



ANNUAL GENERAL MEETING  
24<sup>th</sup> April 2020

**CONVENING NOTICE AND  
INFORMATION FOR SHAREHOLDERS**

galp



## CONTENTS

### Convening notice and information on participation in the Annual General Meeting

#### Proposals for resolution

Proposals topics

Notes on the proposals

Proposals

#### Corporate Governance

Governance model

Company bodies

Remuneration policy

#### Shareholding structure

# Annual General Meeting

## 24 April 2020

### Convening notice

#### Preamble

This convening notice is being published on 23 March 2020 at a time when Portugal has declared a state of emergency, in accordance with Presidential Decree No. 14-A/2020, of 18 March 2020, owing to the public health emergency caused by the outbreak of the COVID-19 disease, which the World Health Organization has classified as a global pandemic. The initial duration of the state of emergency is fifteen days, from 19 March to 2 April 2020, and this may be renewed. In any event, it is not expected that companies and businesses will have returned to business as usual before the Company's Annual General Meeting is held.

By way of a resolution of the Council of Ministers, the Government has established extraordinary temporary measures in response to the epidemic, restricting contact between people to the necessary minimum in order to prevent the spread of the disease.

Accordingly, holding a general meeting with the physical presence of the shareholders or their representatives would be in direct conflict with the state of emergency in place at this time and with the duties to protect the health of shareholders, workers and company bodies and, therefore, as there is no provision to the contrary in the By-laws, the Annual General Meeting will be held entirely through telematic means, pursuant to Article 377(6)(b) of the Portuguese Companies Code.

Moreover, in view of this extraordinary situation, it is not possible to make available in time the means which ensure an effective and secure exercise of the voting right during the meeting itself by telematic means and, therefore, as there is no provision to the contrary in the By-laws, the way in which votes are cast may be determined by a decision of the Chairman of the General Meeting and, under Article 384(8) and (9) of the Portuguese Companies Code and Article 22 of the Portuguese Securities Code (interpreted within the context of an existing state of emergency), this may be done by prior electronic correspondence. In order to ensure the broadest conditions for exercising the voting right electronically, the period for doing so will run until the end of the working day immediately before the Annual General Meeting. Shareholders who hold, on a professional basis, shares in Galp's share capital in their own name but on behalf of clients should ensure that they have voting instructions from each client for voting electronically.

Lastly, to ensure the shareholders' right to information at general meetings as provided for in Article 290 of the Portuguese Companies Code, in this extraordinary situation, this right may be exercised electronically from the time this convening notice is published until the end of the working day immediately before the Annual General Meeting.

### Notice to Convene

The Annual General Meeting of Galp Energia, SGPS, S.A. ("Company") is hereby convened, in accordance with the applicable law and By-laws, to meet on 24 April 2020 at 3:00 hours p.m. (WEST), by telematic means only, with the following agenda:

1. Resolve on the integrated management report and on the individual and consolidated accounts for the year 2019 as well as the remaining reporting documents, including the corporate governance report and the consolidated non-financial information, together with the accounts legal certification documents and the opinion and activity report of the Audit Board.
2. Resolve on the proposal to allocate the 2019 results.
3. Perform a general appraisal of the Board of Directors, for the year 2019, in accordance with Article 455 of the Portuguese Companies Code.
4. Perform a general appraisal of the Audit Board, for the year 2019, in accordance with Article 455 of the Portuguese Companies Code.
5. Perform a general appraisal of the Statutory Auditor, for the year 2019, in accordance with Article 455 of the Portuguese Companies Code.
6. Resolve on the statement of the Remuneration Committee regarding the remuneration policy for the Company's management and supervisory bodies and members of the Board of the Annual General Meeting.
7. Resolve on the granting of authorisation to the Board of Directors for the acquisition and sale of treasury shares and bonds or other debt securities by the Company or by its affiliates.

The preparatory information for the Annual General Meeting required under Article 289 of the Portuguese Companies Code and Article 21-C of the Portuguese Securities Code is attached hereto and is an integral part of this Notice to Convene. It includes information on the requirements and procedures to participate, be represented at and vote at the Annual General Meeting, to add new items to the agenda and submit proposals. In addition, it also includes the resolution proposals and information on the company bodies.

The above mentioned preparatory information for the Annual General Meeting, as well as the reporting documents, are available as from the publication date of this Notice to Convene on the Company's website at <https://www.galp.com/corp/pt/investidores/informacao-ao-acionista/assembleias-gerais>, as well as on the website of the Comissão do Mercado de Valores Mobiliários ([www.cmvm.pt](http://www.cmvm.pt)). Shareholders may also send an e-mail to [ag@galp.com](mailto:ag@galp.com) requesting that this information be sent to them.

Lisbon, 20 March 2020.  
Chairman of the Annual General Meeting

Ana Perestrelo de Oliveira

# Information on participation in the Annual General Meeting

## Key dates

### Annual General Meeting

24 April 2020, 3 p.m. (WEST)

Record Date: 17 April 2020

By 16 April 2020, 23:59 (WEST)

By 17 April 2020, 23:59 (WEST)

By 23 April 2020, 23:59 (WEST)

Receipt of declarations issued by shareholders intending to participate in, or be represented at, the Annual General Meeting, sent by e-mail to the Chairman of the General Meeting and to the financial intermediaries

Receipt of declarations issued by financial intermediaries stating the number of shares registered in the name of each shareholder

Receipt of votes by e-mail

Receipt by e-mail of proxy letters

Receipt by e-mail of declarations issued by shareholders who, on a professional basis, hold shares in their own name but on behalf of clients and intend to vote differently with their s

## ii Participation in the Annual General Meeting

---

Galp shareholders have the right to participate, discuss and vote in advance (by e-mail) at the Annual General Meeting on 24 April 2020, starting at 3 p.m. (WEST), exclusively by telematic means, provided that the following cumulative requirements are met:

- a) up to 00:00 hours (WEST) on 17 April 2020 (the “Record Date), corresponding to the 5th trading day prior to the Annual General Meeting, they hold, at least, one share with voting rights;
- b) up to 23:59 (WEST) on 16 April 2020, they have declared by e-mail (i) to the Chairman of the Board of the Annual General Meeting at [ag@galp.com](mailto:ag@galp.com) and (ii) to the financial intermediary where the individual securities registration account is open, their intention to participate in the Annual General Meeting on 4 April 2020. They may, for this purpose, use the forms available on the Galp website at <https://www.galp.com/corp/pt/investidores/informacao-ao-acionista/assembleias-gerais>
- c) the relevant financial intermediary, after being informed of its client’s intention to participate in the Annual General Meeting on 24 April 2020, pursuant to sub-paragraph b) above, has sent to the Chairman of the Annual General Meeting by 23:59 (WEST) on 17 April 2020 information on the number of shares registered in its client’s name, as at 00:00 hours (WEST) of the Record Date.

The exercise of these rights is not adversely affected by the transfer of the shares after 00:00 hours (WEST) on the Record Date, nor does it depend on the shares being blocked between that date and the date of the Annual General Meeting.

However, shareholders that have already declared their intention to participate in the Annual General Meeting pursuant to sub-paragraph b) above but transfer ownership of the shares between 0:00 of the Record Date and the end of the Annual General Meeting shall immediately inform the Chairman of the Annual General Meeting, by e-mail to [ag@galp.com](mailto:ag@galp.com), and the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários, CMVM).

Shareholders who, on a professional basis, hold shares in their own name but on behalf of clients may vote in different ways with their shares, provided that, in addition to the documents referred to in sub-paragraphs b) and c) above, they submit to the Chairman of the Annual General Meeting by 23:59 (WEST) on 17 April 2020, using sufficient and proportionate evidence, (i) the identification of each client and the number of shares and corresponding votes to be cast on their behalf, and (ii) the specific voting instructions for each item on the agenda provided by each client.

