



# ARTICLES OF ASSOCIATION

**GALP ENERGIA, SGPS, S.A.**



*Delivering growth through exploration and production*

# Articles of association

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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.

## GALP ENERGIA, SGPS, S.A.

### CHAPTER I

#### Name, registered office, duration and object

##### Article 1.

##### Name and Regime

1. The Company adopts the name Galp Energia, SGPS, S.A. \_\_\_\_\_
2. The provisions of the law may be annulled by deliberation of the shareholders. \_\_\_\_\_
3. References expressly made to legal standards in force are understood to relate to the standards that they replace. \_\_\_\_\_

##### Article 2.

##### Registered Office and Duration

1. The registered office shall be in Lisbon, at Rua Tomás da Fonseca, Tower C, and may be moved by the board of directors, in the terms of the law. \_\_\_\_\_
2. The board of directors shall have powers to create and close branches, delegations and other forms of representation of the Company, in Portugal or abroad. \_\_\_\_\_
3. The Company is created for an undetermined period of time. \_\_\_\_\_

##### Article 3.

##### Object

1. The corporate object of the Company is to manage shareholdings in other companies of the energy sector, as an indirect form of exercise of economic activities. \_\_\_\_\_
2. The Company may provide technical administration and management services to the companies in which it has a holding or with which it has entered into a subordination agreement. \_\_\_\_\_

## CHAPTER II

### Share capital

#### Article 4.

##### Share Capital and Shares

1. The share capital is eight hundred and twenty nine million two hundred and fifty thousand six hundred and thirty five euros, fully paid up, represented by eight hundred and twenty nine million two hundred and fifty thousand six hundred and thirty five ordinary shares each with a par value of one euro, of which fifty eight million seventy nine thousand five hundred and fourteen shares constitute a special category of shares subject to the privatisation process. \_\_\_\_\_
2. The shares of the category subject to a privatization process cease to be shares of this category by means of a mere request sent to the company by the respective holder(s), without the need for the approval of any corporate office of the company. \_\_\_\_\_
3. The shares of the category subject to the privatisation process must be owned by public entities in the acceptance of paragraph e) of no. 2 of article 1 of Law no. 71/88 of May 24. \_\_\_\_\_

#### Article 5.

##### Form of representation of the Shares. Own shares

1. The shares shall be non-certificated and nominative. Their conversion into bearer shares shall not be permitted.
2. The Company may issue non-voting preference shares, redeemable or not, and with or without premium, within the terms of the law. \_\_\_\_\_
3. The Company may acquire, hold and dispose of own shares, in the cases and conditions allowed by law. \_\_\_\_\_

#### Article 6.

##### Issue of Bonds and other Securities

Upon the deliberation of the board of directors, the Company may issue bonds and any other securities representative of debt within the terms of the law and perform the operations legally permitted on them. \_\_\_\_\_

## CHAPTER III

### Common provisions relating to corporate bodies and company representation

#### Article 7.

##### Corporate bodies

1. The corporate bodies of the Company are the shareholders' meeting, the board of directors, the supervisory board. \_\_\_\_\_
2. The Company also has a statutory auditor. \_\_\_\_\_
3. The Company will have an executive committee and a remuneration committee, and may create other committees via the board of directors and the general meeting. \_\_\_\_\_
4. Besides the corporate bodies typified in the law and referred to in these Articles of Association, the governing bodies also include the statutory auditor, the executive committee, the remuneration committee, the board of the general meeting and any other committees created by the general meeting or by the board of directors within the scope of their own competences. \_\_\_\_\_
5. The members of the corporate bodies are appointed for periods of four calendar years, and may be re-elected one or more times; the calendar year of appointment is considered to be a complete year. \_\_\_\_\_
6. The members of the corporate bodies shall be deemed to take office as soon as elected and shall remain in office until such time as their replacements are elected, co-opted or appointed, except in the event of resignation or dismissal in which case the periods established by the law shall apply. \_\_\_\_\_
7. When the law or the Articles of Association do not establish a given number of members of corporate bodies, this is deemed to be the number of members resulting from the deliberation on their election or appointment, according to the case. \_\_\_\_\_
8. The provisions in the previous number do not prejudice the amendment, during the term of office and up to the legal or statutory limit, of the number of members of the corporate body in question. \_\_\_\_\_
9. The election of multiple persons is made by lists, with the vote applying only to these. \_\_\_\_\_
10. The lists, with an indication of the shareholders putting forward the motion, should be presented in the registered office within the legal period before the date set for the general meeting on the agenda of which the election of the corporate bodies is included, by a notification sent to the chairman of the board of the general meeting and accompanied by the information mentioned in Article 289 no. 1 line d) of the Companies Code,

