

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

PROPOSAL

Item 5 of the agenda
of the general meeting of
Galp Energia, SGPS, SA, Public Company,
on April 22 2013

REMUNERATION POLICY 2013

Introduction

The Remuneration Committee of Galp Energia, SGPS, S. A. – Sociedade Aberta, hereinafter referred to as “Galp Energia” or “the Company”, in the exercise of its powers to define the remuneration policy for the Company’s governing bodies, in accordance with its mandate bestowed by the general shareholders meeting pursuant to article 8 of the articles of association, hereby requests that in relation to Item 5 of the notice of the general shareholders meeting of 22 April 2013, the following statement concerning the aforementioned subject be presented:

This statement describes the process which was followed for the definition and implementation of Galp Energia’s remuneration policy for 2013, as well as its objectives and main principles, in line with Law no. 28/2009 of 19 June and in agreement with CMVM’s Regulation no. 1/2010 and with CMVM’s Corporate Governance Code (Recommendations 2010), with a view to ensure greater clarity and effectiveness when communicating with both the market and shareholders.

The information on the implementation of the remuneration policy for 2012 as well as on the individual remuneration of the members of Galp Energia’s Board of Directors and Supervisory Board in 2012 is described in the Corporate Governance Report 2012 ⁽¹⁾.

Corporate governance

Galp Energia’s general shareholders meeting delegated to the Remuneration Committee the definition of policies concerning the remuneration of the Company’s governing bodies. The Remuneration Committee is composed of three shareholder representatives and is elected by the general shareholders meeting for a four-year period (2011-14). Galp Energia’s articles of association

also establish the conflicts of interest between members of the Board of Directors, members of the Supervisory Board and members of the Remuneration Committee.

According to Galp Energia's governance model, the Remuneration Committee is responsible for defining the remuneration of the Chairman of the General Shareholders Meeting Board and of other Company management bodies, as well as for presenting a statement on the remuneration policy adopted for Galp Energia's corporate board members to the general shareholders meeting, as established by law and in accordance with CMVM Regulation no. 1/2010.

The remuneration policy for the Company's governing bodies is defined by the Remuneration Committee taking into consideration the CMVM recommendations and best governance practices.

General principles

The aim of the remuneration policy is to strengthen values, skills, capacities and conducts, with a view to the Company's interests, philosophy and long-term strategy.

In line with the abovementioned recommendations and in accordance with the law, the remuneration policy for the Company's governing bodies reflects best governance practices and, in is guided , in particular, by the following general principles:

- (i) to attract and motivate the best professionals in Company functions and to guarantee stability in the exercise of their functions, of governing board members;
- (ii) to properly reward, under market conditions, all work and results obtained as well as the business know-how in the framework of the respective competences and responsibilities associated with the positions held by corporate board members;
- (iii) to reward increasing efficiency and productivity and to create long-term value for shareholders, by defining and implementing an incentive scheme associated with the achievement of goals that are quantifiable in economic, financial and operational terms, which are defined by taking into account the sustainable growth of results, whilst discouraging excessive risk taking.

¹ See Chapter 2 - Management and Supervisory Boards, Section IV – Remuneration, page 53.

Taking into consideration the purposes referred to above, the Remuneration Committee defined and approved the policy for 2013 for the remuneration setting for the Company's corporate board members.

2013 remuneration policy

I - Remuneration of the Board of Directors

The remuneration policy does not envisage any specific regulations on payments related to the dismissal or office removal of Directors.

1. Non-Executive Directors

a) the remuneration of non-executive members of the Board of Directors will only correspond to a fixed monthly payment, paid 14 times per year, of an amount to be determined by the Remuneration Committee, in line with market practices;

b) also in line with market practices, the remuneration of non-executive members of the Board of Directors may be differentiated in the case of the Board of Directors Chairman, due to the special duties entrusted in representation of the Company, and of non-executive members of the Board of Directors withholding special supervisory and monitoring duties, in the framework of existing or future Committees deriving from the Board of Directors.

2. Executive Directors

The remuneration of Galp Energia's Executive Directors will have two components, one fixed and one variable component.