## iii Participation in the Annual General Meeting by telematic means

The Annual General Meeting will be held exclusively by telematic means. Shareholders may participate in the Annual General Meeting by videoconference call and instructions will be provided in due course on Galp’s website at <https://www.galp.com/corp/pt/investidores/informacao-ao-acionista/assembleias-gerais>.

If shareholders wish to participate in the Annual General Meeting by telematic means, they should communicate this intention in advance to the Chairman of the Annual General Meeting, by e-mail to [ag@galp.com](mailto:ag@galp.com), by 23:59 (WEST) of 16 April 2020, and comply in advance with the procedures established for exercising voting rights by electronic correspondence (see point IV below) to ensure the authenticity of the votes cast.

Following this communication, the shareholder or shareholder's representative will receive, by e-mail, the necessary information for participating in the Annual General Meeting by telematic means. In accordance with the applicable law, the Company will record the contents of the communications and register the participants.

The participation of the shareholder or shareholder's representative in the Annual General Meeting by telematic means is allowed even if he/she has not exercised his/her vote by e-mail. Votes cast by e-mail may not be changed and no votes may be cast during the session.

## iv Representation at the Annual General Meeting

Shareholders, whether legal entities or individuals, who wish to be represented at the Annual General Meeting shall send the relevant proxy letters, addressed to the Chairman of the General Meeting, by e-mail to [ag@galp.com](mailto:ag@galp.com), by 23:59 (WEST) of 16 April 2020, together with a copy of the representative's identification document and a document proving the powers to appoint that representative, which may be done by attaching a copy of the power of attorney or by indicating the access code to the relevant commercial registry certificate.

For this purpose, shareholders can obtain the sample proxy letter on Galp's website at <https://www.galp.com/corp/pt/investidores/informacao-ao-acionista/assembleias-gerais>.

## v Voting by e-mail

Shareholders may exercise their right to vote by correspondence, in accordance with Article 384(8) and (9) of the Portuguese Companies Code, Article 22 of the Portuguese Securities Code and Article 10 of the Bylaws and, on an extraordinary basis, by electronic correspondence.

Shareholders wishing to vote by e-mail must, after communicating this intention to participate in the Annual General Meeting to the Chairman of the General Meeting, register on an e-platform using the internet page at <https://www.shareholders-services.com/voto/v2/gateway/GALP>, where they can obtain the necessary instructions. Following registration on the platform and after the legal requirements for participating in the General Meeting and casting his/her vote have been checked, the shareholder or his/her representative may cast their vote between 00:00 hours of 18 April and 23:59 (WEST) of 23 April.

Electronic correspondence voting does not exempt the financial intermediary from sending by 23:59 (WEST) the information on the number of shares registered in the name of its client, as at 00:00 hours (WEST) of the Record Date.

The only votes that will be considered a favourable or unfavourable vote are those cast on the above-mentioned e-platform and which contain, expressly and unequivocally, using the fields available for the purpose, the precise and unconditional direction of the vote for all the proposals for each of the items on the agenda.

If the shareholder or his/her representative fails to express the direction of the vote for all the items on the agenda, the vote in question will be considered an abstention.

The valid votes cast by electronic correspondence through the above-mentioned platform will be considered for verifying the quorum of the General Meeting and the result of the votes cast by electronic correspondence on each agenda item will be announced at the General Meeting upon discussion of that agenda item.

## vi Shares and voting rights

On the date of the announcement of the convening notice for the Annual General Meeting of 24 April 2020, the shares representing the share capital and respective voting rights correspond to a total of 829,250,635, with ordinary shares representing 771,171,121 voting rights (corresponding to 93% of the share capital) and the shares of the

special category subject to privatisation process 58,079,514 voting rights (corresponding to 7% of the share capital).

The Company does not own any treasury shares. Each ordinary share carries one vote.

## vii Submission of resolution proposals

Shareholders holding at least 2% of the share capital may request the inclusion or addition of resolution proposals relating to the matters included in the agenda of the Notice to Convene the Annual General Meeting to the Chairman of the Board of the Annual General Meeting by e-mail to [ag@galp.com](mailto:ag@galp.com), within five (5) days of the publication of the

Notice to Convene the General Meeting or any addition thereto, together with the information that must be sent with the resolution proposal. These resolution proposals and information will be disclosed to the shareholders as soon as possible, in the same manner used for the Notice to Convene the Annual General Meeting, at least 10 (ten) days before 24 April 2020.

If the aforementioned request is not satisfied, the interested parties may take legal action for a new Annual General Meeting to be convened to resolve on such matters and the provisions of Article 375(7) of the Portuguese Companies Code will apply.

## viii Including items in the agenda

Shareholders holding at least 2% of the share capital may request the inclusion of new matters in the agenda of the Annual General Meeting of 24 April 2020 and submit proposals for the matters contained in the agenda. The request must be sent to the Chairman of the Annual General Meeting by e-mail to [ag@galp.com](mailto:ag@galp.com) within five (5) days of the publication of the Notice to Convene the Annual General Meeting, together with a resolution proposal for each matter he/she wishes to be included. Resolution proposals will be disclosed as soon as possible to the shareholders in the same manner used to announce the Notice to Convene the Annual General Meeting. The deadline for receipt of new matters or proposals is 0:00 hours (WEST) of the Record Date.

## ix Information at the Annual General Meeting

As from the date of publication of the Notice to Convene, any shareholder may request the provision of true, complete and instructive information on the matters contained in the agenda by sending an e-mail to [ag@galp.com](mailto:ag@galp.com).

At the General Meeting held by telematic means, any shareholder complying with the necessary participation requirements may request information which will be provided by the Board of Directors. The requested information may only be refused if its disclosure could cause serious damage to the Company or another company associated with it or breach a secrecy duty imposed by law.

## x Annual General Meeting participation forms

The following participation forms for Galp's Annual General Meeting are available on its website at <https://www.galp.com/corp/pt/investidores/informacao-ao-acionista/assembleias-gerais>:

1. Declaration of intention to participate in the Annual General Meeting (to the Chairman of the Board of the Annual General Meeting);
2. Declaration of intention to participate in the Annual General Meeting (to the financial intermediary);
3. Proxy letter.



Shareholders may also send an e-mail to [ag@galp.com](mailto:ag@galp.com) requesting that the forms be sent to them. This request must be received by 16 April 2020.

## **xI** Contact details

All communications to be submitted to the Chairman of the Board of the Annual General Meeting or to the Company must be sent to [ag@galp.com](mailto:ag@galp.com).

Should you need any additional information or clarification, please contact us at +351 21 7241970.

# Proposals for resolution

## Proposals topics

Proposal 1	Integrated management report and individual and consolidated accounts for the 2019 financial year
Proposal 2	Allocation of the results for the 2019 financial year
Proposal 3	General appraisal of the Board of Directors
Proposal 4	General appraisal of the Audit Board
Proposal 5	General appraisal of the Statutory Auditor
Proposal 6	Statement of the Remuneration Committee on remuneration policy
Proposal 7	Granting of authorisation to the Board of Directors for the acquisition and sale of treasury shares or bonds or other debt securities

## Notes on the proposals

The Board of Directors must ask the Chairman of the Board of the Annual General Meeting to convene the Annual General Meeting.

The Board of Directors is responsible for presenting the proposals and necessary documentation for the resolutions on items 1, 2 and 7.

The presentation of proposals regarding items 3, 4 and 5 is the responsibility of the shareholders.

The proposal regarding item 6 is the responsibility of the Remuneration Committee.

All proposals for resolution by the Annual General Meeting of 24 April 2020 are to be decided by a simple majority of the votes cast and abstentions are not taken into account.

