

Prevention of Corruption

Approved by the Board of Directors on 2018-12-14

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1. Introduction

Galp is committed to observing anti-corruption legislation that applies thereto, in compliance with the principles and values that guide the Code of Ethics and Conduct and the Galp Group Corruption Prevention Policy.

2. Object and Scope of Application

2.1 This standard establishes rules for prevention, detection and responding to the risk of corruption in Galp Group, while substantiating and developing the principles set forth in the Code of Ethics and Conduct and the Corruption Prevention Policy, in line with Galp values, the legal and regulatory obligations to which Galp and its employees are subject, the specific corruption risks that Galp faces in furtherance of its activities in the various geographies where it is present, and the expectations of its *stakeholders*.

2.2 The members of Galp Energia, SGPS, S.A. ("Galp") governing bodies are covered by the application of this standard, as well as all Organisational Units ("OUs") and companies or other entities, regardless of their legal nature, where Galp owns the control of their management (hereinafter referred to collectively as "Galp Group" and individually as "Galp Group entity"), encompassing all locations in which the Group operates.

2.3 In cases where there is no group relationship between the above mentioned companies and Galp, the individuals appointed by it to occupy management positions in those companies will be responsible for ensuring that this standard procedure is approved and adopted by the respective managing bodies and, if necessary, the adaptation thereof to local law through advice from the Legal and Governance Department (Direção de Assuntos Jurídicos e Governance, "DAJG") for such purposes.

2.4 Employees appointed by Galp for governing bodies in companies or *joint ventures* with no legal personality, in which Galp does not hold management control, shall foster measures within these companies and/or *joint ventures* that are conducive to the recognition and adoption of the rules and procedures set forth in this standard or others of an equivalent nature.

2.5 Galp shall promote the adoption of corruption risk prevention criteria equivalent to those set forth in this standard by its most relevant *stakeholders*.

3. Rules of Conduct

3.1 Active Corruption

Galp employees or third parties acting on their behalf shall not offer, promise or authorise the conferring of benefits to public officials or their Related Person¹, public entities, individual persons or their Related Person, or private legal entities, in violation of applicable law in the countries where the Galp Group is present. If an employee expects to move to a location where the Galp Group is not present and has questions about whether the practice of a particular act may or may not be a violation of applicable law in such location, he should previously consult the DAJG for advice.

3.1.1 Making offers, offering entertainment and hospitality

3.1.1.1 Galp Group employees shall not make offers to business partners, including suppliers, customers, consultants, intermediates, members of *joint ventures* and their associates, partners of an institutional nature and their associates, and public entities and/or public officials or Related Persons to any of the foregoing, which according to the applicable law, cannot be accepted by them.

3.1.1.2 Subject to previous paragraph, Galp employees may only make offers, regardless of the nature of the recipient, in course of the verification of at least one of the following circumstances:

- a. Promotion, demonstration or explanation of Galp Group activities, products or services;
- b. Performance of a previously executed contract between the Galp Group entity and public or private entities;
- c. Training sessions or *workshops* organised or promoted by the Galp Group entity;
- d. Events organised for development or maintenance of institutional relations;
- e. Image or Galp brand activation.

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- a) The spouse of a public official or any companion thereof considered by national law as an equivalent;
- b) Children of public official pursuant to national legislation;
- c) Other relatives of public officials who cohabit during at least one year; or
- d) A legal entity, (i) whose management responsibilities are exercised by public officials or any individual referred to in sub-paragraphs a), b) and c), (ii) who are, directly or indirectly, controlled by public officials;
- e) any other persons with whom there is a relationship of intimacy or affinity to the public official.

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When permissible, offers must respect the following characteristics:

1. Be made in good faith and aligned with a legitimate business purpose;
2. Be reasonable in the context of the respective circumstances;
3. Not to be motivated by an intent to exert influence over the recipient or with an expectation of reciprocity;
4. Not to offend applicable ways and customs;
5. Be approved pursuant to the Standard that sets forth the Powers for Approval within Galp Group.

3.1.1.3 The making of offers must be promptly recorded in accordance with Section 4 of this Standard.

3.1.1.4 Offers to public entities for participation at events organized by Galp or for which Galp is a sponsor or promoter must be previously evaluated by the DAJG.

3.1.2 Facilitation and extortion payments

3.1.2.1 Without prejudice to following paragraph, Galp Group employees shall not directly or indirectly perform facilitation payments, including those intended to accelerate the practice of an act necessary to gain an advantage for Galp, except if such payments are permissible under applicable law or regulation.

3.1.2.2 When an employee is required to engage in an act of corruption, he/she must make use of the techniques to resist solicitation or extortion as indicated in Annex I of this document.

