



**RULES OF PROCEDURE OF THE SUPERVISORY BOARD OF  
THE NAVIGATOR COMPANY, S.A.**

**Article 1**

**(Scope)**

1. These regulations establish the operating rules of the Supervisory Board of The Navigator Company, S.A. (hereinafter the "Company"), incorporating procedures that were already being followed and adopting some new ones, with the aim of systematizing the applicable rules and improving the operation of this corporate body.
2. The operation of The Navigator Company's Audit Board is governed by the provisions of the law, the articles of association and these regulations.

**Article 2 (Composition)**

The Audit Board is composed of three full members, one of whom shall be the Chairman, and one alternate, elected at the General Meeting for a period of three years.

**Article 3 (Powers)**

In the performance of its duties, and without prejudice to other powers conferred to it by law, the Supervisory Board is particularly responsible for:

- a) Supervising the Company's management, including, in this context, annually assessing the budget, the internal functioning of the Board of Directors and its committees, as well as the relationship between the various bodies and committees of the Company;
- b) To monitor compliance with the law and the articles of association;
- c) Verify the regularity of the books, accounting records and supporting documents;
- d) Verify, when deemed appropriate and in the manner it deems fit, the extent of cash and stocks of any kind of goods or securities belonging to the Company or received by it as a guarantee, deposit or other security;
- e) Verify the accuracy of the accounting documents;
- f) Verify that the accounting policies and valuation criteria adopted by the Company lead to a correct assessment of the assets and results;
- g) Draw up an annual report on its supervisory action and issue an opinion on the report, accounts and proposals presented by the management;
- h) To convene the general meeting, when the chairman of the respective board does not do so, and shall do so;
- i) Evaluate and comment on the strategic lines and risk policy prior to their final approval by the management body;

- j) Supervising and evaluating the effectiveness of the internal control system, including the risk management, compliance and internal audit functions, and may propose any necessary adjustments;
- k) Expressing an opinion on the work plans and resources allocated to the internal control system services, including the risk management and internal audit functions, and may propose any necessary adjustments;
- l) Receive reports of irregularities submitted by shareholders, employees of the Company or others, in accordance with the Whistleblowing Regulations in force;
- m) Hiring the services of experts to assist one or more of its members in the performance of their duties, with the hiring and remuneration of experts taking into account the importance of the matters entrusted to them and the economic situation of the Company;
- n) Complying with the other duties set out in the law or in the articles of association;
- o) Supervising the adequacy of the process of preparation and disclosure of financial information by the Board of Directors, including the adequacy of accounting policies, estimates, judgments, relevant disclosures and their consistent application between financial years, in a duly documented and communicated manner;
- p) Propose to the General Meeting the appointment of the Statutory Auditor and the respective remuneration, indicating the criteria that led to the choice of the proposed Statutory Auditor and describing the selection process of the Auditor conducted by it;
- q) Propose to the General Meeting the dismissal of the Statutory Auditor or the termination of the contract for the provision of its services whenever there is just cause for this;
- r) Supervising the audit of the Company's financial statements;
- s) Monitor the statutory auditor's independence, particularly in regard to the provision of additional services, and to assess annually the work performed by the statutory auditor and its suitability for the exercise of the duties assigned to it;
- t) To certify whether the report on the corporate governance structure and practices disclosed includes the elements referred to in article 245-A of the Securities Code;
- u) To issue a prior and binding opinion on the Regulation on Conflicts of Interest and Transactions with Related Parties to be drawn up and approved by the Board of Directors or, in the absence of such regulation, on the definition to be made by the management, as to whether the transactions that the company carries out with related parties are carried out within the scope of its current activity and under market conditions;
- v) To issue, within a reasonable period of time, a prior opinion on any transactions with related parties that are not carried out within the scope of the Company's current business and at market conditions;
- w) Verify that the transactions with related parties that the Company carries out are carried out within the scope of the Company's current activity and under market conditions.

#### **Article 4**

##### **(Powers)**

1. In the performance of their duties, and without prejudice to other powers attributed to them by law, the members of the Supervisory Board may, acting jointly or separately:
  - a) Obtain from the management the presentation, for examination and verification, of the books, records and documents of the Company, as well as to verify the stocks of any class of valuables, namely cash, securities and merchandise;
  - b) Obtain from management, or from any directors, information or clarification on the course of the Company's operations or activities or on any of its business;
  - c) Have access to all information and employees of the Company for the assessment of the Company's performance, situation and development prospects, including, in particular, the minutes, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the other governing bodies, without prejudice to access to any other documents or persons from whom clarification may be requested;
  - d) Obtain the reports made by the Company's internal control services, including the risk management, compliance and internal audit functions, in particular those related to the rendering of accounts, the identification or resolution of conflicts of interest and the detection of potential irregularities.
  - e) Obtain from the statutory auditor of the Company the clarifications necessary for the annual assessment by the Supervisory Board of the work carried out by the statutory auditor, as well as its independence and suitability for the performance of duties;
  - f) Obtain from third parties who have carried out transactions on behalf of the Company the information they need for the appropriate clarification of such transactions;
  - g) Attend meetings of the Board of Directors, whenever they deem it appropriate.
  