### Note to item 1 proposal

#### Management report and individual and consolidated accounts for 2019

The Board of Directors approved and recommends to the shareholders the approval of the management report, which includes the Company's individual and consolidated accounts for the financial year 2019, as well as the consolidated non-financial information and the corporate governance report. The Board of Directors also received the report and favourable opinion of the Audit Board, as well as the Statutory Auditor's legal certification of the accounts, without any qualification or emphasis.

## Note to item 2 proposal

### Allocation of the results of the 2019 financial year

The Board of Directors recommends that shareholders approve the allocation of the results of the financial year 2019 by distribution to the shareholders of the total amount of EUR 580,475,444.50, equivalent to EUR 0.70 per share. Given that the distribution of EUR 0.31625 per share relating to dividends was anticipated and paid in September 2019, the remaining amount of EUR 318,224,931.18 for distribution to shareholders will be paid within 30 days of this proposal, if it is approved.

This allocation of the results proposal is in line with the dividends progress indicated in the capex allocation guidelines previously disclosed and corresponds to a 10% dividend increase in relation to 2018.

## Note to item 3 proposal

### General appraisal of the Board of Directors

The Company shall annually request the general appraisal of the Board of Directors' performance by the shareholders, in compliance with Article 455 of the Portuguese Companies Code. Shareholders are required to express, on an annual basis, their confidence in the members of the Board of Directors. The Company received a proposal from the shareholder Amorim Energia expressing its confidence in the Board of Directors and in each of its members.

## Note to item 4 proposal

### General appraisal of the Audit Board

The Company shall annually request the general appraisal of the Audit Board's performance by the shareholders, in compliance with Article 455 of the Portuguese Companies Code. Shareholders are required to express, on an annual basis, their confidence in the members of the Audit Board. The Company received a proposal from the shareholder Amorim Energia expressing its confidence in the Audit Board and in each of its members.

## Note to item 5 proposal

### General appraisal of the Statutory Auditor

The Company must annually request the general appraisal of Statutory Auditor's performance by the shareholders, in compliance with Article 455 of the Portuguese Companies Code. Shareholders are required to express, on an annual basis, their confidence in the Statutory Auditor. The Company received a proposal from the shareholder Amorim Energia expressing its confidence in the Statutory Auditor.

## Note to item 6 proposal

### Statement of the Remuneration Committee on the remuneration policy

In accordance with the say-on-pay principle, each year, listed companies must request the approval of a declaration on the remuneration policy of their company bodies, pursuant to Article 2 of Law No. 28/2009, of June 19, as amended.

The statement on remuneration policy is prepared and proposed to the shareholders by the Remuneration Committee, which is the statutory body responsible for approving the remuneration of the company bodies (Article 8 of the Bylaws).

The proposed remuneration policy for the executive directors for 2020 contains no alterations to the policy established at the General Meeting of 12 April 2019 for the four-year term 2019-2022.

### Note to item 7 proposal

#### Authorising the Board of Directors to acquire and sell treasury shares and its own bonds or other debt securities

The possibility, in certain limited circumstances, of repurchasing issued shares or debt instruments, constitutes an important instrument for appropriate financial management of the Company.

Accordingly, the Board of Directors requests the renewal of the authorisation given by the

shareholders at the previous Annual General Meeting to the Board of Directors to acquire and/or sell up to 10% of its treasury shares and of its own bonds or other debt securities issued by the Company and its affiliates.

The Board of Directors is not making any recommendation regarding the purchase or sale of securities issued by the Company.

The Company did not purchase any shares or debt instruments in the period between the last Annual General Meeting held on 12 April 2019 and the date of the Notice to Convene the Annual General Meeting for 24 April 2020.

Currently, there are no ordinary shares or debt instruments issued by the Company which are held by the Company itself. This authorisation expires within 18 months of the date of the relevant resolution or upon its renewal at the next Annual General Meeting.

## Proposals

### Proposal for item 1

#### **ANNUAL GENERAL SHAREHOLDERS MEETING OF GALP ENERGIA, SGPS, S.A. 24 APRIL 2020**

#### **PROPOSAL REGARDING ITEM 1**

**Resolve on the integrated management report and on the individual and consolidated accounts for the year 2019 as well as the remaining reporting documents, including the corporate governance report and the consolidated non-financial information, together with the accounts legal certification documents and the opinion and activity report of the Audit Board.**

Whereas:

- A)** Article 376 of the Companies Code provides for a resolution of the General Shareholders Meeting to be taken in relation to the management report and the annual accounts;
- B)** Article 245, paragraph 1 a) of the Securities Code requires the Company to disclose its management report, the annual accounts, the accounts legal certification and the remaining financial statements documentation;
- C)** Listed companies in a regulated market must disclose a detailed report on their corporate governance structure and practices, in accordance to article 245-A of the Securities Code; and
- D)** Article 508-G of the Portuguese Companies Code, included by Decree-Law No. 89/2017, of July 28, following the provisions of Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, obliges the parent companies of a large group which are public interest entities to include on its management report a consolidated non-financial statement;

The Board of Directors proposes to the General Shareholders Meeting the approval of the following resolution:

To approve the sole management report and the individual and consolidated accounts of Galp Energia,

SGPS, S.A. regarding the year of 2019, including the corporate governance report and the consolidated non-financial information, together with, notably, the accounts legal certification documents and the opinion and activity report of the Audit Board.

Lisbon, 20 March, 2020

The Board of Directors

## Proposal for item 2

### **ANNUAL GENERAL SHAREHOLDERS MEETING OF GALP ENERGIA, SGPS, S.A.**

**APRIL 24, 2020**

#### **PROPOSAL REGARDING ITEM 2**

##### **Resolve on the proposal to allocate the 2019 results**

Galp Energia, SGPS, S.A., on an individual basis, closed the year of 2019 with a net profit of 536,914,812.63 EUR, calculated in accordance with the International Financial Reporting Standards (IFRS).

The Board of Directors proposes, under legal terms, that the net income for 2019 of 536,914,812.63 EUR should be distributed to shareholders.

The Board of Directors also proposes, under article 31 of Commercial Companies Code, the distribution of the amount of 43,560,631.87 EUR derived from retained earnings.

The amount to be paid to shareholders related to the financial year of 2019, will be 318,224,931.18 EUR, corresponding to €0.38375 EUR/share that added to the 262,250,513.32 EUR, corresponding to €0.31625 EUR/share, paid as an advance dividend on the year profits on September 2019, it totals an amount to distribute to shareholders of 580,475,444.50 EUR, corresponding to €0.70 EUR/share.

It is further proposed that a maximum amount of 28,625,738.87 EUR be distributed to Galp Group's employees and executive directors of Galp Energia SGPS, S.A. as profit sharing of 2019, an amount already recognised and expressed in the consolidated financial statements of Galp Energia, SGPS, S.A. and in the individual of each of its subsidiaries, and the respective net results for 2019 have been calculated already considering that amount. Of this amount, €3,584,135.74 EUR were already paid in 2019 as an advance on profit sharing for 2019.

The breakdown of this amount among the companies of the Galp Group's for distribution to its employees will be determined by the Executive Committee of Galp Energia, SGPS, S.A., in accordance with the applicable internal rules, and among the executive directors of Galp Energia, SGPS, S.A. will be determined by the Remuneration Committee, in accordance with applicable law.

Lisbon, March 20, 2020

The Board of Directors

### Proposal for item 3

## **ANNUAL GENERAL MEETING OF GALP ENERGIA, SGPS, S.A.**

**APRIL 24, 2020**

### **PROPOSAL OF SHAREHOLDER AMORIM ENERGIA B.V. CONCERNING ITEM 3**

Pursuant to the terms and for the purposes set forth in subparagraph c) of paragraph 1 of article 376 and article 455 of the Commercial Companies Code, it is proposed that the General Shareholders Meeting approves a vote of regard and confidence to the Board of Directors and to each of its members for the development of the management of the Company during 2019.

