



Governance Report 2025

MALDIVES STATE SHIPPING COMPANY PVT LTD
C01192020



Contents

1. Introduction.....	2
2. Purpose & Nature of Company	2
3. Board Charter	2
4. Tenure	3
5. Board Composition & Diversity.....	3
6. Process of Appointment of Directors	3
7. Segregation of duties between Chairperson and the Managing Director	4
8. Board induction and continuing education.....	4
9. Board remuneration	5
10. The Board meetings and attendance	5
11. Board proceeds and major decisions	6
12. Board Committees	7
13. Audit & Risk Committee	8
14. Nomination & Remuneration Committee.....	9
15. Corporate Governance Committee	10
16. Conflict of Interest and materially significant, related party transactions	11
17. Good governance, policies and procedures	11
18. Company Secretary	12
19. Management review and Responsibilities.....	12
20. Internal and External Audit	12
21. Internal control, Risk management and Compliance	13
22. Shares, Shareholding and Shareholder voting rights	13
23. Systems for raising concerns	13
24. Annual General Meeting	14
25. Dividend	14
26. Details of non-compliance	14
27. Going concern declaration and future outlook	14



1. Introduction

The Corporate Governance Report for the year 2025 provides a comprehensive overview of the organization's commitment to ethical business practices and responsible governance. The report highlights key initiatives undertaken to enhance corporate governance structures, ensuring transparency, accountability, and stakeholder engagement.

The report provides insight into the company's compliance to the Code of Corporate Governance for STO Group of Companies.

2. Purpose & Nature of Company

Maldives State Shipping (MSS) is a shipping and logistics company launched on 04th February 2020 offering an extensive international liner shipping service. MSS was born to overcome the difficulties Maldivian traders and other businesses faced in the absence of a reliable national shipping line and to provide employment opportunities for Maldivians in an industry other than tourism.

The Maldives has a proud history of possessing the largest shipping fleet in the region and the aim is to reclaim the title once again. Backed by a professional and experienced team focused on developing the company to be the pride of Maldives. The Maldivian flag will once again fly proudly on vessels as they traverse across the globe.

MSS is owned by State Trading Organization plc. (STO), the most reliable public company in the nation. STO has been in operation for over 50 years with many thriving subsidiaries, joint ventures and associates under its umbrella.

3. Board Charter

The Board Charter provides guidance to directors as they carry out their corporate governance responsibilities and strategic leadership. It outlines the roles, duties, organizational structure, and procedures of the board, while also underscoring the importance of all aspects of board operations.

The Board's objectives encompass:

- Offering strategic guidance for the organization,
- Instituting a governance system based on policies,
- Recognizing operational risks and implementing mitigation measures,



- Guaranteeing compliance with pertinent laws and regulations,
- Overseeing financial performance,
- Recruiting, overseeing, retaining, and evaluating potential candidates to the managing director and executive management posts,
- Verifying adequacy of technology and information systems utilized,
- Issuing necessary stakeholder reports.

4. Tenure

As per the Articles of Association, the Board of Directors is required to consist of a minimum of 3 and a maximum of 7 members. In 2025, the Board had 7 members which included 3 female directors throughout the year.

5. Board Composition & Diversity

All members of the Board come from diverse professional backgrounds and possess varied qualifications. They hold managerial positions or higher within STO. Throughout 2025, each member is considered to have acted independently and in the best interest of the Company.

The following individuals served as directors on the Board in 2025.

Name	Position in Board	Initial appointment date	Date of change in position	Resigned / removed date
Abdul Wahid Moosa	Chairman	04 Feb 2020	-	-
Ahmed Shareef	Managing Director	26 Dec 2023	-	-
Mariyam Nuzla	Board of Director	01 Jan 2025	-	-
Hamdhana Abdul Rahman Hussain	Board of Director	01 Jan 2025	-	-
Ahmed Shifan	Board of Director	04 Feb 2024	-	-
Aishath Shaheen	Board of Director	04 Feb 2024	-	-
Captain Ahmed Shahid	Board of Director	01 Jan 2025	-	-

6. Process of Appointment of Directors

All nominations for board positions are made by the shareholders. As outlined in the Articles of Association, the majority shareholder has the authority to appoint all 7 members to the Board. All appointments are informed to the Board through shareholder resolutions.

When nominating new directors, factors such as appropriate qualifications, skills, experiences, and diversity in terms of age and gender are considered.

7. Segregation of duties between Chairperson and the Managing Director

The positions of Chairperson of the Board of Directors and Managing Director of the Company are held by separate individuals. Their respective roles and duties are outlined in the Board Charters, where a clear distinction between their functions is provided.

