



ANTI-CORRUPTION POLICY

GALP ENERGIA



Delivering growth through exploration and production

Unofficial Translation

This is an unofficial translation of the Anti-Corruption Policy of Galp Energia, SGPS, S.A. prepared for information purposes only. Galp Energia, SGPS, S.A. is governed by the Portuguese version of the Anti-Corruption Policy and in the case of any discrepancy between this translation and the Portuguese version of the Anti-Corruption Policy, the Portuguese version will prevail.

1. OBJECTIVE

To provide an Anti-Corruption Policy for Galp Energia that is based on a benchmark system of management arranged into auxiliary procedures for its implementation and execution and with which everyone at Galp Energia (**GALP ENERGIA**) must be familiar.

As a landmark company in the energy sector, **GALP ENERGIA** is aware of its corporate responsibilities and therefore the regulation of its business activity is based on the principles of loyalty, correctness, honesty, transparency and integrity, in full respect of the law and the international best practices that apply to the company.

The perpetrator of a corrupt practice is one who engages in conduct capable of constituting a corrupt practice, directly or through an intermediary with the consent or ratification of the former, by giving or promising to give to a national citizen or a foreign national, or to the holder of an identification and/or travel document issued by an international organisation, or to the holder of a national or foreign political post, or to any person acting on behalf of or in the interests of another and with the knowledge of the latter, any kind of undue advantage with a view to obtaining or maintaining a business deal, contract or other advantage in national or international trade.

GALP ENERGIA prohibits any offers, payments or promise of payments, as well as the receipt of presents, from a state body or civil servant, or the authorisation of any one of its employees to give or pay, directly or indirectly, any amount in cash or in kind for the purpose of obtaining an advantage in national or international trade. Practices of this kind are classified as corrupt practices.

The following are considered active or passive corrupt practices:

- to influence by act or by omission the actions of a state body or civil servant in breach of the law with a view to obtaining an advantage;
- to inducing a state body or civil servant to exercise influence over a decision in any public act.

These general prohibitions are not limited to payments in cash, but include benefits in the form of presents, expenses or charges paid for receptions, meals, trips, excursions or shows offered to customer, suppliers or any other persons, including family members, or to state or private bodies with which **Galp Energia** has a relationship, contributions in the shape of donations or sponsorships, and the creation of employment relationships at **GALP ENERGIA** or at any of its subsidiaries, or investment opportunities in the commercial activities of third parties.

As such acts are ethically reprehensible and repudiated, **GALP ENERGIA** considers that corrupt practices must be prohibited in all their active or passive forms, including even frustrated attempts, whether by act or omission or by way of the creation or continuation of privileged or irregular situations.

GALP ENERGIA therefore believes that it has a duty to undertake a commitment to foster, on an ongoing basis, full respect for the provisions of its Code of Ethics approved on 13 May 2009 and for the provisions of the general and specific legislation applicable to the fight against corruption, namely Articles 335, 368, 372 to 374-B and 375 to 377 of the Criminal Code by way of Law 20/2008 of 21 April (Legislation on corruption in international trade and in the private sector) and Law 36/94 of 29 September (Measures to combat corruption and economic and financial crime), as well as for those contained in various other regulatory and legislative instruments, and to consider such provisions directly applicable to **GALP ENERGIA** and the Group companies, to company bodies and to employees, customers and suppliers, as a management priority and fundamental pillar in consolidating the core values and principles of **GALP ENERGIA**.

2. SCOPE OF APPLICATION

The **GALP ENERGIA** Anti-Corruption Policy applies to all the companies held directly or indirectly by **GALP ENERGIA**, and included within this scope are all the companies in which operational management or control is held directly or indirectly by **GALP ENERGIA**, without prejudice to any other applicable legal or regulatory provisions. It also applies to all the employees of these companies, particularly those who, owing to the duties they perform, are obliged to foster the adoption of measures aimed at the recognition and implementation of this policy within these companies, and also – with all the necessary changes – to any permanent or occasional employees, employees' family members, agents, external auditors and any other persons who render services to them on a ongoing or sporadic basis.

In this sense, the concept of “employee” must be taken to include all the members of the company boards, managers and employees of **GALP ENERGIA**.

“Customers” shall be understood to mean the individuals or companies to whom the companies held by **GALP ENERGIA** supply their products or render their services.

“Suppliers” shall be understood to mean the individuals or companies who supply products or render services to the companies held by **GALP ENERGIA**; the concept includes intermediaries, agents, subcontractors and consultants, among others.

“Stakeholders” shall be understood to mean individuals or companies with whom the companies held by **GALP ENERGIA** interact in the course of their corporate, institutional and citizenship activities, including customers, suppliers, employees, shareholders, investors, state authorities and other bodies, and representatives of the community with whom the subsidiaries of **GALP ENERGIA** interact in Portugal or abroad.