20 March 2020.

The Shareholder,

Amorim Energia B.V.



Proposal for item 4

**ANNUAL GENERAL MEETING OF GALP ENERGIA, SGPS, S.A.**

**APRIL 24, 2020**

**PROPOSAL OF SHAREHOLDER AMORIM ENERGIA B.V. CONCERNING ITEM 4**

Pursuant to the terms and for the purposes set forth in subparagraph c) of paragraph 1 of article 376 and article 455 of the Commercial Companies Code, it is hereby proposed that the General Shareholders Meeting approves a vote of regard and confidence to the Audit Board and to each of its members for the development of the supervision of the Company during 2019.

20 March 2020.

The Shareholder,

Amorim Energia B.V.

Proposal for item 5

**ANNUAL GENERAL MEETING OF GALP ENERGIA, SGPS, S.A.**

**APRIL 24, 2020**

**PROPOSAL OF SHAREHOLDER AMORIM ENERGIA B.V. CONCERNING ITEM 5**

Pursuant to subparagraph c) of paragraph 1 of article 376 and article 455 of the Commercial Companies Code, it is hereby proposed that the General Shareholders Meeting approves a vote of regard and confidence to the Statutory Auditor for the development of the supervision of the Company during 2019.

20 March 2020.

The Shareholder,

Amorim Energia B.V.

## Proposal for item 6

### **ANNUAL GENERAL SHAREHOLDERS MEETING OF GALP ENERGIA, SGPS, S.A. APRIL 24, 2020**

#### **PROPOSAL CONCERNING POINT 6**

#### **Resolve on the statement of the Remunerations Committee on the remuneration policy of the Company's management and supervisory bodies and members of the Board of the General Shareholders Meeting**

#### **Statement of the Remuneration Committee regarding the remuneration policy of the members of the corporate bodies of the Company**

### **I. Introduction**

The Remuneration Committee of Galp Energia, SGPS, S.A. (hereinafter referred to as "Galp", "Company" or "Corporation"), consists of three shareholders elected by the General Meeting for a 4-year term of office, coinciding with that of the corporate bodies, which, in accordance with Article 8 of the Articles of Association, are neither members of the Board of Directors nor of the Audit Board, and is responsible for determining the amount of remuneration due to the members of Galp's corporate bodies and carrying out the annual performance evaluation of the executive members of Galp's Board of Directors.

The Remuneration Committee's Regulation establishes the rules of operation and the decision-making process of the Committee, namely that it must meet ordinarily at least once every six months and that its decisions must be taken by simple majority, and it may resolve by written, postal or electronic vote. The Regulation includes an obligation for members to immediately inform their Chairman of any facts that may constitute or give rise to a conflict between the interests of its members and those of the Company and, in the event of a conflict, not to interfere in the respective decision-making process, without prejudice to the duty to provide the information and clarification requested. In addition, the internal rule in force at Galp on conflict of interest, also applicable to the members of the Remuneration Committee, establishes that members in a conflict of interest situation must refrain from discussing, voting, taking decisions, expressing an opinion, participating in or exercising any influence on any decision-making process directly related to the conflict of interest situation, without prejudice to providing any necessary information or clarifications.

Within the powers to it conferred to determine the corporate bodies' remunerations, and within the mandate given to it by the General Shareholders Meeting, pursuant to article 8 of the Company's Articles of Association, the Remuneration Committee met on this date to revise the assumptions and terms of the remuneration policy applicable to the present mandate, following which it hereby submits to approval by Galp's General Shareholders Meeting to be held on April 24, 2020, the following statement on the Remuneration Policy of the corporate bodies, in accordance to article 2 of the Law no. 28/2009 of June 19, and in accordance with the CMVM Regulation no. 4/2013 and the Corporate Governance Code of the Portuguese Institute of Corporate Governance hereinafter referred to as the IPCG Governance Code.

In accordance with this framework, the Remuneration Policy of the members of the governing bodies defined for the mandate is annually reviewed and approved at the General Meeting by means of a proposal from the Remuneration Committee, through the approval of a statement. Therefore, it is necessary to present this Statement on the Remuneration Policy of the members of the corporate bodies for the purpose of setting the remuneration for 2020, which confirms the Remuneration Policy of the members of Galp's corporate bodies for the 2019-2022 quadrennium, as defined in the Statement on the Remuneration Policy of the members of the corporate bodies for 2019, approved at the General Meeting of April 12, 2019 and complies with its objectives and general principles, taking into consideration the recommendations of the IPCG's Governance Code and the best corporate governance practices, with the purpose of ensuring the greatest clarity and effectiveness in communication both to the market and to shareholders.

Information regarding the implementation of the 2019 Remuneration Policy and the 2019 individual remuneration of the Board of Directors' members, as well as that of the Audit Board, is detailed in Part II of the Integrated Management Report - Corporate Governance Report (cf. Part I, point D – Remunerations).

## **II. Underlying Principles**

The corporate bodies' Remuneration Policy aims at reinforcing values, skills, abilities and behaviors, in view of the Company's long term interest, culture and strategy, and is, particularly, guided by the following underlying principles:

- (i) Attract, motivate and retain the best professionals for the roles to be performed at the Company and ensure the stability on the same roles of the members of the governing bodies elected;

- (ii) Appropriately reward, in line with market conditions, the work, know-how and results obtained, in a way that is consistent with the skills and responsibilities inherent to the roles of the corporate bodies' members;
- (iii) Reward the efficiency and productivity increase and the long term value created for the shareholders, by defining and implementing an incentive-based system related to the attainment of pre-defined, measurable economic, financial and operational goals, with a view to foster sustained results growth and discourage excessive risk taking;
- (iv) Reward safety, environmental sustainability and energy efficiency in activities material to the Company, through incentives related with the execution of objectives and targets, including within the context of the appropriate management of the respective carbon intensity.

### **III. 2020 Remuneration Policy**

#### **1. Board of Directors**

##### 1.1 Non-executive Directors

The remuneration of non-executive members of the Board of Directors will amount to a fixed monthly remuneration paid 12 times a year, at an amount determined by the Remuneration Committee in line with market practices.

Equally in line with these market practices, the non-executive directors' remuneration may be different for the Chairman, due to the distinct roles of Company's representation attributed to him, as well as for non-executive members of the Board of Directors which undertake distinct supervisory and monitoring duties within the Company, as a result of a special charge given by the Board of Directors or under the framework of Committees, existing or that may be created by the Board of Directors.

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

##### 1.2 Executive Management

The remuneration of Galp's Executive Directors comprises two components: one fixed and one variable.

##### 1.2.1 Fixed remuneration

The fixed component will correspond to a fixed monthly remuneration, paid 14 times a year, to be determined by the Remuneration Committee after considering the duties and responsibilities assigned and practices observed in the market for equivalent position in large Portuguese and international companies.

### 1.2.2 Variable remuneration

The variable remuneration component, in the form of one-off payments, is determined by the Remuneration Committee and is dependent upon the achievement of certain economic, financial and operational goals with a view of creating a competitive remuneration framework and to implement a system of rewards which ensure the alignment of the interest of the executive management with the interests of the Company and their respective stakeholders, from a long-term economic and financial sustainability perspective.

In order to best stimulate the alignment of the executive directors' practices with the Company's long term sustainable interests, a multi-annual objectives policy was introduced in 2012, and entered into force in 2013, postponing during a period of 3 years a significant part of the variable remuneration, which is linked to the performance of the Company during this period.

On an annual basis, objectives are defined for the subsequent three-year period, with the final three-year assessment being made at the end of each three-year period. The first three-year period for which multi-annual objectives were determined was 2013-2015.

This policy allows Galp to approach the good practices of the market as well as the IPCG Governance Code recommendations with regard to corporate governance of listed entities.

