

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,

Paulo Paixão



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COUNTRY

Portugal

QUALIFICATIONS

- Audit Partner at KPMG Portugal
- Leadership executive program – Universidade Nova de Lisboa
- Degree in Audit from the “Instituto de Contabilidade e Administração de Lisboa”
- Bacharel in Accounting and Administration from the Instituto de Contabilidade e Administração de Lisboa
- Statutory Auditor N.º1427
- Registered at CMVM N.º 20161037

EXPERIENCE

- Paulo is currently the Head of ICEGH (Information, Communication & Electronics, Infrastructures, Government and Healthcare) at KPMG Portugal.
- His professional activity has focused particularly in the industry sector where he has been responsible for the audits of several national and international groups;
- He has led several capital market advisory projects, including conversion to IFRS, feasibility studies, comfort letters and IPOs;
- Development of training in IFRS, particularly in areas such as Consolidation, Business Combinations, Revenue recognition, among others;
- Responsible for various assurance projects over non-financial information, including sustainability reports;
- Review, development and implementation of non-financial asset impairment methodology (IAS 36) in various companies;
- Participation in several evaluation projects of Internal Control over Financial Reporting and Governance practices.

Number of shares held from The Navigator Company, S.A.

Paulo does not hold any shares of The Navigator Company, S.A.

Vítor Ribeirinho



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COUNTRY

Portugal

QUALIFICATIONS

- Bacharel in Accounting and Administration from Instituto Superior de Contabilidade e Administração de Lisboa;
- Statutory Auditor N.º1081
- Registered at CMVM N.º 20160693

EXPERIENCE

- Vítor is currently the Deputy Chairman of KPMG Portugal and Partner responsible for the Audit and Financial Services Area of KPMG in Portugal and Angola;
- Has more than 20 years of experience in financial audits in Portugal and Angola;
- Throughout his career gained vast experience in audits and other special projects such as assessing and evaluating internal control systems, mergers and acquisitions, investigations and organizational restructuring of various divisions within financial sector companies;
- Responsible for several conversion projects of financial statements to IAS / IFRS, in some of the most relevant Groups in Portugal;
- Also responsible for the review of the reports prepared for the purposes of the Securities Exchange Commission (SEC), namely at the level of the conversion of accounts to US GAAP, as well as for several revision works of offering-circular under subordinated debt issuances and capital increase ;
- Experience in due diligences to commercial banks abroad and non-financial companies;
- As a Statutory Auditor he is a member of the Supervisory Body of several national and international companies, namely in the EDP Group.

Number of shares held from The Navigator Company, S.A.

Vítor does not hold any shares of The Navigator Company, S.A.



Carlos Loureiro

Partner
Portugal

Carlos Loureiro is a partner in Deloitte, being the managing partner responsible for the Tax Division in Portugal.

He graduated in Business Administration from the Lisbon Catholic University in 1981.

In 1987, he qualified as a Portuguese Chartered Accountant, being a founding partner of Deloitte & Associados, SROC S.A.. Carlos Loureiro joined Arthur Andersen* in 1981, becoming worldwide partner in 1991.

In the scope of his responsibilities as a Chartered Accountant, he has been a member of the Fiscal Boards of several relevant Portuguese companies of various sectors of activity.

His professional experience has centered in the areas of planning of tax strategies and structure of economic groups and on the supervision of projects regarding financial and fiscal grants and incentives, with particular emphasis in the international area.

Carlos is on the board of the Portuguese Fiscal Association, the representative in Portugal of the International Fiscal Association – IFA. He was also Technical Advisor of the Board of the “Fédération des Experts Comptables Européens” (FEE) and member of the respective working groups on direct and indirect taxation.

Carlos is lecturer in two of the most prestigious Portuguese Universities, the author of several tax articles published in various media and tax magazines and has been a presenter in many seminars held in Portugal and abroad.

* Arthur Andersen, S.A., presently Deloitte as a result of an effective association of both firms since April 2002

Tax Leader

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Education

Graduated in Business Administration

Languages

Portuguese, English and Spanish

Shares of The Navigator Company, S.A.

Does not hold any shares of The Navigator Company, S.A.

Curriculum Vitae



Jorge Catulo

Partner
Portugal

Education and Participation in Professional Organization:

- Graduated in Economics by the Universidade Católica Portuguesa (1989).
- Qualified as Certified Public Accountant (1997).

Most Relevant Projects:

- Partner responsible for the audit work of Empresa de Eletricidade da Madeira, Generg Group, Iberwind, Logoplaste Group, Siderurgia Nacional, TrustEnergy, Luis Simões Group, INAPA Group, Lusoponte Group, among others.
- Partner responsible for the audit work of ENACOL (Cape Verde) and ENAPOR (Cape Verde) in previous years.
- Review of internal control procedures under the Sarbanes-Oxley Act project for EDP Group, Tejo Energia and International Power.
- Partner responsible for the audit work of Galp Energia Group (Petrogal, GDP and Galp Power - includes companies from cogeneration, combined cycle and energy including Wind Farms), from 2004 to 2010.
- Supported the conversion of financial statements to IAS / IFRS in the group Galp Energia, Lusoponte, Metropolitano de Lisboa, among others.
- Supported Galp Energia Group in its Initial Public Offering (IPO).
- Supported Galp Energia Group in the development and definition of accounting policies and practices concerning the activity of Petroleum Exploration and Production.
- Audit of recoverable costs as part of Concession Contracts and Production Sharing Agreements for several oil exploration and production companies in Angola (Total E&P Angola, Chevron and Sonangol Pesquisa & Produção).
- Between 1996 and 2001 was the Manager responsible for the audit work of Semapa Group and Secil Group.
- Between 2001 and 2003 was the Partner responsible for the audit work of Secil.
- Between 2008 and 2010 was the Partner responsible for the audit work of the subsidiaries of Ence Group in Portugal.
- Between 2008 and 2012, was the Partner responsible for the revision of Quality Control of Cimpor Group.

Partner

Deloitte & Associados, SROC S.A.
(Portugal)

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Description of career:

- He started his career in 1989 in the Division of Financial Audit and Consulting.
- He was promoted to Manager in 1994 and Partner in 2001.

Most Important Clients:

- Galp Energia Group
- REN Group
- EDP Group
- Metropolitano de Lisboa
- Logoplaste
- Siderurgia Nacional
- Semapa/Secil
- INAPA
- Lusoponte

Languages

Portuguese, English and Spanish

Shares of The Navigator Company, S.A.

Does not hold any shares of The Navigator Company, S.A.