3. ANTI-CORRUPTION POLICY

Within the scope of its business activity, **GALP ENERGIA**, as a whole, including its subsidiaries and its employees individually, undertake to:

- Conduct the business and corporate activities of **GALP ENERGIA** and its subsidiaries within a framework of transparency, correctness, professionalism, rigour and good faith, and in full respect for competition laws.

- **GALP ENERGIA** considers that corrupt practices must be prohibited, in all their active and passive forms, including even a frustrated attempt, whether by act or omission or by way of the creation and continuation of privileged or irregular situations.
- Through its employees, **GALP ENERGIA** cooperates fully and actively with national and foreign administrative and governmental bodies and authorities and its conduct is characterised by rigour, transparency, and frank cooperation; it fosters dialogue with the institutions and organisations of civil society and does not permit any false statements to be provided to the authorities, or any inducement to or favouring of such statements.
- **GALP ENERGIA** ensures that accounts are prepared in accordance with national and international accounting standards and that accounting and financial information is compiled on a periodic basis within the established timeframes, keeping up-to-date accounting records which accurately and correctly reflect the accounting and financial affairs of the company.
- **GALP ENERGIA** respects market criteria and does not foster or participate in any kind of activity capable of breaching the fundamental rules of ethics or of competition with a view to obtaining an edge over its competitors.
- **GALP ENERGIA** and its subsidiaries will require all national and foreign bodies who wish to enter into contracts, protocols, memoranda or other instruments aimed at establishing commercial relationships or professional cooperation, to accept and comply with this policy as well as with the Auxiliary Procedures approved as the policy is developed.
- In the pursuit of their professional activities as representatives of **Galp Energia**, employees must observe the principles of loyalty, rigour, transparency, probity, diligence, efficiency and market openness, and all of their actions, operations and negotiations must be guided by the principles of integrity and transparency of information, by the legitimacy of the form and substance of their acts, and by the clarity and veracity of their supporting documents, all in accordance with the existing internal rules and procedures and with the required professional dedication and thoroughness.

4. AUXILIARY PROCEDURES

The Auxiliary Procedures are accessory mechanisms destined for the implementation of the Anti-Corruption Policy and will take the form of standards to be approved by the Executive Committee of Galp Energia SGPS.

Galp Energia undertakes to ensure the approval and updating of rules on the following matters, as well as on any others that may be deemed necessary or convenient in view of the special circumstances of a given market or line of business or activity:

- Relationship model for state bodies and civil servants;
- Political party financing;
- Setting up joint ventures;

- Contracting and remuneration of intermediaries;
- M&A transactions;
- Donations;
- Sponsorship;
- Compliance with national and international accounting standards;
- Higher management recruitment and selection;
- Representation and entertainment expenses;

The fundamental principles with which the above rules must comply are summarised below:

a) Relationship model for state bodies and civil servants

GALP ENERGIA accepts that expenses related, for instance, to the promotion or demonstration of products or services it offers, may be incurred within reasonable limits in respect of state bodies and civil servants. However, such expenses must not entail any cash payment or be impelled by the goal of creating or maintaining privileged situations, and they must respect the standards of professional courtesy.

b) Political party financing

Given that various national and international provisions on combating corruption pay special attention to issues related to the giving of pecuniary sums or contributions to political parties or to political or trade union movements, committees and organisations and/or to their representatives and candidates, it is a principle of **Galp Energia** not to make, or to allow any contributions to be made, directly or indirectly, to this type of body or organisation, save in exceptional situations which have been expressly authorised in accordance with the applicable legal provisions.

c) Setting up joint ventures

The creation of new joint ventures, whether in the form of a company or association or in partnership with other companies, must be preceded by a due diligence audit of the persons and bodies in question, and all the contractual instruments must be negotiated and validated by the competent **Galp Energia** departments. When selecting partners, their reputation and good name in the market must be taken into consideration and must be duly evidenced and proven.

d) Contracting and remuneration of intermediaries

Intermediaries must enjoy an excellent reputation in the market as regards their honesty and commercial practices and must comply with the normally required ethical principles.

The selection and contracting of these bodies as service providers for **Galp Energia** and its subsidiaries must obey criteria that are transparent, fair and impartial, taking into account not only their trading conditions but also their ethical and professional conduct. The technical and commercial conditions that are negotiated and agreed must always be made in writing in a contract for the purpose.

e) M&A transactions

The nature of these transactions requires holding a due diligence audit, conducted by the competent departments of **Galp Energia**. A post-acquisition integration plan must always be drawn up.

f) Donations

Donations may only be made when they have been previously budgeted for and approved. They may only be made to organisations that have a good reputation and preferably those which have been set up for some time. The beneficiary must be recognised as one of public usefulness and the payments must be made and registered in the name of the preselected body.

g) Sponsorship

Sponsorships may only be attributed when they have been previously budgeted for and approved. The beneficiary of such sponsorships must meet requirements of reliability and good reputation and represent a company which is duly certified to operate in the market and recognised as such.