2. For the performance of its duties, the Supervisory Board may be assisted by experts specially appointed for this purpose and also by a company specialized in auditing work and may decide to hire the services of experts to assist one or more of its members in the performance of their duties.

#### **Article 5**

##### **(Duties)**

1. In the performance of their duties, and without prejudice to other duties imposed on them by law, the members of the Audit Board have the duty to:
  - a) Inform themselves and diligently prepare for Board meetings;

- b) Participate in Board meetings and attend general meetings as well as Board meetings convened by the Chairman of the Board or at which the accounts for the financial year are examined;
- c) Exercise conscientious and impartial supervision;
- d) Keep secret the facts and information of which they become aware by reason of their duties, without prejudice to the duties set out in paragraphs 2 and 3 of this article;
- e) Inform the administration of the verifications, inspections and diligences they have carried out and of the results thereof;
- f) Inform the members of the first meeting held of all irregularities and inaccuracies that they have verified and whether they have obtained the clarifications they need to carry out their duties;
- g) Record in writing all verifications, inspections, complaints received and steps taken and the results thereof;
- h) Inform the management body of the results of the statutory audit and explaining how it has contributed to the integrity of the process of preparation and disclosure of financial information, as well as the role that the supervisory body has played in this process;
- i) Monitor the process of preparation and disclosure of financial information and make recommendations or proposals to ensure its integrity;
- j) Monitor the effectiveness of the internal quality control and risk management systems and, where applicable, internal audit, in relation to the process of preparation and disclosure of financial information, without violating its independence;
- k) Monitor the statutory audit of the annual individual and consolidated accounts, including their execution;
- l) Verify and monitor the independence of the Audit Firm in the exercise of its statutory audit activity or in the provision of other services legally permitted under the terms defined in the applicable law and regulations, namely by (i) demonstrating, during the selection process of the Audit Firm that the firm has internal mechanisms in place to ensure independence and avoid conflicts of interest, (ii) the regular verification by the audit firm that such internal mechanisms remain adequate and compliant with applicable laws and regulations; (iii) obtaining an annual declaration of independence; (iv) the annual reporting of the non-audit services that have been provided; (v) the reasoned proposal as to whether the audit firm's duties should be extended beyond the statutory maximum period, with consideration of the respective independence conditions and the benefits and costs associated with their replacement; (vi) the reporting by the audit firm of the exceeding of the fee threshold; and (vii) the joint analysis of any threats to their independence and the application of safeguards to mitigate them;
- m) Select the firms of statutory auditors to be proposed to the General Meeting for election and justifiably recommend a preference for one of them;

- n) Treat confidentially all Company documentation to which they have access in the performance of their duties, including the content of the Board meetings and other governing bodies in which they participate and the information preparatory thereto; and
  - o) Provide to the other governing bodies and committees, as required by law and the articles of association, all the information and documentation necessary for the exercise of the legal and statutory powers of each of these bodies and committees; and
  - p) Exercise the set of powers assigned to it with regard to the handling of complaints made under the terms of the Complaints Regulation.
2. The members of the Supervisory Board shall report to the Public Prosecutor's Office any criminal facts of which they become aware and which constitute public crimes.
  3. Whenever any member of the Supervisory Board becomes aware of facts that reveal difficulties in the normal pursuit of the corporate purpose, he/she shall immediately report them to the statutory auditor.

## **Article 6**

### **(Meetings and deliberations)**

1. The Audit Board shall meet at least every quarter.
2. The Supervisory Board holds ordinary meetings each quarter, attended by representatives of the management, the Company Secretary and the departments and committees or other entities of the Company set up to support the Board of Directors and whose cooperation is deemed important for the functioning of the Supervisory Board and of these meetings, to review the financial statements for the previous quarter, as soon as it has received them from the Board of Directors, and to assess whether the risks actually incurred by the Company are consistent with the Company's risk policy and the objectives set by the Board of Directors, with the meeting in the first quarter of the year being dedicated to the assessment of the accounts for the previous financial year.
3. Representatives of the firm of statutory auditors shall also be present at this meeting every six months.
4. The Audit Board shall meet extraordinarily at the initiative of its Chairman or at the request of any of its members, who shall propose a date and agenda for that purpose.
5. All meetings must be convened with an indication of the agenda, preferably in writing and by e-mail, even those already scheduled, but the members of the Board who attend or are represented at the meetings in question and those who have attended

- the meeting in which, in their presence or that of their representative, the day(s) and time(s) for the new meeting(s) have been fixed.
6. The notice period for convening unscheduled meetings must not be less than five days, without prejudice to the fact that the Chairman of the Supervisory Board may, in urgent cases, convene the Board only as far in advance as possible, even if less than that.
  7. The Supervisory Board may meet without prior formalities, provided that all its members are present and all express their willingness to convene the Supervisory Board and deliberate on a given matter, and to take unanimous resolutions in writing - with the possibility of using electronic mail for this purpose - which will be ratified at the subsequent formal meeting.
  8. The resolutions of the Supervisory Board are taken by majority vote, and members who do not agree with them must provide the reasons for their disagreement in the minutes.
  9. Minutes of each meeting shall be drawn up in the respective book and signed by all those who took part.
  10. The minutes must always include a list of the members present at the meeting, as well as a summary of the most relevant verifications carried out by the Supervisory Board or any of its members and the decisions taken.
  11. The draft minutes shall be circulated for approval to all members of the Board by email and shall only be subject to formal deliberation at the next meeting if a consensus cannot be reached by that means.