The Chairperson's primary responsibility is to lead the Board. In board meetings, the Chairperson presides over sessions, manages the strategic agenda, delegates authority, and ensures timely provision of information for informed decision-making. Additionally, the Chairperson identifies, and addresses development needs, conducts annual evaluations, and fosters relationships with shareholders.

On the other hand, the Managing Director is primarily responsible for the day-to-day operations of the Company. This entails overseeing strategies and leadership, ensuring compliance with regulations, formulating objectives and strategies, and optimizing the utilization of resources.

The Chairman and Managing Director confirmed that they had no relations with each other or any of their immediate family members.

8. Board induction and continuing education

The Company offers a comprehensive orientation program tailored for newly appointed directors, aiming to familiarize them with business operations and governance protocols. Administered by the Company Secretariat, this program delivers a thorough understanding of directors' roles within the organization.

Additionally, the Company is firmly committed to the continual learning and professional growth of our Board of Directors. It was ensured that each director possessed the necessary skills, knowledge, and abilities to address intricate challenges and make valuable contributions to governance and strategic decision-making of company matters.

In 2025, 05 Directors were provided training opportunities in below key areas by reputed international training bodies.

- Masterclass in Corporate Finance Course
- Certificate in Financial Analysis

Maldives State Shipping Company (Pvt) Ltd - A subsidiary of STO



- Certificate in Shipping Operations Management
- Certificate in Shipping Operations Management Inquiry

9. Board remuneration

Board remuneration is decided and enforced by the shareholders. As such, following are the board fee structure and the total board fees received to each director in 2025.

BOARD FEE STRUCTURE	
Monthly board allowance for Chairman and directors including executive members	MVR 5,000.00
Sitting fee per board meeting	MVR 300.00
Sitting fee per committee meeting	MVR 250.00
TOTAL FEES RECEIVED TO DIRECTORS IN 2025	
	MVR 480,850

10. The Board meetings and attendance

During the year, a total of 9 Board Meetings were convened. During 2025, the Board of Directors devoted ample time to board meetings and company matters.

The drafting of the agenda for each meeting is the responsibility of the Company Secretary, in collaboration with the Chairman and Managing Director. Directors were notified in accordance with the Articles of Association and empowered to suggest additional agenda items as necessary.

The following table illustrates directors' attendance at board meetings.

Name	Attendance to Board (no. of meeting attended / no. of meetings held)	Attendance %
Abdul Wahid Moosa	9/9	100%
Ahmed Shareef	9/9	100%
Mariyam Nuzla	8/9	88.88%
Hamdhana Abdul Rahman Hussain	9/9	100%
Ahmed Shifan	6/9	66.67%
Aishath Shaheen	7/9	77.78%
Captain Ahmed Shahid	9/9	100%

Maldives State Shipping Company (Pvt) Ltd - A subsidiary of STO



11. Board proceeds and major decisions

The Board is provided with access to relevant company information to support its decision-making. Members of the executive team and senior management are, where required, invited to attend Board meetings to offer further clarification and insights. Meeting materials, including agendas and supporting papers, are circulated in advance to allow adequate time for review.

Management keeps the Board updated on the Company's performance through regular reporting. These include budgets, forecasts, quarterly financial statements, and monthly management accounts.

In addition, the Internal Auditor submits audit reports to the Audit and Risk Committee and, where appropriate, to the Board to ensure that key findings are properly considered.

Key decisions taken during the year include:

Governance and structural decisions

- Approved changes to Board composition, including removal and appointment of Directors effective 01 January 2025
- Approved the establishment and implementation of Board and Committee charters, including:
 - Corporate Governance Committee Charter
 - Nomination & Remuneration Committee Charter
 - Managing Director Charter
 - Chairman Charter
- Approved appointment and changes in Board Committee memberships
- Approved changes to the position of Company Secretary, including removal of the previous Company Secretary and appointment of a new Company Secretary

Policy and Governance Framework Decisions

The Board reviewed and approved multiple key policies to strengthen governance and operational controls, including:

- Human Resources Policy amendments
- Travel Policy revisions (including approval authority and allowance structure changes)
- Disclosure of Interest Policy updates
- Corporate Incentive Policy updates
- Procurement Policy updates

- Credit Policy revisions

The Board also directed management to:

- Review and update the MSS Employee Handbook
- Align policies with STO standards where applicable
- Strengthen internal governance and communication of policies to staff

Financial Oversight and Performance Decisions

- Reviewed and endorsed Q4 2024 financial statements
- Reviewed and endorsed Audited Financial Statements for 2024, subject to additional clarifications and supporting information
- Addressed discrepancies in financial reporting, including differences between management accounts and audited figures
- Requested:
 - Detailed impairment analysis
 - Performance review for first four months of 2025
 - Forecast for remaining months
 - Strategic plan for recovery of accumulated losses

The Board maintained continuous oversight of financial performance and required corrective actions where necessary.