3.1.2.3 If the employee is required to engage in an act of corruption upon threat to his/her life or physical or moral health of such employee and/or his/her related parties, he/she must promptly report the case to the DAJG and proceed with registration of the payment under the terms of Section 4 of this standard.

3.2 Passive Corruption

3.2.1 Galp employees or third parties acting on their behalf shall not request and/or accept advantages for them, to a third party or to Galp that (i) in accordance with applicable law or regulation shall not be accepted (ii) and/or when such acceptance is suitable for creating a limitation to its objectivity and impartiality in furtherance of his/her respective functional duties or

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decision making processes, whether current or future, for which they are responsible or which they have the power to influence, or which advantage has an undergone or implied expectation of a consideration, as provided in the Conflict of Interest Management Standard.

3.2.2 Receiving offers, entertainment and hospitality

3.2.2.1 If although the conditions of paragraph 3.2.1 being met it is not appropriate for the employee to decline an offer for a reasonable motive, namely of a cultural or institutional nature, the employee shall promptly (i) report the case to the DAJG, (ii) register his/her acceptance in accordance with Section 4 of this Standard, and (iii) if applicable, deposit the offer with the People Department, which shall assign it in articulation with social responsibility area to a social security institution, if considered appropriate.

3.2.2.2 Without prejudice to the above, while considering the acceptance of the offer, Galp employees should use a reasonable judgement standard that shall take in consideration the following criteria: the type of offer, its purpose, the position of the person making the offer, the context under which the offer is made, the absence of an expectation of reciprocity and the applicable ways and customs.

3.3 Donations for political purposes

Galp Group entities shall not give donations for political purposes, namely to political parties or political organisations, or any of their representatives or candidates.

3.4 Donations to the community

3.4.1. Without prejudice to the fulfilment of the Corporate Management of Subscription Fees and Donations Standard in place, a donation to the community must respect the following characteristics:

1. To be related to the purpose of Galp or the Galp Group entity activities, as described in contracts of a public or private nature, conventions, protocols, memoranda of understanding, among others, such documents to contain adequate provisions regarding the prevention of corruption;
2. Be preceded by an integrity verification as per the terms of the Standard that establishes the Third Party Integrity Verification Procedure;
3. Be made via a means of payment that allows identification of the respective beneficiary, namely wire transfer, crossed cheque, or direct debit (excluding cash payments) and to

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the account of the beneficiary;

4. An appropriate accounting registration of the expense that meets the applicable accounting parameters, as set forth in Galp's Internal Control Manual.

3.4.2. Any elements that indicate a beneficiary other than that identified in the donation supporting documentation must be promptly notified to the DAJG, in which case the donation granting process shall be suspended until a recommendation by this area is issued.

3.5. Sponsorships

3.5.1. The granting of sponsorships must respect the following characteristics:

1. Proper contractual support that comprises (i) the purpose of the sponsorship, (ii) the payment terms to the counterpart's account by traceable means; (iii) appropriate provisions regarding prevention of corruption;
2. Be preceded by a verification of integrity of the sponsorship recipient as per the terms of the Standard that establishes the Third Party Integrity Verification Procedure;
3. A proper accounting record of the expense in line with applicable accounting parameters.

3.5.2. Any elements that indicate a beneficiary other than that identified in the sponsorship supporting documentation must be promptly notified to the DAJG, in which case the sponsorship granting process shall be suspended until a recommendation by this area is issued.

3.5.3. The receipt by Galp of any consideration as a result of its condition as sponsor follows the regime set forth in this Standard for the remaining offers.

3.6 Business Partners

3.6.1. Contracts entered into between Galp Group entities and business partners, including suppliers, customers, consultants, intermediates, agents, members of *joint ventures*, institutional partners, and public entities, must include appropriate provisions to mitigate the risk of corruption, in terms to be established by the DAJG.

3.6.2. In case a business relationship meets any of the criteria set forth in the Standard that establishes the Third Party Integrity Verification Procedure, the business partner in question must be previously subjected to an integrity verification under the terms set forth in such Standard.

3.7 Employee Selection

Employee selection and recruitment must be preceded by the following corruption risk prevention controls:

1. Query on the candidate's integrity references;
2. Identification of a final judgement under any civil, administrative or criminal process involving the candidate, which underlying factual background may be important to assess his/her ethical standards of behaviour as may be relevant to the position to which he/she is applying.

3.8 Mergers and Acquisitions (M&A)

Acquisition of participations in *joint ventures*, with or without legal personality, must be preceded by an integrity verification process as set forth in the Standard that establishes the Third Party Integrity Verification Process, in order to mitigate Galp's risk of exposure to corruption risk arising from acts taken by previous or current partners.