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notwithstanding the replacement of members in the event of death or impediment, which should be notified immediately with the necessary information. \_\_\_\_\_

### Article 8.

#### Remuneration and Remuneration Committee

1. The remuneration of the members of the corporate bodies is settled by the remuneration committee referred to in the following number. \_\_\_\_\_
2. The remuneration committee shall comprise three shareholders, elected by the general meeting, and who may be re-elected one of more times. \_\_\_\_\_
3. The position of member of the board of directors and member of the supervisory board is not compatible with that of member of the remuneration committee. \_\_\_\_\_
4. The directors' remuneration may include a variable component, which may or may not consist of a percentage of the profits for the year. If the variable part of the remuneration consists of a percentage of the profits, this is limited to the maximum global amount of zero point five per cent thereof. \_\_\_\_\_
5. The deliberations of the remuneration committee are taken by a simple majority of the votes. \_\_\_\_\_

### Article 9.

#### Binding of the Company

The Company shall be bound: \_\_\_\_\_

- a) By the joint signature of two directors who are members of the executive committee; \_\_\_\_\_
- b) By the signature of one director, when this has been decided by the board of directors or relates to the exercise of especially delegated powers; \_\_\_\_\_
- c) by the signature of those holding powers of attorney, in the terms of their respective powers of attorney. \_\_\_\_

## CHAPTER IV

### General Meeting

#### Article 10.

##### Participation of the Shareholders in the general meeting

1. Only shareholders who on the registry date corresponding to 0 hours (GMT) of the fifth day of negotiation prior to the date on which the general meeting is held own, at least, one share are entitled to participate in general meetings, personally or through a representative. In order to participate in shareholders' meetings, a shareholder must have shares registered in his/her/its name up to five days before the date of the meeting in question. \_\_\_\_\_
2. Each share is entitled to one vote. \_\_\_\_\_
3. The shareholders (legal persons or natural persons) may be represented at shareholder meetings by any person with full legal capacity, and the designation may be made by any written means, accompanied by a national or foreign identification document. \_\_\_\_\_
4. Shareholders who wish to participate or be represented in the general meeting, should state this in writing to the chairman of the board of the general meeting and to the financial intermediary with whom their individual registration account is open, by the end of the sixth day prior to the date of the general meeting and within the terms of the law, present the deeds of representation to the Company and, in the case of legal persons, also indicate who will represent it, for which purpose it may use electronic mail. The chairman of the board of the general meeting may, however, authorize shareholders who did not comply with the deadline to take part in the general meeting if this is seen not to prejudice the working of the meeting. \_\_\_\_\_
5. Shareholders without voting rights and bondholders may not take part in general meetings, except if they simultaneously own shares that grant voting rights. \_\_\_\_\_
6. Shareholders with voting rights may exercise them by correspondence in respect of each item of the agenda, by means of a letter with a signature identical to that on the national or foreign identity document, addressed to the chairman of the board of the general meeting and sent by recorded-delivery registered letter to the company's registered office, to be received up to the day before that on which the meeting is to be held. \_\_\_\_\_
7. The postal ballot should be accompanied by a legible photocopy of the national or foreign identity document of the shareholder or, in the case of a shareholder who is a legal person, the ballot papers should be signed by its legal representative, while the letter must also contain evidence that the shares in respect of which the voting

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right is to be exercised are registered in the shareholder's name in a dematerialised securities account. \_\_\_\_\_

