



GALP GÁS NATURAL DISTRIBUIÇÃO (GGND)

Procedure for Reporting Irregularities

1. INTRODUCTION

The new Code of Ethics and Conduct of the GGND Group (“GGND Code of Ethics and Conduct”) was approved by the Board of Directors of Gás Natural Distribuição, S.A (“GGND”) on 4 July 2018, and subsequently by the Board of Directors of the Subsidiaries.

The Audit Board, as a corporate body responsible for the supervision of the Company, is responsible for receiving any reports of irregularities submitted by GGND employees and other interested parties.

According to the GGND Code of Ethics and Conduct, the GGND Ethics and Conduct Committee (“GGND CEC”), established and appointed by the Audit Board on 3 May 2018, upon proposal of the Board of Directors, is the internal body that, working under the Audit Board, is responsible for monitoring the implementation and interpretation of the GGND Code of Ethics and Conduct with impartiality and independence, in addition to being responsible for recording and processing all reports of irregularities received through the ethics channel opentalk@ggnd.pt under this procedure.

2. PURPOSE

This Procedure for Reporting Irregularities aims at implementing the provisions of the GGND Code of Ethics and Conduct regarding the reporting of irregularities, in order to allow any interested party related to the GGND Group, namely, employees, members of corporate bodies, shareholders, bondholders, clients, suppliers or partners to report, to the Audit Board, by means of communication addressed to the GGND CEC, any known or well-founded suspicions of any occurrence of irregularities, non-compliance with the GGND Code of Ethics and Conduct, or with the standards related to or that deal with the matters of the same, in the areas of accounting, internal accounting controls, auditing, fight against corruption and banking and financial crimes.

3. SCOPE OF APPLICATION

- 3.1 For the purposes of this Procedure, irregularities are all wilful or seriously negligent acts or omissions attributed to the conduct of employees or members of the corporate bodies of GGND and its Subsidiaries, in the areas of accounting, internal accounting controls, auditing, fight against corruption and banking and financial crimes.

- 3.2 This Procedure applies to GGND and to all of its Subsidiaries. For the purposes of this Procedure, all companies where GGND directly or indirectly holds 50%, or more, of the share capital, or where it holds management control, are considered Subsidiaries.
- 3.3 All GGND appointed representatives at the Subsidiaries must foster the approval of this Procedure in such Subsidiaries.

4. REPORTING OF IRREGULARITIES

- 4.1 The reporting of irregularities by any interested party must be carried out in writing, through e-mail or letter to the CEC, to the following addresses:

- E-mail:

opentalk@ggnd.pt

Postal Address:

GGND Ethics and Conduct Committee

Rua Tomás da Fonseca, Torre A

1600-209 Lisbon

- Irregularities reporting form available on the distribution portal on the 'Mission, Values and Ethics' page.
- 4.2 GGND's communication system must ensure security levels appropriate to the confidentiality of the information purpose of the reporting.
- 4.3 All reports of irregularities must clearly state who is making the denunciation, with their identity being kept secret, and a description of all facts and information that may contribute to substantiating the reported irregularity or, in the event of a suggestion, specific elements that may avoid or diminish the likelihood of an irregularity.
- 4.4 For the purposes of this Procedure, all contact with the CEC must be carried out through the communication channels referred to above, without prejudice to the possibility of the CEC summoning and hearing all individuals necessary in order to ascertain the truthfulness of the information received.

- 4.5 Any employee that reports an irregularity is obliged to provide the CEC with all information available to them and to cooperate with the respective investigation process.

5. CONFIDENTIALITY

- 5.1 Each case where irregularities are reported will be treated as confidential, with all individuals that may have access to the information in the processes of alleged irregularities being required to keep them secret.
- 5.2 Due to their confidential nature, only members of the Audit Board, members of the GGND CEC and, strictly as needed, the members of the Executive Committee and employees or external consultants expressly appointed to support the works of GGND CEC, may access the processes of reporting irregularities.

6. PROCESSING OF IRREGULARITY REPORTS

- 6.1 Within the scope of the processing of information disclosed under this procedure, the GGND CEC must:
- a) Receive and investigate the information received through opentalk;
 - b) Ensure that there is a record of all processes received and their due processing;
 - c) Implement all steps or measures necessary in order to confirm the information received or to collect additional information on the matter;
 - d) Make preliminary decisions regarding the filing or continuation of the processes, always ensuring that the necessary storage periods, detailed herein, regarding the personal data processed in the scope of such procedures, are fully complied with;
 - e) Open the necessary investigation proceedings, taking all measures deemed necessary for such investigations;
 - f) Decide on the filing of investigation proceedings, in order to comply with the necessary storage periods, detailed herein, regarding the personal data processed in the scope of such procedures, in addition to deciding on appropriate measures or

actions to be taken to allow for the regularisation of the irregularities reported;

g) Decide on the appropriate measures or actions to be proposed/ recommended to the Audit Board to allow for the regularisation of the irregularities reported;

- Alterations to the GGND control processes, procedures and methods or policies;
- Communicating and/ or submitting proposals or recommendations to other entities or competent bodies, both internal and external;
- Termination of contractual relationships;
- Opening disciplinary proceedings or suspension or removal of the position of a member of a corporate body;
- Propose legal actions, file criminal complaints or take analogous measures.

