



**REGULATION OF CONFLICTS OF INTEREST AND
RELATED PARTY TRANSACTIONS OF
THE NAVIGATOR COMPANY, S.A.**

**CHAPTER I
INTRODUCTION**

**ONE
(PURPOSE)**

This regulation establishes the rules that govern conflicts of interest and related party transactions to which The Navigator Company, S.A., hereinafter referred to as the "Company", is a party, in addition to the internal mechanisms that the Company has in place to ensure compliance with the international accounting standard (IAS) 24 (Related Party Disclosures). It is applicable without prejudice to the Company's obligations and of its Directors concerning Inside Information, the legal framework of company business with board members and the internal rules of procedure governing the reporting of irregularities (whistleblowing) and other legislation in this field.

**TWO
(APPROVAL AND AMENDMENTS)**

1. This regulation will enter into force immediately.
2. Any amendment to this regulation must be approved by a resolution of the Board of Directors, and is subject to the prior favorable opinion of the Audit Board of the Company.

**CHAPTER II
RELATED PARTY TRANSACTIONS**

**THREE
(DEFINITION)**

For the purpose of this regulation, Related Party Transactions are the transactions that are defined as such by IAS 24 (hereinafter referred to as "Transactions").

**FOUR
(APPROVAL)**

1. The following Transactions are approved by the Executive Board:



- a) Loans granted to the Company by shareholder companies with a value of less than or equal to one hundred million euros;
 - b) Transactions under the taxation regime for company groups, with a value of less than or equal to one hundred million euros;
 - c) Transactions with controlled companies that consolidate accounts with the Company, with an individual or accumulated annual value of less than or equal to two percent of the controlled company's revenue, assessed according to the latest approved annual accounts;
 - d) Loans to controlled companies that consolidate accounts with the Company and, thus, holds their debt, (i) with a maturity of less than six months, (ii) individual or cumulative annual value of less than one fifth of the controlled company's revenue, assessed according to the latest approved annual accounts and not exceeding one hundred million euros and (iii) as long as the controlled company ensures credit lines for the reimbursement of the operation, and
 - e) All other Transactions with an individual or cumulative annual amount of less than or equal to one million euros.
2. In order to apply sub-paragraphs c) to e) of the previous paragraph, the cumulative annual amounts therein are assessed in reference to the fiscal year.
 3. The Transactions that do not fall within the scope of the previous paragraph are adopted by the Board of Directors, subject to the prior approval by the Audit Board.
 4. Only Transactions carried out under market conditions and in full respect of the justified interest of the Company shall be permitted.

FIVE (PROCEDURES)

1. The Board of Directors must be informed biannually of the resolutions concerning Transactions which it was not a party to.
2. The Executive Committee must inform the Audit Board of all Transactions covered by Article 4, no. 1 and 3, biannually,
3. The directors of the Company who intervene in the formalization of Transactions must ensure that such Transactions are previously submitted to the approvals provided herein.
4. The formalization and execution of resolutions concerning Transactions must be



subject to the framework set out in these Regulations and special follow up by the Executive Committee.

**CHAPTER III
CONFLICTS OF INTEREST**

**SIX
(DEFINITION)**

A Conflict of Interest arises where any decision-maker or someone taking part in a decision making process (Director) is in a position that, in objective terms, may compromise his independence and influence his judgement with interests that differ from the Company's interests, be they financial or not, of their own or of third parties.

**SEVEN
(PREVENTION)**

In view of ensuring adequate prevention, identification and resolution of conflicts of interest, the Directors shall:

- a) Report the existence of, real or potential, conflicts of interest to their superiors or, in the case of a member of a collegial body, to the body in question, in accordance with the latter's rules of procedure;
- b) Refrain from interfering or participating in the decision making process when in a situation of conflict of interest, and have such impediment registered in the minutes or other written document where the decision is recorded, without prejudice to the duty to provide all information and clarifications which the relevant body and its members may request.

Setubal, 10 December 2019

The Board of Directors