8. The postal ballots will be opened by the chairman of the board of the general meeting at the start of the session, with the votes issued by correspondence counting for the verification of the constitutive quorum of the general meeting, the result of the postal vote in respect of each item of the agenda being announced in the item to which it refers. \_\_\_\_\_
9. Postal votes shall be counted as votes against in respect of proposed resolutions presented after the vote is cast, except in the case of elective decisions, where these votes are deemed as not having been cast. \_\_\_\_\_

### **Article 11.**

#### **General Meeting Board**

1. The general meeting board shall conduct the meetings and draw up the corresponding minutes, without prejudice to the legal provisions on the Company's secretary. \_\_\_\_\_
2. The general meeting board, composed of a chairman, a vice-chairman and a secretary, shall be elected by the shareholders' meeting. \_\_\_\_\_
3. The chairman of the board of the general meeting may be heard by the chairman of the board of directors and by the chairman of the executive committee on any matter that is relevant for the Company. \_\_\_\_\_

### **Article 12.**

#### **Convening and Deliberations of the General Meeting**

1. Notice of shareholders' meetings may be given to the shareholders through its publication in the legal terms or, since all the shares representing the Company's share capital are nominative, this notice may be sent by registered letter or, to any shareholders that express their prior consent, by electronic mail with a request for a receipt upon having been read, sent at least, 21 days before the date of the shareholders' meeting. \_\_\_\_\_
2. The provisions of number 4 of article 386 of the Companies Code are not applicable to the meetings of the corporate bodies, whether these are held on the first or second date or convocation. \_\_\_\_\_
3. Except in cases in which the law or these Articles of Association require qualified majorities, the deliberations of the general meeting, including those allowed for in number 2 of article 386 of the Companies Code, shall be adopted by a simple majority of votes cast. \_\_\_\_\_
4. The resolutions of the general meeting concerning the following matters are only considered approved if accepted by a qualified majority of two thirds of the votes cast: \_\_\_\_\_

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- a) deliberations on management matters of the Company submitted to it by the board of directors; \_\_\_\_\_
  - b) amendment of the Articles of Association, including capital increases, and also the limitation or suppression of the preference rights of the shareholders; \_\_\_\_\_
  - c) split, merger, transformation or winding up of the Company. \_\_\_\_\_
5. Abstentions are not counted as votes cast. \_\_\_\_\_

### Article 13.

#### Meetings

Without prejudice to meetings mandatory under the law, the shareholders' meeting shall meet whenever requested to the chairman of the shareholders' meeting by any other corporate body or shareholders, in the terms provided for in the law. \_\_\_\_\_

## CHAPTER V

### Board of directors and Executive committee

#### Article 14.

#### Composition

1. The board of directors shall be composed of between nineteen and twenty three directors. \_\_\_\_\_
2. The following procedure shall be observed in the election of the board of directors: \_\_\_\_\_
  - a) Shareholders who, by themselves or grouped with others for the purpose, own a holding of a minimum of 10% and maximum of 20% in the share capital with voting rights, may present proposals for the election of one of the directors to be elected; \_\_\_\_\_
  - b) Numbers 2 to 5 and number 10 of article 392 of the Companies Code in the wording currently in force will be applicable to the election of the director within the terms of the previous line; \_\_\_\_\_
  - c) Shareholders who, individually or grouped for the purpose, together hold less than 10% or more than 20% of the share capital with voting rights of the company will not take part in the isolated election referred to in the previous lines; \_\_\_\_\_
  - d) In the absence of the presentation of any list within the terms of the previous lines, or after the procedure under these lines has been concluded, the proceedings will move on to the election of the other directors, including the Chairman of the Board of Directors, although shareholders who have voted in favour of the proposal for the election of a director under lines a) to c) above that has prevailed may not participate in this election; \_\_\_\_\_