Moreover, there is a need for a written contract which sets down the terms and conditions for the sponsorship with particular emphasis on anti-corruption clauses.

h) Compliance with national and international accounting standards

The accounting records of **Galp Energia** and its subsidiaries must observe national and international accounting standards (IAS). They must reflect the accounting and financial affairs of the company properly and accurately and will be subjected to audits conducted by external chartered accountants.

i) Higher management recruitment and selection

Prior to hiring, appointing, transferring or promoting an employee to the higher management levels of **Galp Energia** or any of its subsidiaries, the Human Resources Department must obtain information about the personal and professional experience of the persons in question, their relationship with state bodies and their civil and criminal status, without prejudice to the protection afforded by law to personal data.

j) Representation and entertainment expenses

Representation and entertainment expenses are those paid for receptions, meals, trips, excursions and shows offered in the country or abroad to customers or suppliers, or to any other state or private individuals or bodies with whom an employee of Galp Energia or any of its subsidiaries has a professional relationship. Since these expenses, apart from not being considered costs for tax purposes, are also subject to a separate tax on earnings, they must be duly budgeted and even then require the approval of a direct superior.

The request for reimbursement must fully indicate the reasons for the expense and the identity of the participant or participants.

The companies held by **Galp Energia** must take the necessary measures to embrace this policy and adopt rules and procedure that envisage at least the fundamental principles described herein.

To this end, those who have been appointed to company bodies by **Galp Energia** must propose the approval of the Policy and Procedures by these bodies and report to the Monitoring Committee the way in which this mission was realised or an explanation as to why it was not.

5. TRAINING

Galp Energia undertakes to provide all the training courses that may be necessary for the provisions set out in the Anti-Corruption policy and Auxiliary Procedures to be fully understood and disseminated.

6. REPORTING SYSTEM

The occurrence of any situation which constitutes a breach of the provisions of this policy must be communicated immediately to the line manager of the area in which the situation took place, who is in turn responsible for reporting it to the Monitoring Committee with a view to analysing the situation and, as the case may be, introducing any measures which may be deemed applicable.

7. MONITORING COMPLIANCE WITH THE POLICY

GALP ENERGIA guarantees the availability of this policy to all its employees, including those who are employed by its subsidiaries, who must comply fully and without exception with its provisions.

A Monitoring Committee, comprising three members to be appointed by the Executive Committee - two of whom will be from the Legal Services Department and one from the Internal Audit Department - will be responsible for ensuring the implementation of this policy and for its interpretation and clarification in the event of any ambiguity or omissions.

All **Galp Energia** employees, customers and suppliers may refer any queries they may have or may request explanations from or report any occurrence or irregular situation which may be in breach of the terms of this policy to this Committee.

8. BREACH

Article 7, 8 and 9 of Law 20/2008, of 21 April (General legislation on corruption in international trade and the private sector) provides that active corruption which causes damage to international trade and any active or passive corruption in the private sector may result in varying terms of imprisonment and penalty payments¹.

For the purposes of the application of labour legislation, any deviation from compliance with the general rules of conduct established in this Anti-corruption policy is a serious offence liable to disciplinary proceedings.

¹ Article 7

Active corruption with an adverse affect on international trade

Any person who directly, or through an intermediary with the consent or ratification of the former, gives or promises to a national or foreign employee, or to an employee of an international organisation, or the holder of a national or foreign political position, or to a third party with the knowledge of such persons, any undue advantage of any kind in order to obtain or maintain a business deal, contract or other undue advantage in international trade, shall be punished by a term of imprisonment of one to eight years.

Article 7

Passive corruption in the private sector

1 — Any private sector employee who directly, or through an intermediary with the consent or ratification of the former, requests or receives for himself or for a third party, any undue advantage of any kind, or a promise of any such advantage, in return for any act or omission whatsoever that would constitute a breach of the employee's operational duties, shall be punished by a term of imprisonment of up to two years or a penalty payment.

2 — If the act or omission referred to in the preceding paragraph is capable of bringing about a distortion of competition or financial damage to third parties, the perpetrator shall be punished by a term of imprisonment of up to five years or a penalty payment of up to 600 days.

Article 9

Active corruption in the private sector

1 — Any person who directly, or through an intermediary with the consent or ratification of the former, gives or promises to the person referred to in the preceding article, or to a third party with the knowledge of the former, any undue advantage of any kind in order to pursue the purpose indicated therein, shall be punished by a term of imprisonment of up to one year or a penalty payment.

2 — If the conduct referred to in the preceding paragraph seeks to bring about or is capable of bringing about a distortion of competition, the perpetrator shall be punished by a term of imprisonment of up to three years or a penalty payment.