4. Procedures

4.1 Form and duties of registration and documentation

4.1.1 The registration of the offers as mentioned in Section 3 of this Standard shall be performed in the terms of the form provided in Annex II.

4.1.2 Registrations are received and managed via the computer platform available for such purposes, or in the case of unavailability of the same, by completing and submitting the previously described form to the DAJG in a scanned version.

4.1.3 Registrations under this Standard must be maintained for a period of 10 years or a longer term set forth in the applicable law.

4.2. Report

Any solicitation for the performance of an act that is illegal or otherwise in contravention of this Standard must be reported by the employee to the Galp Conduct and Ethics Committee, pursuant to the terms set forth in the Galp Code of Ethics and Conduct and the Standard for Communication of Irregularities (whistle-blowing).

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4.3. Monitoring

The DAJG shall monitor the appropriate implementation of this Standard while ensuring that the necessary measures are implemented in that respect and that it remains aligned with the best international practices related to corruption prevention management systems.

4.4. Remediation

Without prejudice to applicable criminal, civil and labour procedures, non-compliance with this Standard shall entail the adoption of proceedings deemed as appropriate by the Ethics and Conduct Committee, which may include, among others, mitigation measures for the effects of the any acts performed in contravention of this Standard, or recommendations to adopt sanctions by the Audit Board.

4.5. Anti-Corruption Audits

The DAJG shall conduct corruption risk related audits to its most relevant assets and/or those deemed to be high risk in order to identify risks that should be mitigated and recommend to the OUs the adequate and necessary corrective measures.

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5. Matrix of Responsibilities

Task	Member of statutory boards of the Galp Group companies	Galp Representatives in Joint Venture management bodies	Galp representatives in the presence of other stakeholders	Employee	Conduct and Ethics Committee	Directorate for Legal Affairs & Governance	Environment, Quality and Safety Directorate	Human Resources Directorate	Marketing and Communication Directorate
Know and respect the standard	X	X	X	X	X	X	X	X	X
Ensure its implementation by Galp Group UOs (Unidades Orgânicas [Organic Units]) and entities and adapt to local legislation	X								
Promotion of rules, processes and equivalent procedures in non-Galp Group joint ventures		X							
Promotion of corruption risk prevention criteria set forth in the standard in the presence of the stakeholders			X						
Observance of the duty of abstention to refrain from making offers, promises or authorising improper advantage	X	X	X	X					
Provision of Information on the possibility of making offers (including in cases of extortion)						X	X		
Registering the offer	X	X	X	X					
Deposit and destination of the offer								X	X
Observance of the duty to refrain from giving donations for political purposes	X	X	X	X					
Observance of the rules for giving donations to the community	X	X	X	X					
Observance of the rules for investing in sponsorships	X	X	X	X					
Authorisation for investing in sponsorships									X
Inclusion of anti-corruption measures in contracts with business partners						X			
Observance of criteria for selection of personnel	X	X	X	X				X	
Observance of the rules for verifying integrity in M&A processes	X	X	X	X					
Reporting of irregularities related to the objective of this standard	X	X	X	X					
Monitoring the enforcement of the Anti-Corruption Act						X			
Anti-Corruption Audits						X			

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6. Personal Data Protection

The general principles captured in NT-R-019 | Personal Data Protection shall apply to the processing of any personal data that may be carried out pursuant to the fulfilment of the activities described in this Standard.

7. Periodicity and control of revisions

This Standard is subject to regular verification of its adequacy, in a term not longer than two years.

8. Final and transitory provisions

8.1. This Standard fully revokes NR – 002/2011 – Anti-Corruption Policy.

8.2 In topics where the risk of corruption relates to the risks arising from conflicts of interest, the employee should refer to NT-R-023 – Management of Conflicts of Interest.

8.3 This standard enters into force on the 20th business day after its publication on mygalp.

8.4 Any questions regarding the interpretation and application of this standard shall be submitted to the DAJG.

8.5 Any exceptions to this standard must be previously validated by the DAJG; the exception request and the adequately substantiated decision shall be recorded in documentary support.

Annex I – RESIST – Resisting Extortions and Solicitations in International Transactions

RESIST – Resisting Extortions and Solicitations in International Transactions (available in English, French, German, Mandarin, Spanish), is available at:

<https://cdn.iccwbo.org/content/uploads/sites/3/2016/11/RESIST-English.pdf>

Annex II – Offer Registration Form

(to be used in the event of computer platform unavailability to be used for such purpose)

Name and role of the Galp employee who made the offer, or to whom the offer was made: [•]

Name and role, or designation of the entity, who made the offer, or to whom the offer was made: [•]

Email: [•]

Phone: [•]

Type of Offer: [•]

Estimated Value of Offer: [•]

Indication of offer made/received and its justification reasons: [•]

Employee Signature

Date