The variable remuneration of executive directors includes two components:

- Annual variable remuneration, which maximum potential cap represents 50% of the maximum potential cap of the total variable remuneration;
- Tri-annual remuneration, which maximum potential cap represents 50% of the maximum potential cap of the total variable remuneration.

The amount of annual variable remuneration for each year is determined by the Remuneration Committee in accordance with the achievement of specific goals previously defined, with the maximum potential cap of 60% of the total annual fixed remuneration for each variable remuneration component. This is in line with generally recognized practice in the Portuguese market and internationally and is considered to represent a reasonable proportion between the variable and fixed remuneration

components.

As from 2019, the indicators defined by the Remuneration Committee to determine the annual variable remuneration, in addition to the economic dimension, which is now evaluated by reference to the generation of cash flow by business, incorporates the achievement of objectives and targets related to safety and environmental sustainability of activities material to the company, in the context of the proper management of their respective carbon intensity, namely through the Accident Frequency and the Carbon Intensity Indexes.

Thus, the indicators set by the Remuneration Committee for determining the annual variable remuneration for the year 2020 are as follows:

- (i)* Cash Flow From Operation (CFFO), with a weight of 75%;
- (ii)* Production Growth with a weight of 10%.
- (iii)* Total Recordable Injury Rate (TRIR), with a weight of 10%;
- (iv)* Carbon Intensity Index (CII), with a weight of 5%.

As regards the tri-annual variable remuneration, in line with the best market practices, the following indicators have been defined:

- (i)* Cash Flow From Operations (CFFO), with a weight of 55%;
- (ii)* Galp's Total Shareholder Return (TSR) vs the Peer Group; the Peer Group is composed by Total, Repsol, OMV and ENI, as well as by the indexes PSI20TR and SXEGR, references of the national market and the European energy sector, respectively, with a weight of 25%;
- (iii)* Return on Average Capital Employed (ROACE), with a weight of 20%.

The effective determination and payment of the multiannual component of the variable remuneration will take place not before the end of each three-year period, after approval of the accounts of the last financial year.

The above mentioned indicators contribute in 65% to the definition of the annual and three-year variable remuneration applicable. The remaining 35% of each of the components of the variable remuneration alluded to the result of qualitative assessment by the Remuneration Committee of the activity performed by the executive directors yearly or during the relevant three-year period, as the case may be.

In order to ensure consistency between the release of cash flow and the total variable remuneration, this depends on the level of cash flow achieved by Galp. Thus, if every year the Company has a CFFO lower than 80% of the target for the respective year, there will be no scope for paying the variable remuneration.

The determination of the annual and three-year variable remuneration may

consider adjustments that are reasonable regarding exogenous factors and unforeseen economic decisions, as well as those necessary to ensure comparability, that are adequate to encourage management objectives, as previously defined by the Remuneration Committee.

The indicators' nature, their respective relative-weight on the determination of the actual variable remuneration, the deferred payment of a substantial part of the remuneration and the limits to the application of the variable remuneration set out a remuneration model based on the merits by reference to the effective performance of the Company and in the disincentive of excessive risk taking, while ensuring the alignment of the interests of the executive management with the long-term interests of the Company.

### 1.2.3 Other benefits

Pursuant to article 402 of the Companies Code and article 18, no. 3 of the Company's by-laws, the board of directors' executive management is entitled to the creation by the Company of retirement benefits or other financial product of a similar nature to the benefit thereof, which terms and conditions it is hereby authorized to be defined the Remuneration Committee.

The value of the aforementioned plan will be calculated annually by the Remuneration Committee, and shall be subject to the necessary adjustments so that in the year which sees the beginning or ending of director's functions, this value is calculated on a pro-rata basis for the period in which these functions were performed.

For executive directors whose permanent residence is outside the area where the Company is based, the Remuneration Committee shall set a housing allowance.

Executive directors also benefit from using a light-duty vehicle and from health and life insurances.

### 1.2.4 Other conditions

The remuneration of Galp's board members includes all the remuneration due for the performance of office in management bodies in other group companies.

The policy does not encompass the allocation of any indemnity or compensation to board members as a result of their dismissal or termination of their contracts, namely when such can be linked to insufficient performance, and affords no entitlement to damages or compensation beyond those provided for by the legal framework. The resolutions of the Remuneration Committee correspond to the appropriate and required legal instrument to determine the absence of such entitlement.



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

In case of a judicial decision for unlawful action against one or more members of the Executive Committee that results or has resulted in a restatement or an impairment of the financial statements in terms detrimental to the Company, the Remuneration Committee may request the Board of Directors to adopt the adequate measures for the clawback of an amount of the variable remuneration paid to said member(s) that is deemed appropriate in relation to the relevant period of said unlawful action.

The payment of the variable remuneration may be partially carried out through shares or stock options plans, or other payment methods, to be approved in internal regulations by the Remuneration Committee, which in the first case must establish, among other things, the number of shares or stock options granted, and the main conditions for the exercise of their respective rights, including the price and date of that exercise and any change in those conditions.

There were no divergent situations from the procedure for implementing the remuneration policy.

## **2. Supervisory Board and Statutory Auditor**

The remuneration for the members of the Supervisory Board and the Statutory Auditor of the Company is based on the national and international market practice and is aligned with the interests of the Company and its stakeholders.

The remuneration of the members of the Supervisory Board amounts to a fixed monthly remuneration, paid 12 times a year, being the remuneration of its Chairman different from that of the remaining Supervisory Board members, considering the specific functions performed by such member.

The remuneration of the Supervisory Board members does not include any component dependent on the Company's performance or value.

The Statutory Auditors' remuneration rewards the review and legal certification of the Company's accounts and is in line with market conditions.

## **3. Board of General Shareholders Meeting**

The remuneration of the Board of the General Shareholders Meeting corresponds to a fixed annual amount defined by the Remuneration Committee and is different for the Chairman, Vice-chairman and the Board Secretary, being linked to the Company's performance and practices observed in the market.

Lisbon, March 20, 2020

The Remuneration Committee

## Proposal for item 7

### ANNUAL GENERAL MEETING OF GALP ENERGIA, SGPS, S.A.

APRIL 24, 2020

#### PROPOSAL REGARDING ITEM 7

**Resolve on the granting of authorization to the Board of Directors for the acquisition and sale of treasury shares and bonds or other treasury, by the Company or by its affiliates**

#### Whereas:

- A.** The general regime applicable to commercial companies regarding the purchase and sale of treasury shares and own bonds;
- B.** The provisions of articles 5(3) and 6 of the Articles of Association that permit, respectively, (i) the purchase, holding and sale of treasury shares, in the cases and conditions permitted by law and (ii) the Company to carry out the transactions permitted by law on bonds and any other own debt securities;
- C.** The provisions of articles 319(1) and 320 of the Commercial Companies Code and in the regulations issued by Comissão do Mercado de Valores Mobiliários;
- D.** The provisions of Regulation (EU) n.º 596/2014 of the European Parliament and of the Council, of 16 April 2014, and connected regulatory provisions, establishing, inter alia, the conditions in which the purchase of treasury shares integrated into buy-back programs are exempted from the prohibitions of (i) abuse of privileged information and illegal transmission of privileged information; and (ii) market manipulation.
- E.** The duties of communication and disclosure of treasury share transactions made by companies with shares traded on a regulated market, under the terms established in CMVM Regulation No. 5/2008;
- F.** The convenience for the Company of, in various circumstances and with different goals, maintaining, for the time allowed by the law, the option to purchase or sell treasury shares and own bonds or other own debt securities issued by the Company, directly or through its subsidiary companies.

