

**THE NAVIGATOR COMPANY, S.A.**  
**2021 ANNUAL GENERAL MEETING**

**REMUNERATION POLICY**  
**(2021-2024)**

**PROPOSAL OF THE REMUNERATION COMMITTEE**

**REMUNERATION POLICY  
FOR THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES  
OF NAVIGATOR**

**(2021 to 2024)**

*I. Introduction*

The Remuneration Committee of Navigator has been drawing up the remuneration policy statement since 2008, originally in the context of a recommendation from the Securities Market Commission (Comissão de Mercado de Valores Mobiliários – CMVM), from 2009 according to Law no. 28/2009, of 19 June, and more recently in line with the recommendations of the 2018 Corporate Governance Code of the Portuguese Corporate Governance Institute.

With the entry into force of Law no. 50/2020, of 25 August, and the consequent repeal of Law no. 28/2009, of 19 June, the Navigator Remuneration Committee must prepare a Remuneration Policy for the members of its management and supervisory bodies in accordance with the new legal regime.

It should be noted that, with the 2020 revision to the Corporate Governance Code of the Portuguese Institute of Corporate Governance, and in view of the necessary harmonization with Law no. 50/2020, of 25 August, the content of the policy remuneration is no longer based on a recommendation.

This Remuneration Policy thus reflects the work carried out by the Remuneration Committee, based on the previous statement on the remuneration policy and taking into account the aforementioned new framework.

Considering Navigator's trajectory, this Committee continued to choose to reconcile, on the one hand, new trends in terms of management remuneration options, and on the other, the weight of history, previous options and the own features of this company.

The elaboration of the remuneration policy is the exclusive responsibility of the Remuneration Committee, composed of three members, all of whom are independent from the management, and must be approved by the General Meeting, at least every four years and at every material change to it.

In its performance, namely in determining, reviewing and applying the Policy, the Remuneration Committee observes the applicable legislation and the policies and regulations in force at Navigator, namely, the regulation on Conflicts of Interest and Related Parties Transactions, which sets out operating rules with a view to preventing, identifying and resolving conflicts of interest between society and its managers.

*II. Legal and statutory regime*

This policy is issued within the legal framework of the above mentioned Law 50/2020, of 25 August, which amended the Securities Code.

As for that legal diploma, in addition to what it determines as to the frequency of the policy, its approval and the disclosure of its content, it determines, in number 2 of article 26-C of the Securities Code, in respect of its content, that the Policy have in consideration:

- a) *An explanation of how it contributes to the company's business strategy, its long-term interests and sustainability;*
- b) *An explanation of how the employment and pay conditions of employees of the company were taken into account when establishing the remuneration policy;*
- c) *A description of the different components of fixed and variable remuneration,*
- d) *A explanation of all bonuses and other benefits, in whatever form, which can be awarded to members of the management and supervisory bodies, and indicate their relative proportion;*
- e) *An indication of the duration of the contracts or arrangements with members of the management and supervisory bodies, the applicable notice periods, termination clauses and payments linked to their termination;*
- f) *Indication of the main characteristics of supplementary pension or early retirement schemes.*

In addition, paragraph 3 of article 26-C of the Securities Code stipulates that, in case the provision of variable remuneration to directors is foreseen, the remuneration policy must identify:

- a) *The criteria applied to the attribution of variable remuneration, including financial and non-financial criteria and, if applicable, the criteria related to corporate social responsibility, in a clear and comprehensive manner, and explain how these criteria contribute to the company's corporate strategy, to its long-term interests and to its sustainability;*
- b) *The methods to be applied to determine to which extent the performance criteria have been met;*
- c) *The deferral periods and the possibility for the company to request the refund of the variable remuneration already delivered.*

On the other hand, number 4 of article 26-C of the Securities Code establishes that, in case the provision of a share-based remuneration component is foreseen, the remuneration policy must identify:

- a) *The periods for acquiring rights;*
- b) *If applicable, the period for keeping shares after acquiring said rights;*
- c) *The way in which share-based remuneration contributes to the company's corporate strategy, its long-term interests and its sustainability.*

In addition to the aforementioned Law no. 50/2020, of 25 August, any definition of remuneration cannot fail to take into account both the general legal regime and the specific regime adopted in the company's articles of association, when applicable.

The legal regime for the Board of Directors is essentially established in article 399 of the Commercial Companies Code, and it essentially establishes the following:

- The setting of remunerations is the responsibility of the general meeting of shareholders or of a commission appointed by it.
- That definition of the remuneration must take into account the functions performed and the economic situation of the company.
- The remuneration may be fixed or consist partially of a percentage of the profits of the financial year, but the maximum percentage intended for the directors must be authorized by a clause of the articles of association and not cover distributions of reserves or any part of the profit of the year that could not, by law, be distributed to shareholders.

For the Audit Board and for the members of the Board of the General Meeting, the law determines that the remuneration must consist of a fixed amount, and that it be determined in the same way by the general meeting of shareholders or by a committee appointed by the same, taking into account functions performed and the economic situation of the company.