Strategic and Operational Decisions

- Approved STO Group media alignment package, including allocation of MVR 694,980 for corporate communication and media engagement
- Approved nomination of Deputy Managing Director for National Public Service Awards
- Reviewed MSS organizational structure and operational framework
- Oversaw development of financial turnaround strategies, including cost management and financing considerations

Asset and Strategic Investment Decisions

- Approved transfer of ownership of vessel MSS OPAL from MSS to State Trading Organization Plc as part of strategic and financial restructuring

12. Board Committees

The Board is supported in its functions by several committees, namely the Audit and Risk Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Compliance Committee. The Chairpersons and members of these committees are appointed by the Board, which also reviews their performance on a regular basis.

The Audit and Risk Committee is expected to meet at least once every quarter, while the other committees convene a minimum of twice a year. The scheduling, agenda, and duration of these meetings are guided by the respective Chairpersons in coordination with the Company Secretary. Each committee operates under a Board-approved charter that clearly sets out its roles, responsibilities, and scope of work.

Given the overlap in responsibilities and membership, the Nomination and Remuneration functions are carried out by a single combined committee for efficiency.

All recommendations made by the committees are subject to review and approval by the Board before being implemented by management.

13. Audit & Risk Committee

Focus Area: Financial Oversight and Risk Management

The Committee was formed in adherence to the Governance Code, comprising of 4 members.

Composition:

- Captain Ahmed Shahid – Chairperson
- Ahmed Shifan – Member
- Hamdhana Abdulrahman Hussain – Member
- Aishath Shaheen – Member

Primary Responsibilities:

- Reviewing financial reports and statements.
- Assessing risk exposure and mitigation strategies.
- Overseeing internal and external audit processes.
- Ensuring compliance with regulatory requirements.

Meetings and Attendance

Meeting No.	Date	Attendance	Attendance %
ARC 01.2025	25 February 2025	3/4	75%
ARC 02.2025	17 April 2025	3/4	75%
ARC 03.2025	30 April 2025	3/4	75%
ARC 04.2025	30 April 2025	4/4	100%
ARC 05.2025	27 October 2025	4/4	100%

ARC 06.2025	29 October 2025	4/4	100%
-------------	-----------------	-----	------

Major Activities:

- Review of quarterly and audited financial statements
- Oversight of audit processes and internal controls
- Review of whistleblower matters and audit independence concerns
- Interview and recommendation of internal auditor candidates
- Review of audit reports, audit plans, and risk matters
- Review of budget proposals and financial forecasts

The Committee played a key role in strengthening financial oversight and risk management.

14. Nomination & Remuneration Committee

Focus Area: Shaping the leadership and compensation framework of the organization.

Composition:

- Mariyam Nuzla – Chairperson
- Ahmed Shifan – Member
- Hamdhana Abdulrahman Hussain – Member
- Captain Ahmed Shahid – Member

Primary Responsibilities:

- Identifying suitable candidates for management appointments.
- Regular reviews of the company’s remuneration policies and practices are conducted to ensure competitiveness and alignment with industry standards.
- Recommending management composition adjustments.
- Evaluating performance and remuneration of executive management.
- Ensuring alignment with corporate objectives and values.

Meetings and Attendance

Meeting No.	Date	Attendance	Attendance %
NRC 01.2025	17 April 2025	4/4	100%
NRC 02.2025	30 April 2025	4/4	100%
NRC 03.2025	27 August 2025	4/4	100%

Major Activities:

- Review of organizational structure and departmental mandates
- Evaluation of staffing and recruitment matters
- Interview and recommendation of senior management candidates
- Review of salary structure, staff increments, and compensation matters

15. Corporate Governance Committee

Focus Area: Good governance.

Composition:

- Ahmed Shifan – Chairperson
- Mariyam Nuzla – Member
- Hamdhana Abdulrahman Hussain – Member
- Aishath Shaheen – Member

Primary Responsibilities:

- Reviewing and recommending enhancements to the company’s corporate governance framework.
- Ensuring that governance structures and processes are aligned with best practices.
- Overseeing the development and adherence to a comprehensive Code of Conduct for directors, employees, and stakeholders.
- Regularly reviewing and updating the Code of Conduct as needed.

Meetings and Attendance

Meeting No.	Date	Attendance	Attendance %
CGC 01.2025	19 August 2025	4/4	100%

Major Activities:

- Review and recommendation of governance-related policies
- Evaluation of HR-related governance frameworks
- Review of Attendance & Leave Management Policy
- Review of Work From Home Policy

16. Conflict of Interest and materially significant, related party transactions

The Company has in place a Disclosure of Interest Policy approved by the Board, which requires Directors to declare any interests held by themselves or their immediate family members in other entities or affiliations. Such disclosures are reviewed as part of the Company's governance processes and, where necessary, validated against relevant records.