The Board of Directors submits the following resolutions to the General Shareholders Meeting for approval:

1. To grant authorisation to the Board of Directors for the purchase and sale of treasury shares and own bonds, regardless of the applicable law, or other securities or debt securities of the Company or of a dependent company, in accordance with the terms and conditions of the following deliberations and, insofar as applicable, with the requirements of Regulation (EU) n.º 596/2014 of the European Parliament and of the Council, of 16 April 2014 and its connected regulatory provisions;
2. To approve the purchase by Galp or by any current or future dependent company of treasury shares and own bonds, regardless of the applicable law, or other securities or debt securities of the Company or of any dependent company, subject to a decision by the Board of Directors of the Company, under the following terms and conditions:
  - a) **Maximum number of shares to be purchased:** up to a limit, at any time, of 10% of the Company's share capital, consolidated with the shares purchased pursuant to article 483(2) of the Commercial Companies Code by dependent companies and without prejudice, if applicable, to the amount required to meet the obligations of the purchaser arising from a law, contract or the issuance of other securities, namely exchangeable bonds or bonds redeemable into company shares, subject, if applicable, to the subsequent sale, pursuant to the law, of shares that exceed that limit;
  - b) **Maximum number of bonds to be purchased:** (i) when the purchase is intended for the total or partial amortisation of the bonds purchased, up to the total number of bonds of each issue made; or (ii) when the purchase is intended for other purposes, up to the limit corresponding to 10% of the total nominal amount of the entirety of the bonds issued, less the sales made, without prejudice to the exceptions provided for in article 317(3) of the Commercial Companies Code and of the amount required to meet the obligations of the purchaser arising from a law, contract or the terms of the corresponding issue conditions;
  - c) **Term:** the purchase may be made within 18 months from the date of approval of this proposal by the Company's General Shareholders Meeting;
  - d) **Forms of purchase:**

**of shares:** subject to the mandatory terms and limits of the law, the purchase of shares, or rights to the purchase or allotment of shares, can be made for consideration in any form, including the purchase of shares or bonds that are exchangeable or redeemable into shares, by means of transactions carried out in the regulated market or outside the market, in which case from certain entities designated by the Company's Board of Directors, namely financial institutions, counterparties in equity swap agreements or other similar derivative instruments, or as a form of payment in kind, as well as for, or due to, compliance with obligations arising from the law or a contract, or the conversion or exchange of convertible or exchangeable securities issued by the Company or a dependent company, under the terms of the corresponding issue conditions or contracts entered into with regard to such conversion or exchange;

**of bonds:** subject to the mandatory terms and limits of the law, the purchase of bonds can be made for consideration in any form, by direct transaction or using derivatives, in a Portuguese or international regulated market or outside the market, possibly through financial institutions;

**e) Minimum and maximum consideration:**

**of shares:** The purchase price must (i) be contained within an interval of 20% below or above the weighted average of the daily closing prices of Galp shares traded on the two trading days immediately preceding the date of purchase or acquisition of the right to purchase or allot shares; or (ii) correspond to the purchase price resulting from financial instruments entered into or resulting from the conditions of the issue made by the Company or a dependent company of securities, including bonds, exchangeable or redeemable into Company shares or contracts entered into with regard to such exchangeable bonds or bonds redeemable into Company shares;

**of bonds:**

- 1)** the purchase price must (i) be contained within an interval of 20% below or above the weighted average of the daily closing prices published on the five trading days immediately preceding the date of purchase; or (ii) correspond to the purchase price resulting from financial instruments entered into or resulting from the conditions of an issue made by the Company or a dependent company;
- 2)** for unlisted issues, the maximum and minimum limits indicated in (i) of the previous paragraph is determined by reference to the corresponding nominal value;
- 3)** if the transaction is made as a result of or is related to the exercising of conditions set out in a securities issue, the price shall correspond to that which is determined pursuant to those conditions;

**f) Time of purchase:** to be determined by the Company's Board of Directors, taking into account the market situation, the specific objectives, at any moment, of the acquisition and the conveniences and obligations of the Company, of a dependent company or of the purchaser(s) and may be on one or more occasions, in the proportions determined by the Board;

**g)** If applicable, in order for the acquisition of own shares to be carried out under the safe harbour for buy-back programmes pursuant to Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, to comply with the trading conditions and restrictions laid down in Commission Delegated Regulation (EU) 2016/1052, in particular Articles 3 and 4 thereof.

- 3.** To approve the sale of treasury shares or own bonds or, regardless of the applicable law, of other securities or debt securities, which may have been purchased by the Company or by any current or future dependent company, subject to a decision of the Board of Directors of the Company, under the following terms:

**a) Minimum number of shares to be sold:** corresponding to a sufficient quantity to meet obligations deriving from the law, contracts or the issuance of other securities, namely bonds exchangeable or redeemable into the Company's shares and, in other cases, the number defined by the Company's Board of Directors;

**b) Maximum number of bonds to be sold:** corresponding at the total quantity of bonds held;

**c) Term:** 18 months from the date of approval of this proposal by the Company's General Shareholders Meeting;

**d) Form of sale:**

**of shares:** subject to the mandatory terms and limits of the law, the sale of shares, or rights to the purchase or allotment of shares, can be made for consideration in any form, including the sale, exchange or redemption of bonds issued by the Company, by invitation, public offer or under the terms of the issue conditions, by means of transactions carried out in the regulated market or outside the market, in which case to certain entity(ies) designated by the Company's Board of Directors, namely financial institutions, counterparties in equity swap agreements or other similar derivative instruments, or as a form of payment in kind, as well as for, or due to, compliance with obligations arising from the law or a contract, or the conversion or exchange of convertible or exchangeable securities issued by the Company or a dependent company, under the terms of the corresponding issuance conditions or contracts entered into with regard to such conversion or exchange;

**of bonds:** subject to the mandatory terms and limits of the law, the sale of bonds can be made for consideration in any form, by direct transaction or using derivatives, in a Portuguese or international regulated market or outside the market, possibly through financial institutions;

**e) Minimum consideration:**

**of shares:** in the case of sale for consideration, (i) the consideration may not be more than 20% less the weighted average of the daily closing prices of Galp shares traded on the two trading days immediately preceding the date of purchase or acquisition of the right to purchase or allot shares, or (ii) correspond to the price determined or resulting from the issue terms and conditions of other securities, namely obligations exchangeable or redeemable into Company shares, or a contract entered into in relation to this issuance, exchange or redemption, in the case of a sale deriving therefrom;

**of bonds:**

**1)** the cost of the sale (i) must not be more than 20% less the weighted average of the daily closing prices published on the five trading days immediately preceding the date of the sale; or (ii) correspond to the sale price resulting from financial

instruments entered into or resulting from the conditions of an issuance made by the Company or a dependent company;

- 2) for unlisted issues, the minimum limit indicated in (i) of the previous paragraph is determined by reference to the corresponding nominal value;
- 3) if the transaction is made as a result of or is related to the exercising of conditions set out in a securities issuance, the price shall correspond to that which is determined pursuant to those conditions;

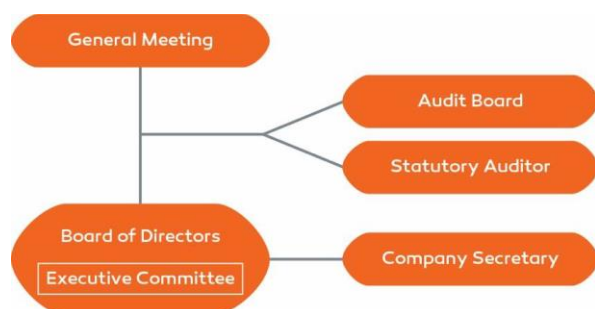
- f) **Time of sale:** to be determined by the Company's Board of Directors, taking into account the market situation, the specific objectives of the sale, and the conveniences and obligations of the Company, or dependent company, and may be on one or more occasions, in proportions to be determined by the Board of Directors.

Lisbon, 20 March 2020.

