

THE NAVIGATOR COMPANY, S.A.

**EXTRAORDINARY GENERAL MEETING OF
22 SEPTEMBER 2017**

**PROPOSAL FROM THE AUDIT BOARD
RELATING TO THE APPOINTMENT OF THE STATUTORY AUDITOR**

Whereas:

- a) The Navigator Company, S.A. consolidates accounts with its majority shareholder Semapa - Sociedade de Investimento e Gestão, SGPS, S.A., so the same entity has been responsible for the statutory audit of both companies;
- b) Law no. 140/2015 of September 7, sets maximum time limits for the mandates of Statutory Auditors and Audit Firms, and this year such limit is reached by the Audit Firm which presently assumes that responsibility at Semapa;
- c) The Board of Directors of The Navigator Company, S.A. believes it is convenient to proceed with the appointment of the Statutory Auditor or Audit Firm that shall perform those functions as of 2018, not only to allow the appointment to take place before the relevant audit period, but also to prevent the consequences of the new laws governing the independence of Audit Firms, which substantially limit the provision of non-audit services to The Navigator Company, S.A. and related companies;
- d) The Audit Board carried out, with the assistance of the administrations and services of the related companies included in the Semapa Group, an organized selection procedure for the Statutory Auditor or Audit Firm, in accordance with Regulation (EU) no. 537/2014 of the European Parliament and the Council, of 16 April 2014;
- e) The selection procedure was open to several entities, complied with the different requirements set out in national and European legislation, established transparent and non-discriminatory selection criteria, which included a focus on the quality of the proposals submitted, experience in the sectors where the Navigator Group operates, technical quality and

seniority of the professionals in the proposed teams and the financial conditions proposed by each entity;

- f) The Audit Board analyzed and assessed the proposals, on the basis of the adopted selection criteria, and concluded that the proposals presented by KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. and Deloitte & Associados, SROC S.A. are the best placed;
- g) The Audit Board prefers the proposal submitted by KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., for it was better qualified in the overall weighted assessment, where the proposal presented by Deloitte & Associados, SROC S.A. was second placed, and
- h) The Audit Board is aware that the Audit Firm presently in office and the relevant alternate Statutory Auditor are available to waive their mandates, as of 31 December 2017, notwithstanding their responsibilities until the end of the audit for the current year.

I. SELECTION TO PROPOSE TO THE GENERAL MEETING

The Audit Board has selected a new Audit Firm for The Navigator Company, S.A., and hereby proposes to the Shareholders the two following options to fill the position of effective Audit Firm and alternate Statutory Auditor of The Navigator Company, S.A., as of 1 January 2018, until the end of the term in office of the other company officers:

Option A

Effective Audit Firm: KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A., represented by Statutory Auditor, Paulo Alexandre Martins Quintas Paixão, registered at the Institute of Statutory Auditors under number 1427;

Alternate Statutory Auditor: Statutory Auditor, Vítor Manuel da Cunha Ribeirinho, registered at the Institute of Statutory Auditors under number 1081.

Option B

Effective Audit Firm: Deloitte & Associados, SROC S.A., represented by Statutory Auditor, Jorge Carlos Batalha Duarte Catulo, registered at the Institute of Statutory Auditors under number 992;

Alternate Statutory Auditor: Statutory Auditor, Carlos Luís Oliveira de Melo Loureiro, registered at the Institute of Statutory Auditors under number 572.

II. RECOMMENDATION AND PROPOSAL

The Audit Board recommends and proposes to the General Meeting the appointment of the holders mentioned above in Option A, for is considers that option to be more suited to fill the position in The Navigator Company, S.A., in accordance with the organized selection procedure and the above mentioned grounds, notwithstanding, in what concerns the entity presently in office, PricewaterhouseCoopers & Associados - SROC, Lda,; that (i) it should remain in office as Effective Audit firm until 31 December 2017 and (ii) its responsibilities in relation to the audit of the 2017 accounts shall be carried out as usually, until the end of its revision.

III. STATEMENT

The above proposal and recommendation are free from the influence of any third parties and there are not any clauses in any agreements between The Navigator Company, S.A. and third parties which limit the selection of the entity responsible for carrying out the statutory audit by the General Meeting.

Lisbon, 29 August 2017

The Audit Board,