6.2 All reports received involving matters that do not comprise any irregularity pursuant to the provisions of this procedure will be immediately filed.

6.3 GGND CEC may contract all services necessary for the proper preparation of the investigation proceedings.

6.4 Every six months, the CEC shall send a report to the GGND Audit Board listing the reports received, the procedures followed and the actions or measures proposed.

7. PERSONAL DATA PROCESSING

7.1 GGND, through, the CEC, is the entity acting as a personal data controller in the scope of Reporting Irregularities.

7.2 The processing of personal data within the scope of Reporting Irregularities is governed by this procedure, by Authorisation no. 7924/2014, granted by the CNPD [Comissão Nacional de Proteção de Dados (National Data Protection Committee)], with its legal framework, the grounds for legitimacy and the guiding principles for proper compliance with all applicable laws regarding personal data protection being set forth in Resolution no. 765/2009, of the CNPD, or of the entity that comes to replace it, in addition to also

being governed by GGND's internal standard governing the matter of Personal Data Protection.

7.3 By means of this procedure, GGND informs all that come to have their personal data processed within the scope of reporting irregularities that:

- a) The processing of personal data within the scope of this procedure is carried out, solely and exclusively, for the purposes of managing reports related to irregularities, including, but not limited to, through the receipt and recording of denunciations, as well as for the purposes of checking, investigating and performing procedural steps aimed at regularising all irregularities verified;
- b) All information regarding the identity and/or professional category and/or position of the reporting party and the reported party, as well as of those that, in any way, intervene in the activities considered irregular, will be processed, including sound and image, and irrespective of the type of media;
- c) The processing of personal data is carried out in order to comply with legal obligations that GGND is subject to;
- d) Personal data will be stored for the period necessary for the attainment of the purposes that triggered its collection, namely:
 - Personal data purpose of denunciation will be immediately destroyed in the event that the same proves to be inaccurate or useless;
 - When there is no legal or disciplinary procedure, all data that has been examined will be destroyed within six months from the closing of the information examination;
 - In the event there is a legal or disciplinary procedure, the data will be kept until the closure of such proceeding. In that case, such data will be stored within a restricted access information system and for a period that does not exceed the legal procedure.

7.4 GGND ensures the implementation of technical and organisational measures that, within the restrictions required by the nature of the process, allow the reported party, the reporting party and/or other parties in the procedure of management of reports related to

irregularities, to receive all appropriate information pertaining to the personal data processing carried out, request access to their personal data, namely, receiving confirmation regarding the processing of their personal data and/ or to change, delete or restrict the processing of such personal data.

- 7.5 Since the processing of the information is not deemed necessary for the performance of specific duties or due to the same, GGND will not provide any information that could disclose the identity of the person who made the denunciation (reporting party).
- 7.6 The reported party, the reporting party and/or the parties in the process of management of reporting irregularities may, at any time and in writing:
- Exercise the rights set forth in the Personal Data Protection Law and other applicable laws through the email address data.privacy@ggnd.pt; and,
 - Contact the Data Protection Officer of the GGND Group regarding any questions related to the protection and privacy of their personal data through the e-mail dpo@ggnd.pt.
- 7.7 The reported party, the reporting party and/or the parties in the process of management of reporting irregularities are entitled to the right to file a complaint with the competent supervisory authority, namely, the National Data Protection Committee - CNPD, whenever they believe that the processing of their personal data violates their rights and/or the applicable data protection laws.
- 7.8 GGND guarantees that neither the reporting party nor the individuals that provide information in the scope of the investigation related to the reporting of irregularities will be subject to any acts of retaliation, intimidation or discrimination, including disciplinary actions or suspension or withholding of payments, except in the case where the same is found to be responsible for the practice of improper acts.
- 7.9 Misuse or use with bad faith of the irregularity reporting system may entail the opening of a disciplinary or legal procedure, as appropriate, in the event that the conduct so justifies, according to the provisions of the GGND Code of Ethics and Conduct.

- 7.10 Any complaints regarding the quality of products supplied, or of services rendered, will not be considered for the purposes herein.

8 FINAL PROVISIONS

- 8.1 Without prejudice to the provisions of the GGND Code of Ethics and Conduct, this Procedure for Reporting Irregularities has a voluntary nature and, therefore, there will be no penalties for those who decide not to use it.
- 8.2 This Procedure for Reporting Irregularities was approved in a meeting of the Audit Board, held on 27 July 2018 and shall be disclosed internally to all employees of GGND and Subsidiaries by means of the regular communication channels, in addition to being disclosed externally by means of the official GGND website.