During 2025, there were no materially significant related party transactions identified.

17. Good governance, policies and procedures

The Board continues to place strong emphasis on maintaining and strengthening the Company's governance framework. Throughout the year, ongoing efforts were made to review and refine governance practices to ensure accountability, transparency, and effective oversight.

The Company complies with the Corporate Governance Code of the STO Group of Companies and, where appropriate, adopts additional best practices to enhance governance standards. In addition to Group-level policies such as the Conflict of Interest Policy, Blacklisting Policy, and Whistleblower Policy, the Company maintains a range of internal policies and procedures to guide its operations and decision-making processes.

18. Company Secretary

During the year, there was a change in the position of Company Secretary. Aminath Shimna served as Company Secretary until her removal on 23 November 2025, following which Raaya Ali Naseer was appointed as Company Secretary on 9 December 2025. The Company Secretary continued to play a key role in ensuring compliance with regulatory requirements and supporting the effective functioning of the Board and its committees.

19. Management review and Responsibilities

Management remains responsible for the day-to-day operations of the Company and for implementing the strategic direction set by the Board. The Company continues to focus on delivering value to its stakeholders, including customers, employees, and shareholders, by enhancing service quality and addressing key operational challenges.

This is supported by efforts to drive sustainable growth, improve operational efficiency, and foster a culture of innovation and accountability within the organization.

20. Internal and External Audit

The Company maintains an independent Internal Audit function to support effective governance and internal control. The Internal Auditor reports functionally to the Chairperson of the Audit and Risk Committee and administratively to the Managing Director, ensuring independence in the audit process.

The Internal Audit function provides objective assurance by evaluating the effectiveness of governance, risk management, and internal control processes, and by recommending improvements where necessary.

External Auditors are appointed annually by the shareholder. For the year 2025, Deloitte was appointed as the External Auditor. The performance and independence of the External Auditor are reviewed by the Audit and Risk Committee on a regular basis.

Both the Board and Management value the insights provided by internal and external audits and are committed to addressing audit findings to enhance the Company's overall performance.



21. Internal control, Risk management and Compliance

The Company has established internal control and risk management systems designed to support the achievement of its operational, financial, and compliance objectives. These systems are embedded within the Company's policies, procedures, and organizational structure.

The Board retains overall responsibility for ensuring that an effective internal control framework is in place. The Managing Director is responsible for implementing and maintaining these controls, while the Audit and Risk Committee assists the Board in monitoring their effectiveness.

The control environment is supported by clearly defined policies, procedures, delegation of authority limits, and codes of conduct. These, together with applicable laws and regulations, guide the Company's operations and decision-making processes.

Based on the oversight carried out during the year, the Board is satisfied that the existing internal control systems are adequate and functioning effectively.

22. Shares, Shareholding and Shareholder voting rights

The Company's shareholding structure consists of two shareholders: State Trading Organization Plc, holding 99% of the shares, and Fuel Supplies Maldives Pvt Ltd, holding the remaining 1%. The Company has issued a total of 1,000 shares.

Each share carries equal rights in terms of dividends and entitlement to the Company's assets. In accordance with the Articles of Association, each share carries one vote. Voting at general meetings is typically conducted by a show of hands, unless a poll is requested by shareholders or their proxies, in which case voting is conducted based on the number of shares held.

23. Systems for raising concerns

The Company has established mechanisms that allow employees, management, and other stakeholders to raise concerns relating to misconduct, non-compliance, or unethical practices. These mechanisms include whistleblower channels that ensure concerns can be raised confidentially and addressed appropriately.



Such matters are reviewed by the relevant management personnel and, where necessary, escalated to the Board.

24. Annual General Meeting

Shareholder decisions are exercised through General Meetings. The Annual General Meeting of the Company is typically held within the first half of the year, in accordance with statutory requirements and the Company's governing documents.

25. Dividend

The company declared no dividend for the year 2025.

26. Details of non-compliance

During the year, no penalties or sanctions were imposed on the Company by any regulatory authority. Any minor compliance-related matters identified were addressed promptly to ensure adherence to applicable laws and regulations.

27. Going concern declaration and future outlook

The Board remains confident in the Company's ability to continue as a going concern. The composition of the Board and Management provides a balanced mix of experience and expertise necessary to guide the Company towards achieving its strategic objectives.

The Board maintains a positive outlook on the Company's future and remains committed to strengthening operations, improving financial performance, and pursuing long-term growth. The Company will continue to focus on implementing its strategic plans and enhancing its governance framework to support sustainable development.