The Board of Directors

# Corporate Governance

## Governance Model



The classical one-tier corporate governance model adopted by Galp consists of:

- the Annual General Meeting of the company's shareholders;
- a Board of Directors and an Executive Committee with delegated powers;
- an Audit Board and a Statutory Auditor; and
- a Company Secretary, who provides specialist support for the company bodies.

This governance model is aimed at transparent and effective functioning of the Galp Group based on a separation of management and supervisory powers. While the duties of the Board of Directors are to define, control and monitor strategic guidelines, the duties of the Executive Committee – delegated by the Board of Directors – are operational and consist of the day-to-day management of the business and the corporate centre.

The Board of Directors' supervisory powers are enhanced by the existence of a Lead Independent Director and three specialist committees comprising only non-executive directors. These committees provide support on key matters for its supervisory role.

	Risk Management Committee	Sustainability Committee	Audit Committee
<b>Powers</b>	Overseeing Galp's risk management system	Overseeing the incorporation of sustainability principles into the management process	Overseeing the supervision of the internal auditing system
<b>Powers</b>	Monitoring the implementation of the Code of Ethics and Conduct; clarifying matters related to its application and receiving and processing reports about irregularities through the Opentalk ethics helpline		Establishing the remuneration of the members of the company bodies; preparing and submitting the annual statement on the remuneration policy for company bodies; annual appraisal of the performance of executive directors.
	3 members: 1 independent 3 meetings in 2019	3 members: 2 independent 3 meetings in 2019	3 members: 1 independent 3 meetings in 2019

## Company Bodies



## Board of Directors

 <p><b>Chairman</b> <b>Paula Amorim</b> Chairman of the Audit Committee Date of first appointment: 24 April 2012</p>	 <p><b>Vice-Chairman and Lead Independent Director</b> <b>Miguel Athayde Marques</b> Chairman of the Sustainability Committee and member of the Risk Management Committee Date of first appointment: 23 November 2012</p>	 <p><b>Vice-Chairman and Chairman of the Executive Committee (CEO)</b> <b>Carlos Gomes da Silva</b> Date of first appointment: 26 April 2007</p>	 <p><b>Director (CFO)</b> <b>Filipe Crisóstomo Silva</b> Date of first appointment: 26 July 2012</p>
 <p><b>Director (COO)</b> <b>Thore E. Kristiansen</b> Date of first appointment: 3 October 2014</p>	 <p><b>Director (COO)</b> <b>Carlos Costa Pina</b> Date of first appointment: 24 April 2012</p>	 <p><b>Director (COO)</b> <b>José Carlos Silva</b> Date of first appointment: 23 November 2012</p>	 <p><b>Director (COO)</b> <b>Sofia Tenreiro</b> Date of first appointment: 12 April 2019</p>
 <p><b>Director (COO)</b> <b>Susana Quintana-Plaza</b> Date of first appointment: 12 April 2019</p>	 <p><b>Director</b> <b>Marta Amorim</b> Date of first appointment: 14 October 2016</p>	 <p><b>Director</b> <b>Francisco Teixeira Rêgo</b> Date of first appointment: 16 April 2015</p>	 <p><b>Director</b> <b>Carlos Pinto</b> Date of first appointment: 12 April 2019</p>
 <p><b>Director</b> <b>Luís Todo Bom</b> Chairman of the Risk Management Committee Member of the Audit Committee Date of first appointment: 23 November 2012</p>	 <p><b>Director</b> <b>Jorge Seabra de Freitas</b> Member of the Audit Committee Date of first appointment: 23 November 2012</p>	 <p><b>Director</b> <b>Diogo Mendonça Tavares</b> Member of the Sustainability Committee Date of first appointment: 22 February 2006</p>	 <p><b>Director</b> <b>Rui Paulo Gonçalves</b> Member of the Risk Management Committee Date of first appointment: 6 March 2008</p>
 <p><b>Director</b> <b>Edmar de Almeida</b> Date of first appointment: 12 April 2019</p>	 <p><b>Director</b> <b>Cristina Neves Fonseca</b> Member of the Sustainability Committee Date of first appointment: 12 April 2019</p>	 <p><b>Director</b> <b>Adolfo Mesquita Nunes</b> Chairman of the Ethics and Conduct Committee Date of first appointment: 12 April 2019</p>	

— Executive Member    
 — Independent Member<sup>1</sup>    
 — Other Non-Executive 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.

There are 12 non-executive members on the Board of Directors, representing 63% of the total number of directors, and five of these (42%) are independent. This is an appropriate number of independent non-executive directors given the governance model adopted by the Company, Galp's shareholding structure, its free float, the size of the Company and the complexity of the risks involved in its business activity, in accordance with the recommendations of the PICG Corporate Governance Code.

### Diversity of the Board of Directors:

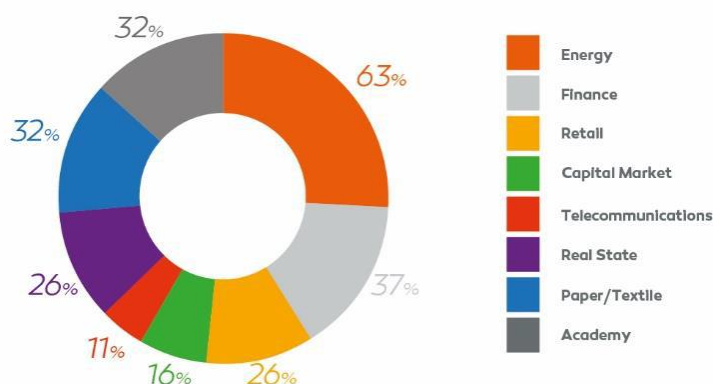
- Age range: 32-74;
- Gender: 26.3% female directors (above the statutory minimum of 20%);
- Geographical origins: 5 countries; and
- Independence: 42% of the non-executive directors

The Management and Supervisory Bodies Diversity Policy approved by the Board of Directors on 15 December 2019 and , had an impact on the appointments made at the 2019 Annual General Meeting, where the persons elected to the Board of Directors, apart from the diversity in ages, genders and geographical origins, have an assortment of skills, academic backgrounds and professional experience, as shown in the figure below.

These are appropriate for the business activities pursued by Galp and for its business strategy and provide effective diversity on the Board of Directors, which has a major role in the Company's decision-making process.

For more information about the skills of the Board members, see Section 19 of Part II of this report – Corporate Governance Report

## Boards of Directors' Skills



### Powers of the Board of Directors:

- Defining, supervising, controlling and overseeing strategic guidelines;
- Overseeing management and relations with the shareholders and other bodies;
- Matters of sole competence, which cannot be delegated to the Executive Committee, and which enable it to foster the establishment and oversight of Galp's strategic guidelines.

### Election

Under Portuguese law, the members of the Board of Directors are elected from lists by the shareholders at a General Meeting for a four-year term. Votes are cast for the entire list and not for each person on the list. Galp's By-laws ensure that minority shareholders with a minimum voting right percentage, individually or jointly with others, can propose the election of one director.

Nevertheless, each director's position is conditional on an annual performance appraisal through a vote of praise and/or confidence at the Annual General Meeting. A negative appraisal through a no-confidence vote may lead to the removal of the director in question, in accordance with the law.

### Limits on directorships

All members of the Board of Directors must be available for the performance of their duties and, therefore, the Board of Directors' Regulations provide that non-executive directors may not hold a seat on the board of more than four listed companies which are not part of the Galp Group.

### Performance appraisal

Every year, the Board of Directors conducts an appraisal of its own performance and that of its committees, taking into account adherence to the Company's strategic plan and budget, risk management, its own internal functioning and each member's contribution to these objectives, as well as the Board of Directors' relations with the other bodies and committees of the Company.