Fixed component

The fixed component of the remuneration shall correspond to a fixed monthly payment, paid 14 times per year, of an amount to be determined by the Remuneration Committee taking into account the nature of their duties and responsibilities, as well as the practices observed in the market with regard to equivalent positions in other major national and international companies that operate in the same sectors.

Variable component

The variable component of the remuneration, contingent in nature, is determined according to the compliance with certain economic, financial and operational objectives, aiming to create a competitive remuneration model and implement an incentive/bonus scheme that guarantees that Executive Director interests are aligned with the interests of the Company and its stakeholders, in terms of economic and financial sustainability.

A policy of defining multi-year objectives, with triennial frequency, was introduced in 2012 in order to better stimulate the alignment of the performance of Executive Directors with Galp Energia's long term sustainable interests.. A policy of this nature brings Galp Energia closer to best market practices, as well as to CMVM's recommendations on corporate governance.

Thus, the variable remuneration of Executive Directors has two components:

- Annual variable component, representing 50% of the total variable component;
- Triennial variable component, representing 50% of the total variable component.

The amount of the annual variable component will be determined by the Remuneration Committee through the compliance of the Company's specific objectives, defined for the preceding year.

The indicators proposed by the Remuneration Committee for 2013 in determining the annual variable component are: i) Gross Value Added (GVA) of Galp Energia (33.3%); (ii) Total Shareholder Return (TSR) (33.3%) which is used to compare Galp Energia's share performance of (including the payment of dividends) compared to a peer group which comprises the following companies: Neste Oil, Repsol, OMV, MOL and BG Group, as well as the PSI 20 index; (iii) Galp Energia Ebitda at replacement cost (33.3%).

With regards to the triennial variable component, in line with best market practices of the abovementioned group of companies, the following indicators were defined:

- Total Shareholder Return (TSR) Galp Energia vs. Peers, with a weight of 50%;
- Galp Energia Ebitda at replacement cost, with a weight of 50%.

Although this component is calculated annually by the Remuneration Committee, the payment is only actually made if the objectives defined have been achieved at the end of the three-year period. Given the nature of the Executive Directors' duties, the multi-year component of the variable

component will be paid at the end of the three-year period 2012-14, after the closure of the accounts for the preceding year.

In order to ensure consistency between the results obtained and the bonuses paid, the total amount of the variable component is dependent on Galp Energia's results. This way, if Galp Energia obtains net results 80% below budget, there will be no payment of the variable component.

Retirement benefits

For the executive members of the Board of Directors, the Remuneration Committee defined the award of a maximum annual amount corresponding to 25% of the gross annual remuneration stipulated by the Remuneration Committee and intended to set up a retirement savings scheme or another financial product of a similar type.

The value of the scheme referred to above will be determined each year with respect to each Director entitled thereto, where the necessary adjustments are made so that, in the year of the commencement or end of their duties as a Director, this value is determined pro-rata for the period in which these duties were carried out.

Other benefits

As for Executive Directors whose permanent residence is not within the area of the Company's registered office, the Remuneration Committee shall stipulate a rent subsidy.

II. Supervisory Board and Chartered Accountant

The remuneration of the members of the Company's Supervisory Board and of the chartered accountant shall be stipulated based on practices in the national and international market and will be taking into account the request for the alignment of the Company's interests with the interests of its stakeholders.

The remuneration of members of the Supervisory Board shall be a fixed monthly payment, paid 14 times per year. The remuneration of the Chairman of the Supervisory Board shall be differentiated from that of the other members of the Supervisory Board, in the light of the special duties carried out by that member.

The remuneration of the chartered accountant shall cover auditory work as well as the legal certification of the Company's accounts, and shall be contracted under normal market conditions.

III. General Shareholders Meeting Board

The remuneration of the members of the General Shareholders Meeting Board shall correspond to an attendance fee which is differentiated by the Chairman, the Vice-Chairman and the Secretary of the Board, of an amount to be determined by the Remuneration Committee based on the Company's situation and market practices.

Lisbon, 08 April 2013