As for the articles of association, in the case of Navigator, there is a specific article only for the Board of Directors, twenty-one, which simultaneously governs the retirement scheme, and has, in the part that matters here, the following content:

*“Article 21 – 1 - The remunerations of the directors, which may be different, shall be established by a remunerations committee elected by the General Meeting for such purpose, for periods of four years.”*

This is the formal framework within which the remuneration policy must be defined.

### *III. General Principles*

The general principles to be observed when setting the remuneration of the Company officers are essentially those which in very general terms derive from the law: on the one hand, the duties performed and on the other the state of the Company's affairs. If we add to these the general market terms for similar situations, we find that these appear to be the three main general principles:

#### a) Duties performed.

The functions performed by each Company officer include functions in the formal sense, but also the functions in the broader sense of the specific level of responsibility of the function carried out, taking into account criteria as varied as, for example, commitment and dedicated time, the nature, dimension, complexity and required skills for the function or the added value to the Company resulting from a

given type of intervention or an institutional representation.

The fact that time is spent by the officer on duties in other controlled companies also cannot be taken out of the equation, due to the added responsibility this represents and in terms of the existence of another source of income.

b) The state of the Company's affairs.

The size of the Company and the inevitable complexity of the associated management responsibilities, are clearly relevant aspects of the state of affairs, understood in the broadest sense. And these aspects have implications in the need to remunerate a responsibility which is greater in larger companies with complex business models and for the capacity to remunerate management duties appropriately.

c) Market Criteria.

It is unavoidably necessary to match supply to demand when setting any level of pay, and the officers of a corporation are no exception.

It is essential to have the ability to attract, develop and retain competent professionals, which requires that the Remuneration Policy be competitive and attractive in order to ensure the legitimate individual interests, but essentially those of the Company, and the generation of sustainable value to shareholders.

In the case of this Company, in view of its characteristics and size, the market criteria and practices to be considered are those prevailing internationally, as well as those to be observed in Portugal.

#### *IV. Compliance of principles with the legal regime*

Having stated the adopted general principles, it is now necessary to frame the principles in the applicable legal regime.

1. Paragraph a) of number 2 of article 26-C of the Securities Code. Strategy, long-term interests and sustainability.

Practice has shown that the remuneration system in force at Navigator is successful in ensuring its corporate strategy and, in the long term, in aligning the interests of the members of the management body with the interests of the company and its sustainability, especially for the reasons set out below.

Firstly, for it is a remuneration that is sought to be fair and balanced within the principles set out, and secondly, by associating the members of the management body to the results through a variable component of the remuneration, which has the results as its main factor, but also takes into account the behaviour skills of each director, such as their alignment with the long-term interests of the company.

2. Paragraph b) of number 2 of article 26-C of the Securities Code. Employment and pay conditions of employees.

The alignment between this Policy and the pay and employment conditions of Navigator employees is ensured given that both remuneration systems are based on the same General Principles set out in this Remuneration Policy, in particular market conditions in the reference markets for the functions performed.

3. Paragraph c) of number 2 of article 26-C of the Securities Code. Fixed and variable components of the remuneration.

The remuneration of the members of the Board of Directors consists of a fixed component, corresponding to an annual amount, payable throughout the year, and, for Executive Directors, it also incorporates a variable component that may correspond to a percentage not exceeding five per percent of the previous year's net result.

The remuneration of the members of the Audit Board corresponds to a fixed annual amount, payable throughout the year.

Finally, the remuneration of the members of the Board of the General Meeting consists only of a fixed amount, determined in accordance with the meetings that are actually held.

It should be noted that the specific values of the remunerations are fixed in compliance with the principles defined above in chapter III of this Policy.

4. Paragraph d) of number 2 of article 26-C of the Securities Code. Bonuses and other benefits.

In addition to the variable component that may be attributed to the members of the management bodies, no other non-cash benefits are attributed to the members of the management and supervisory bodies, without prejudice to the means made available to them for the exercise of their functions. and health and personal accident insurance in line with market practices.

5. Paragraph e) of number 2 of article 26-C of the Securities Code. Arrangements relating to the termination of Directors' functions

There are not and have never been fixed by this Committee any arrangements relating to the dismissal or termination of Directors' functions. This fact is the natural result of the particular situations existing in the company, and not a position of principle taken by this Committee against the existence of agreements of this nature. Therefore, only the supplementary legal regime defined in the Companies' Code applies, which governs the payment of any amounts to directors in case of termination of their mandates before expiry of the term in office.

6. Paragraph f) of number 2 of article 26-C of the Securities Code. Supplementary

pension or early retirement schemes.

At Navigator there are presently no Supplementary pension or early retirement schemes for Directors.

7. Paragraph a) of number 3 of article 26-C of the Securities Code. Criteria for the variable component.

The definition, by this Committee, of a variable component of remuneration is based on a target amount applied to each Director which is due in accordance with the individual's performance and performance of the Company, that meet the expectations and the criteria defined previously. The target amount is weighed by the aforementioned principles - market, specific functions, state of the Company -, in particular comparable market circumstances in positions equivalent in function. Another important factor that is taken into account when setting the targets is Navigator's option not to provide any share or share acquisition option plans.