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- e) The other directors, including the chairman of the board of directors, will be elected upon the voting of the lists that are presented for the purpose, with the proposal that obtains the most aye votes being deemed to be approved; \_\_\_\_\_
- f) If the approved proposal includes the maximum number of directors admitted under number 1, and a director has been elected under lines a) to c) above, the director so elected will replace the person who came in 13th place in the proposal that prevailed within the terms of line e); if the approved proposal does not include the maximum number of directors admitted under number 1, the director elected under lines a) to c) above will be added to the number of directors elected within the terms of line e); \_\_\_\_\_
- g) If the proposal that prevailed for the election of the directors within the terms of line e) did not receive a majority of fifty five percent of the votes cast, and votes corresponding to, at least, forty percent of the share capital with voting rights, the shareholders who (i) being eligible to participate in this election, within the terms of the final part of line d) of this number, voted against that proposal or voted in favour of a proposal that did not prevail in this election, and who (ii) by themselves or grouped for the purpose, hold at least twenty five percent of the share capital with voting rights, may present and vote for proposals, electing among them a number corresponding to one third of the directors already elected under line a) and e) above; \_\_\_\_\_
- h) If the total number of directors elected is not divisible by three, the number of directors to be elected within the terms of the final part of the previous line will be rounded up to the nearest whole number; \_\_\_\_\_
- i) The directors elected under line g) will automatically replace those who come in the last places of the list approved within the terms of line e). \_\_\_\_\_
3. The decision to dismiss directors who were elected under lines a) to c) and g) of number 2, without just cause, will not take effect if this was voted against by shareholders who represent, respectively, 20% of the share capital, in the case of the director elected under lines a) to c), and, at least, 25% of the share capital, in the case of directors elected under line g). \_\_\_\_\_
4. The provisions in lines a) to c) or g) of number 2 apply with the necessary adaptations, to the approval of the decisions to ratify the cooptation of directors in replacement of those elected under lines a) a c) and g) of the number 2, or the election of directors in replacement of those elected under the same lines due to their definitive absence. \_\_\_\_\_

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### Article 15.

#### Competence of the Board of directors

The board of directors shall have the powers defined in the law and in these Articles of Association, represent the Company in or out of courts, as plaintiff or defendant, having the widest management powers, as well as resolve on any matter relating to the management of the Company, being further entitled to confess, discontinue or compromise in any disputes, as well as in the context of arbitration proceedings. \_\_\_\_\_

### Article 16.

#### Operation

1. Notwithstanding the provisions in the following numbers, the Company's board of directors shall act in accordance with the organisation and working regulation. At the start of each term of office the regulation of the board of directors in force for this term of office should be approved, and which shall be in accordance with the provisions in these Articles of Association and will lapse on the date on which the regulations of the board of directors come into force for the new term of office. \_\_\_\_\_
2. The board of directors shall meet ordinarily once a month, unless otherwise deliberated by the board of directors, and, in addition, whenever convened by the chairman or by any two directors. \_\_\_\_\_
3. Meetings shall be called at least five days in advance. \_\_\_\_\_
4. Notwithstanding the provisions in article 17, a majority of its acting members must be present for the board of directors to be able to meet. \_\_\_\_\_
5. Directors may be represented by other directors at board meetings, by means of a letter addressed to the chairman on the occasion of each meeting. \_\_\_\_\_
6. The meetings of the board of directors may be held by telematic means. \_\_\_\_\_
7. Postal votes are admissible. \_\_\_\_\_
8. It shall be considered that a director is definitively absent when, without a justification accepted by the board, he/she does not attend three consecutive or any five meetings. \_\_\_\_\_

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## Article 17.

### Resolutions of the Board of Directors

1. Board of directors' resolutions shall be validly adopted by simple majority of votes cast, except with regard to the matters indicated in the following lines, for the resolution of which a majority of more than two thirds of the directors in office shall be necessary: \_\_\_\_\_
  - a) approval of investments and of divestments of the Company and of the companies controlled by it, and respective financing, where the amounts are in excess of seventy five million Euros; \_\_\_\_\_
  - b) businesses of the company and of the companies controlled by it with any entities related to shareholders, which exceed twenty million Euros; \_\_\_\_\_
  - c) approval and amendment of the strategic and business plans and of their respective financing; \_\_\_\_\_
  - d) issue of bonds or of other securities within the competence of the board of directors; \_\_\_\_\_
  - e) proposals to amend the Company's Articles of Association; \_\_\_\_\_
  - f) participation in businesses not included in the main activities of the Company and of the companies controlled by it; \_\_\_\_\_
  - g) proposals for the split, merger, transformation and winding up of the Company and of any companies controlled by the Company; \_\_\_\_\_
  - h) the closing, by companies directly controlled by the company, of parity or subordination group contracts; \_\_\_\_\_
  - i) the composition of the executive committee; \_\_\_\_\_
  - j) the provision of real or personal guarantees; \_\_\_\_\_

