



Navigator
GLOBAL INVESTMENTS

Risk Management Policy

Approved by the Board of Directors on 17 April 2024

Risk Management Policy

1.1 Board Commitment

The Navigator Global Investments Limited (**Navigator** or the **Company**) Board is committed to ensuring that Navigator maintains a practical, focused and current Risk Management Framework (**RMF** or the **Framework**) to identify, assess, monitor and manage material risks related to its business activities within its risk appetite. It endorses the RMF for implementation across all parts of the Company (including its wholly owned/controlled subsidiaries).

It expects that every director, member of the senior management team and employee will be aware of and manage the risks arising in their areas of responsibility and more generally, across the Company and will report any material issues that come to their attention.

The culture of the Company must reflect a positive, proactive attitude to risk management, which will be viewed as an important part of everyone's roles and responsibilities.

Risk management and risk controls will be incorporated into all key business functions and processes. Risk discussions will be considered and implemented as an integral part in taking key strategic and operational decisions.

RMF is one part of the overall governance functions that provide the foundations which allows the Company to continue to operate its business and is considered a fundamental component of how it operates.

1.2 Risk Management Principles

Navigator's **Risk Management Policy** confirms and communicates Navigator's commitment at a strategic level to a proactive and structured approach to risk management and outlines the risk management principles underpinning the Framework which are clarified below:

- risk management is an *integral* part of all strategic and operational activities and decisions;
- a *structured and comprehensive* approach to risk management enables a consistent and comparable analysis of differing risk factors;
- the Framework is *customised* by taking into account Navigator's size, complexity, values, objectives, internal and external operating environment and stakeholder expectations;
- the risk management process promotes an *inclusive* approach whereby appropriate and timely involvement of relevant stakeholders is sought;
- risk management is *dynamic* by anticipating, detecting, acknowledging and responding to changes and events in an appropriate and timely manner;
- risk management takes into account limitations regarding *current* information availability and quality;
- *human and cultural factors* influence how well risk management principles are adopted and operationalized; and
- the Framework is subject to *continual improvement* through a review process and will mature, evolve and adapt in order to remain an effective, integrated component of the way Navigator operates.

1.3 Risk Management Framework

The Framework begins with the Board, its committees and senior management. It ensures there is accountability, authority, and appropriate competence for managing risks. The RMF includes the following key components:

- Board and management team mandate stating commitment to strong risk management;
- Audit and Risk Committees that is appointed by the Board;
- independent risk management and compliance function;
- defined risk management accountabilities across the business;
- Board Risk Appetite Statement and tolerance levels;
- documented and approved Risk Management Policy;
- Management Risk Reporting and risk registers;
- a control framework designed to manage material, identified risks;

- monitoring, reporting and escalation programs based on key risk indicators;
- relevant registers such as an incidents register, a breach register and conflicts register;
- key supporting risk management policies, standards, and procedures;
- a periodic review of the Framework by an independent expert (for example an external consultant or internal audit);
- risk management training for all directors, members of the management team and employees; and
- continual review and improvement processes of the Framework and risk management process and activities.

Key elements of Navigator’s Framework include:

1. assignment of the Roles and Responsibility;
2. establishing the Risk Management Process; and
3. articulating the Risk Appetite Statement;

Navigator’s Risk Management Process is the structure which supports and guides the processes for risk management in accordance with the following steps:

- establish the context that may give rise to the risk;
- identify and analyse the main risks facing Navigator;
- evaluate those risks – making judgements about whether they are acceptable or not based on Navigator’s risk appetite;
- implement and document appropriately designed control systems to manage those risks;
- treat unacceptable risks – formulating responses following the identification of the unacceptable risks, including action plans to reduce the probability or consequences of an event occurring; and
- reporting, communication, monitoring and review.

1.4 Three Lines of Defence Model

The Board and Senior Management of Navigator are committed to the 3 Lines of Defence Risk Management model.

1.4.1 First Line of Defence: Business

Business and support functions are responsible for identifying, understanding, managing, monitoring and reporting on the risk in their area of operation and any applicable compliance obligations that apply to those business operations. They are involved in the day to day management of risks and compliance and follow the relevant risk and compliance processes. They will apply internal controls within their areas, identify and report on issues, errors, incidents and breaches and implement appropriate risk responses.

1.4.2 Second Line of Defence: Risk Function

The Risk Function is responsible for setting and implementing the framework and policies for risk management, providing advice and guidance on risk management to the business and monitoring and reporting on the status of risk management activity to the Board and Management. They will oversee and challenge the risk management activity performed by the first line of defence level. Within Navigator this function will be performed by the Company Secretary and Risk and Compliance Manager, and is supported by the ARC.

1.4.3 Third Line of Defence: External Audit

The external audit function is responsible for overseeing risk and compliance management and conducting assurance activities to confirm that the right controls have been put in place and that they are working effectively and efficiently. They will provide an independent perspective and challenge to the risk and compliance management activities at the first and second line of defence levels. They will be objective and offer assurance to the Board and senior management team.