Actual performance compared to the expectations and goals, which determine variations vis-à-vis the target, is weighed against a set of quantitative and qualitative KPIs of the Company's performance (general business indicators) and of the relevant board member (specific targets and behaviour indicators). Within the general business indicators, EBITDA, net results, cash flow and Total Shareholder Return vs Peers are particularly relevant, and in the behavioral skills, the alignment of each director with the long-term interests of the company is highlighted.

In addition to those criteria, in accordance with commitments undertaken by the Company within its sustainability strategy and recognizing the importance of an efficient use of energy, and the need to reduce fossil CO2 emissions from its economic activities, the implementation of a corporate program for energy efficiency, approved in 2016, is also included in the weighing.

In addition to the limit on management's profit sharing for the year, the Company also has mechanisms for limiting variable remuneration.

On the one hand, the variable component is eliminated if the results show a deterioration considered relevant to the company's performance in the last year or when it is expectable in the year in course. And, on the other hand, the amount of the attributable variable component has a cap defined in order to prevent that the positive performance at a time, with immediate remuneration advantages for the management, be made at the sacrifice of a good future performance.

In view of the above, it is clear that the criteria for the attribution of remuneration contribute to the implementation of the strategy defined by Navigator, as well as to the long-term interests and the sustainability of the Company.

8. Paragraph b) of number 3 of article 26-C of the Securities Code. Compliance with performance criteria.

The performance criteria referred to in the previous paragraph are applied mathematically in their quantitative part, and through valuation assessments with regard to the qualitative part.

Within the process of determining the variable remuneration, the Remuneration Committee prepares this Policy, and the performance assessment of each executive director follows an internal structured process under the responsibility / leadership of the respective person in charge (i.e., under the responsibility of the person who chairs the team, in the case of the members of the Executive Committee, and under the responsibility of the Chairman of the Board of Directors, in the case of the Chairman of the Executive Committee) and in which also participate the non-executive directors that the responsible person deems relevant to involve.

This process also involves the Appointments and Appraisals Committee, which is responsible for monitoring the management's performance appraisal and remuneration attribution system and giving its opinion on the individual performance appraisal proposals of the executive management.

Finally, the Remuneration Committee is responsible for confirming, with regard to performance assessment, the respective factors of achievement and ensuring the overall consistency of the process, setting the variable remuneration.

9. Paragraph c) of number 3 of article 26-C of the Securities Code. Deferral and repayment of remuneration.

Several writings sustain profusely the deferral of the payment of the variable part of remuneration to a later time, which will enable the establishment of a direct relation between remuneration and the impact of management on the Company over a longer period.

We accept this principle as theoretically sound, but the historical element, associated to the stability and the practice that has been followed successfully for years without the element of deferral, leads us to not adopt that option for the time being.

As for the obligation to refund variable remuneration already delivered, and without prejudice to the applicable legal regime, no mechanism is in place to allow the company to request the same from the respective members of the management.

10. Number 4 of article 26-C of the Securities Code. Stock plans.

At Navigator, remuneration does not include a stock component.

#### *VI. Specific options*

The specific options for the proposed remuneration policy can therefore be summarized as follows:

- 1 In setting all remunerations, the general principles set out above will be observed: functions performed, the state of the company and market criteria.
- 2 Executive Directors
  - The remuneration of the executive directors will consist of a fixed component

and a variable component;

- The fixed component of the remuneration will consist of an annual amount, payable throughout the year;
- The variable component of remuneration is associated with both the performance of Navigator and the individual performance of each director;
- The process of attributing variable remuneration to executive directors, which is monitored by the Appointments and Appraisals Committee, must follow the criteria defined by the Remuneration Committee, and must not exceed the overall value of five percent of the result consolidated net in IFRS format.

### 3 Non-Executive Directors

- The remuneration of non-executive directors will only consist of a fixed component, which may be differentiated due to the accumulation of functions and increased responsibilities, for example members of specialized committees or committees;
- The fixed component of remuneration will consist of an annual amount, payable throughout the year, or a predetermined amount for each participation in the Board of Directors' meeting.

### 4 Audit Board

- The remuneration of the members of the Audit Board will consist only of a fixed component, which will consist of a fixed annual amount, payable throughout the year.

### 5 Board of the General Meeting

- A remuneração dos membros da Mesa da Assembleia Geral será composta apenas por uma componente fixa, que consistirá num valor predeterminado por cada reunião, sendo inferior o valor para as segunda e seguintes reuniões que tenham lugar durante o mesmo ano.
- The remuneration of the members of the Board of the General Meeting will consist only of a fixed component, which will consist of a predetermined amount for each meeting, where the amount for the second and subsequent meetings that take place during the same year is lower than the amount for the first meeting.

Lisbon, 6 April 2021

The Remuneration Committee

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