## **Article 7**

### **(Agenda)**

1. The agenda shall be determined by the Chairman of the Supervisory Board.
2. Any member of the Board may request the inclusion of items on the agenda, which request must be addressed to the Chairman as far in advance of the meeting as possible and accompanied by the respective supporting documents.
3. Supporting documents relating to the various items on the agenda shall be distributed to all members of the Board in advance to allow for their timely consideration, preferably with the notice convening the meeting.
4. The content of Council meetings is confidential, as is all documentation relating to their preparation and holding.

## **Article 8**

### **(Attendance)**

In addition to the members of the Supervisory Board, the Company Secretary, representatives of the Company's management, departments and committees, the firm of

statutory auditors or even third parties may attend the respective meetings, provided that they are invited by the Chairman or by whoever replaces him at the meeting, depending on the convenience related to the matters discussed.

#### **Article 9**

##### **(Absences)**

1. The absences of the members of the Supervisory Board from its meetings must, if possible, be communicated in advance, with an indication of the respective justification to its Chairman or whoever acts as his proxy.
2. If there is sufficient information, the Supervisory Board shall decide at the meeting itself on the justification for the absence.

#### **Article 10**

##### **(Articulation with the Board of Directors)**

1. Without prejudice to other provisions of these regulations, the liaison between the Supervisory Board and the Board of Directors shall take place between the Chairman of the Supervisory Board and the executive director appointed for this purpose by the Board of Directors.
2. The members of the Supervisory Board who participate in meetings of the Board of Directors under the terms of articles 421 and 422 of the Companies Code shall give prior notice to the other members of their intention to participate and shall subsequently inform the other members of the matters dealt with at such meetings which are relevant to the duties of the Supervisory Board.

#### **Article 11**

##### **(Liaison with the Committees supporting the Management Board)**

1. The liaison between this Board and the Committees or other entities of the Company set up to support the Board of Directors and whose cooperation is deemed important for the functioning of the Supervisory Board shall be exercised by its Chairman.
2. The members of the Committees or other entities of the Company set up to support the Board of Directors referred to in the preceding paragraph may, at the request of the Chairman of the Supervisory Board, be present at the meetings of this body that have as their object matters in which their participation is relevant.

## **Article 12**

### **(Coordination with the Statutory Auditor)**

1. The Supervisory Board is the main interlocutor of the statutory auditor of the Company and the first recipient of the respective reports, and the Chairman of the Supervisory Board is particularly responsible for liaising with the statutory auditor, without prejudice to the requests and communications that the statutory auditor may address to the other bodies and committees of the Company within the scope of its duties.
2. It is the responsibility of the Audit Board to ensure that the appropriate and necessary conditions for the provision of services by the statutory auditor of the Company are provided within the Company.

## **Article 13**

### **(Reporting Irregularities)**

The Supervisory Board acknowledges, accepts and adopts the Whistleblowing Regulations approved by the Board of Directors.

## **Article 14**

### **(Conflict of Interest)**

1. Whenever any member of the Supervisory Board considers that there is a circumstance or fact that constitutes or may determine the existence of a conflict of interest, defined in the terms of the Regulation on Conflict of Interest and Transactions with Related Parties, that member must inform the respective Chairman of that circumstance or fact, with adequate notice, except in the case of the Chairman, who in a situation of his own conflict, will inform the other members.
2. A member of the Supervisory Board who has an interest in conflict with the interest of the Company may not vote on resolutions in relation to which such conflict occurs and must record this impediment in the minutes or other written document documenting the decision.
3. A member of the Supervisory Board who has a conflicting interest shall provide all information and clarifications requested by the other members of the Board.



**Article 15**

**(Support Services)**

1. Support for the functioning of the Supervisory Board is the responsibility of the Company Secretary, to whom all requests for clarification and information of an administrative nature should be addressed.
2. All members of the Supervisory Board must keep their telephone, address and e-mail contacts up to date with the Company Secretary, including contacts that can be used in emergency situations.

**Article 16**

**(Final Provisions)**

1. The legal and statutory provisions in force shall apply to all matters not specifically provided for in these Regulations.
2. These Rules shall enter into force immediately.
3. Any amendment to these Rules must be approved by resolution of the Supervisory Board, adopted by a majority of the votes cast by the members of the Board in office.

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The Supervisory Board