## Article 18.

### Executive Committee

1. The board of directors will set up an executive committee and will indicate the respective chairman, to which it shall delegate, within the limits of the law, competence for the day-to-day management of the company. \_\_\_\_\_
2. The executive committee shall comprise five, six or seven directors with acknowledged competence in the management of companies and proven professional experience. \_\_\_\_\_
3. Members of the board of directors with executive functions shall be entitled to a retirement pension or pension complement or to an old age or disability pension, at the account of the company, under the terms of the regulations that come to be approved by the remuneration committee. \_\_\_\_\_
4. In order to be approved, the deliberations of the executive committee require the aye votes of a simple majority of the respective members. \_\_\_\_\_

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5. The board of directors will strive to ensure that the persons appointed as members of the executive committee will act according to criteria of efficiency and will reflect the general guidelines adopted by the Company. \_\_\_\_\_
6. At the start of each new term of office, the executive committee shall approve a regulation that define the principles and basic rules relating to their organization and working, which shall be consistent with these Articles of Association and with the delegation of competences made by the board of directors, which will cease on the date on which those that is approved for each new term of office come into force. \_\_\_\_\_
7. The executive committee shall promptly notify the board of directors of the approval of the regulation mentioned in the previous number, sending it a copy thereof. \_\_\_\_\_
8. The chairman of the executive committee will regularly inform the chairman of the board of directors of the decisions adopted in its meetings, who will be responsible for informing the other members of the board of directors. \_\_\_\_\_

### CHAPTER VI

#### Supervision of the Company

##### Article 19.

##### Supervisory board and statutory auditor

1. The supervision of the Company shall be entrusted to a supervisory board and a statutory auditor or firm of statutory auditors that shall not be a member of the supervisory board. \_\_\_\_\_
2. The supervisory board shall be composed of three members and a deputy elected by resolution of the shareholders' meeting, which shall also elect its chairman and the statutory auditor or firm of statutory auditors and the respective deputy. \_\_\_\_\_
3. The majority of the members of the supervisory board shall be independent, in compliance with the legal provisions on this matter. \_\_\_\_\_
4. In addition to other matters stated in the law, the supervisory board shall appoint or remove the Company's external auditors, permanently monitor the business of the Company and its affiliates, observe their relations with the various governing bodies, as well as give opinions on internal audit procedures or matters submitted to it in respect of the accounting practices followed by the Company. \_\_\_\_\_
5. The statutory auditor or firm of statutory auditors shall carry out any examinations and verifications necessary for the review and legal certification of the Company's accounts, as well as exercise any other powers attributed to him/her/it by law. \_\_\_\_\_

## CHAPTER VII

### The secretary

#### Article 20.

##### Company Secretary

1. The board of directors will appoint the Company Secretary for each term of office. \_\_\_\_\_
2. When a full secretary is appointed a deputy shall also be appointed. \_\_\_\_\_
3. The term of office of the secretary shall match with that of the members of the board of directors appointing him. \_\_\_\_\_

## CHAPTER VIII

### Appropriation of profits

#### Article 21.

##### Profits

1. The net profit for the year shall be appropriated as freely deliberated by the general meeting, although fifty percent of the distributable net profit of the year should be distributed to the shareholders, unless another proposal for the appropriation of profits is approved by a majority of two thirds of the votes cast in a general meeting. \_\_\_\_\_
2. The Company may distribute advances on profits, observing the conditions of the law. \_\_\_\_\_

## CHAPTER IX

### General and final provisions

#### Article 22.

##### Dissolution and Liquidation

1. The Company shall be dissolved in the cases contemplated in the law. \_\_\_\_\_
2. The directors in office on the date of dissolution shall act as liquidators, unless the shareholders' meeting resolves otherwise. \_\_\_\_\_

#### Article 23.

##### Jurisdiction

Any disputes between the Company and its shareholders or other members of corporate bodies shall be submitted to the courts having jurisdiction over the place of the registered office. \_\_\_\_\_