

GOVERNANCE AND REMUNERATION COMMITTEE

ISLAND
AVIATION SERVICES LIMITED





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THE CHARTER OF THE GOVERNANCE AND REMUNERATION COMMITTEE

1. INTRODUCTION

The aim of this document is to set out the charter for the Governance and Remuneration (G&R) committee of the Board of Directors (Board) of Island Aviation Services Limited (IAS).

1.1. Scope

This charter governs the operation of the G&R Committee of the Board of IAS and details the Committee's responsibilities and how it would carry out those responsibilities.

1.2. Purpose

- (a) The purpose of the G&R Committee is to assist the Board in ensuring the appropriate governance and remuneration policies are established and maintained. The ultimate responsibility for the approval and endorsement of each such policy rests with the Board.
- (b) The G&R Committee will ensure overseeing nomination of Board and Board Committee members, to address Board and Board Committees succession issues and to ensure that the Board and the Board Committees have the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.

1.3. Constitution

- (a) The G&R Committee shall be constituted by a resolution of the Board.
- (b) The G&R Committee shall be appointed by the Board from among the Non-Executive Directors of the Board and shall consist of not less than three members.
- (c) The chairperson of the committee shall be appointed from among the members of the committee.
- (d) Directors will be appointed to the G&R Committee for a term of two years.
- (e) In the absence of the Chairperson of the Committee, another member of the Committee shall be elected as the chairperson for any particular meeting.

1.4. Secretary

- (a) The Company Secretary shall act as the secretary of the Committee and shall be responsible, in conjunction with the Committee Chairperson, for drawing up the agenda and circulating the Committee papers prior to each meeting.
- (b) The Company Secretary shall be present for each meeting and minutes of each meeting shall be recorded.





- (c) The Minutes of each Committee meeting should be prepared and with prior circulation to the Committee members should have to be finalized and attended to signing off in the following meeting of the Committee. All such signed minutes should have to be archived and retained.

1.5. **Quorum**

The Quorum for a Committee meeting shall be two third of the members of the committee.

1.6. **Voting Procedure**

- (a) Decision shall be made by majority of votes from the members of the committee. Members who joined the committee decision based on the invite shall not have voting rights.
- (b) Any member with a conflict of interest related to a matter under consideration must abstain from voting on that matter.

1.7. **Meeting frequency**

- (a) The G&R Committee may meet as it deems necessary, but not less than once in every quarter.
- (b) Any G&R Committee member or the secretary may call for a meeting of the G&R Committee with the approval of the Chairperson of the Committee, at any time to consider any matters falling within this charter. A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the G&R Committee.

1.8. **Meeting attendees**

Members of the Board, Executive management officials and any other shall attend meetings by invitation.

2. **PRIMARY RESPONSIBILITIES**

2.1. The G&R Committee, in its role with regards to the Governance issues, shall have the following primary responsibilities:

- (a) Assisting the Board in establishing and adhering to appropriate governance policies, practices and procedures.
- (b) Assisting the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies.
- (c) Regularly monitoring and recommending to the Board any modifications of the Principles of Corporate Governance which may be necessary.
- (d) Making recommendation to the Board on corporate governance policies, practices and procedures.
- (e) Periodically, reviewing and assessing the adequacy of the company's code of conduct, code of ethics for executive officers and such other policies for the needed assurances for





appropriate and ethical corporate practices, assessing their compliance with applicable laws, rules and procedures set out under such codes and policies covered under corporate governance codes published by PCB, and Ministry of Finance of Maldives.

- (f) Establishing procedures for the Committee to oversee the evaluation of the Board.
- (g) Annually review and evaluate the performance of the committee and report to the Board.

2.2. The G&R Committee, in its role with regards to Remuneration issues, shall have the following primary responsibilities:

- (a) Review, approve and oversee the implementations of remuneration policies to support the long-term business strategy and values of the company.
- (b) Recommending to the Board a framework of remuneration and the specific remuneration packages for each Director and the Executive Directors and establish and determine KPI's of the executive management by which performance can be measured.
- (c) Annually reviewing remuneration of the company, incentive strategy, performance targets, bonus payments etc. and make recommendation to the Board.
- (d) Reviewing the company's recruitment, retention and termination policies and procedures and make recommendations to the Board.

2.3. The G&R Committee, in its role with regards to recruitment issues, shall have the following responsibilities:

- (a) Making recommendations to the Board on the nomination, selection and appointment of Chief level staffs of the Company by carrying out interviews or otherwise as deemed appropriate.

2.4. The Committee in fulfilling its responsibilities shall have the right on the following:

- (a) Request documents, reports, explanations and other relevant information from the Managing Director, Executive Management Officers or any other staff of the Company and its Advisors.
- (b) Invite the Managing Director, Executive Management Officers and or any other staff of the company and its Advisors to their meetings for the purpose of questioning for needed explanations and clarifications.
- (c) Utilize the services of outside consultants, experts and advisors.
- (d) The committee is authorized by the board to obtain professional advice on any matters within its terms of reference, at the company's budget allocated for the committee.





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(e) The Committee shall seek outside consultants, experts and advisors in accordance with the company policies endorsed by the Board.

(f) Perform any other duty as may be required by the Board within the scope of the Committee.

3. REPORTING PROCEDURES

3.1. All Minutes of the Committee meetings shall be adopted by the Committee.

3.2. The Committee shall report to the Board on regular basis, but not less than once in every three months with a summary of decisions and recommendations made by the Committee.

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- Revised Governance & Remuneration Committee Charter endorsed by Board on 21st August 2024

