the Company's

decisions. Any shareholder who holds at least one share on the registration date and has declared that intention by providing evidence of such ownership within the legal deadlines may attend, discuss and vote at the General Meeting, either in person or through a representative. Galp shareholders may also exercise their right to vote by correspondence and by participating in the meeting through telematic means.

## 6.3 Remuneration policy

In accordance with the say-on-pay principle, the General Meeting on 23 April 2021 approved, with 97.93% of the votes, the new remuneration policy of its corporate bodies for 2021 proposed by the Remuneration Committee, in accordance with the applicable law.

The remuneration of Galp's directors includes all remuneration for positions held in corporate bodies of other Group companies.

The Remuneration Policy for 2021 foresees the possibility of returning the amount of variable remuneration attributed to a member of the Executive Committee under certain situations (claw-back). The total and individual annual amount of remuneration received by the members of the Board of Directors in 2021, as established by the Remuneration Committee, as well as other information related to the Remuneration Policy, is available in section 77, Part II of this report - Corporate Governance Report.

The non-executive members of the Board of Directors receive a fixed monthly amount established by the Remuneration Committee, taking into account current market practices. It may differ in the case of non-executive members who perform special supervisory duties or are a member of a special committee. The Chairperson of the Board of Directors waived her remuneration, donating the respective value to the Galp Foundation.

The members of the Audit Board receive a monthly fixed remuneration, paid twelve times a year, and the remuneration of the Chairperson of the Supervisory Board is differentiated, taking into account his special duties. The remuneration of the members of the Audit Board does not include any variable component.

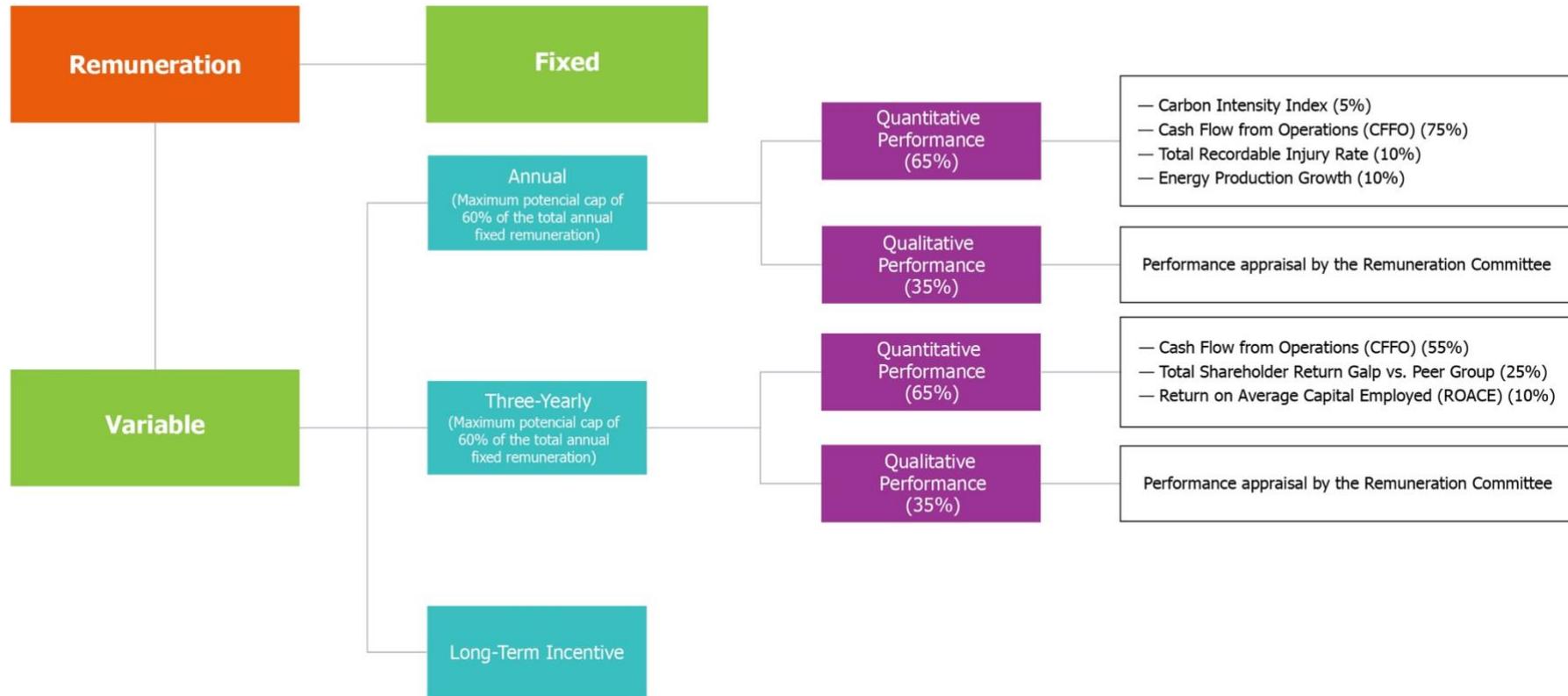
The Statutory Auditor has the remuneration contracted under normal market conditions.

In order to encourage management in line with the medium and long-term interests of the Company and its shareholders, the remuneration policy has annual and multi-annual goals for the executive members of the Board of Directors, considering a three-year period for determining the value of the remuneration's multi-annual variable component and deferring a significant portion of the three-year period payment, which depends on the Company's performance during this period.

The remuneration policy for executive directors for 2021 is outlined on the following page below.

The Remuneration Policy for 2021 establishes a mechanism applicable to the Chairperson of the Executive Committee for partial payment of the variable triennial remuneration through shares of the Company in order to promote the alignment of the Company with the long-term interests of the shareholders.

## 6.3 Remuneration policy



## 6.4 Compliance with the corporate governance code

Galp has voluntarily decided to adopt the Corporate Governance Code of the Portuguese Institute of Corporate Governance, approved in 2018 and revised in 2020 ("Código de Governo das Sociedades do IPCG") (link [here](#)). The code consists of a set of principles and recommendations of good governance in line with the best international practices and adapted to the Portuguese corporate reality.

In 2021, in accordance with its self-assessment, Galp adopted 44 of 45 applicable to it, as shown in the image at the right.

In Part II of this report - Corporate Governance Report, there is a presentation on the adoption of the recommendations, in accordance with the "comply or explain" rule.