Meetings held in 2019: 9 (attendance: 99%)

## Executive Committee



**CEO**  
**Carlos Gomes da Silva**

- Marketing and Communication
- Strategy and Investor Relations
- Legal and Governance



**CFO**  
**Filipe Crisóstomo Silva**

- Corporate Planning and Control
- Corporate Finance and M&A
- Accounting and Taxation
- Information Systems and Digital



**COO**  
**José Carlos Silva**

- Refining & Midstream
- Procurement and Contracts
- Engineering and Management
- Asset Management



**COO**  
**Thore E. Kristiansen**

- Upstream



**COO**  
**Carlos Costa Pina**

- Infrastructure
- Risk Management
- Safety and Sustainability



**COO**  
**Sofia Tenreiro**

- Commercial



**COO**  
**Susana Quintana-Plaza**

- Renewables & New Businesses
- Innovation

## Powers of the Executive Committee

Day-to-day management of the business and the corporate centre, in accordance with the delegation of powers and the strategic guidelines defined by the Board of Directors, in the terms defined by the functional assignment among the members of the Executive Committee regarding the business and activities of the Company established by the Chairman of the Executive Committee.

## Performance appraisal

The executive directors are appraised annually by the Remuneration Committee based on the achievement of certain economic, financial, operational, safety and environmental sustainability goals, established annually in the remuneration policy proposed by the Remuneration Committee and submitted for the approval of the General Meeting.

## Limits on directorships

Under the internal regulations of the Board of Directors, Executive Committee members may not hold executive positions in listed companies which are not part of the Galp Group.

Meetings held in 2019: 43 (attendance: 99%)

## Audit Board

Chairman: José Pereira Alves

Members: Fátima Geada and Pedro Almeida

## Powers:

- Controlling the Company's financial information;
- Supervising the internal risk management, internal control and internal auditing systems;
- Receiving and processing irregularities reported through the Ethics and Conduct Committee;
- Selecting the Statutory Auditor and proposing its remuneration to the General Meeting;
- Verifying and monitoring the independence of the External Auditor;
- Overseeing, assessing and considering, within the powers conferred on the Audit Board, the strategic lines and risk policy established by the Board of Directors.

## Statutory Auditor

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

Alternate: Manuel Mota

Powers: controlling and reviewing the Company's financial information

## Board of the General Meeting

Chairman: Ana Perestrelo de Oliveira

Vice-Chairman: Rafael Lucas Pires

Secretary: Sofia Leite Borges

The General Meeting is the highest corporate governance body and through it the shareholders actively participate in the decisions of the Company. Any shareholder who holds at least one share on the registration date and declares an intention to do so, subject to proof of ownership within the statutory time limits, may attend, discuss and vote at the General Meeting in person or through a proxy. Galp shareholders may also exercise their voting right by correspondence and take part in the meeting using electronic means.

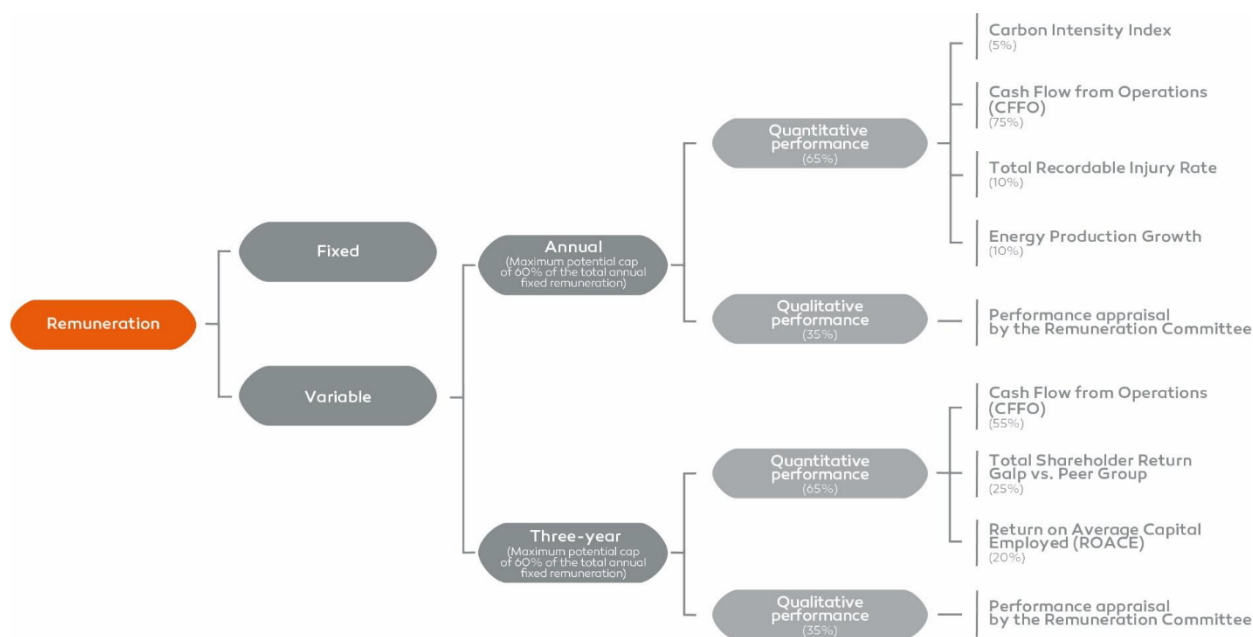
## Remuneration Policy

In accordance with the say-on-pay principle, the General Meeting of 12 April 2019, which is responsible for approving the remuneration of company bodies (Article 8 of the By-laws), approved with 96.95% of the votes the annual statement on the 2019 remuneration policy for its company bodies prepared and submitted by the Remuneration Committee, pursuant to Article 2 of Law 28/2009, of 19 June, as amended.

In order to promote an alignment between management and the medium- and long-term interests of the Company and its shareholders, the remuneration policy sets annual and multi-annual goals for its executive directors, calculating the amount of the multi-annual variable remuneration component over a period of three years and deferring payment of a significant portion of this amount, which is associated with and conditional on the Company's performance over that period, for a period of three years.

The 2019 remuneration policy for executive directors builds on the previous year's policy in four key matters:

1. CFFO – the economic criterion for making investments and remunerating shareholders – was included as an indexer for appraising management performance and determining the annual variable remuneration;
2. CFFO and Return on Average Capital Employed (ROACE) were introduced as indexers for determining the three-year variable remuneration, while Total Shareholder Return - as a factor which reflects the growth of stock market capitalisation - was maintained;
3. The management performance appraisal factors for the safety and environmental sustainability of the Company's main activities were strengthened, as part of an appropriate carbon intensity management, by specifying explicit indexers related with scope 1, 2 and 3 GHG emissions resulting from energy production, transformation and commercialization, based on The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard;
4. A partial payment arrangement through company shares for the three-year variable remuneration was introduced, with a view to strengthening the corporate governance elements which promote alignment between management and the long-term interests of the shareholders.



The remuneration of Galp’s directors includes all remuneration for positions on the company bodies of other Group companies.

The 2019 Remuneration Policy provides for the possibility of the variable remuneration allocated to an Executive Committee member to be refunded in certain situations (claw-back).

The annual total and individual remuneration amounts received by the members of the Board of Directors in 2019, as established by the Remuneration Committee, together with other information about the Remuneration Policy, are shown in Section 77 of 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 current market practices into account, which may vary in the case of non-executive members who have special supervisory and oversight duties or are members of a specialist committee. The Chairman of the Board of Directors waived this remuneration and donated it to the Galp Foundation.

The members of the Audit Board receive – twelve fixed monthly amounts. The remuneration of the Chairman of the Audit Board is different because of the special duties performed. The remuneration of the Audit Board members does not include any variable component.

The Statutory Auditor has the remuneration established by contract in line with normal market conditions.

Annual General Meeting of 24 April 2020  
Convening notice and information for shareholders