



**MSS**  
MALDIVES STATE SHIPPING

# Governance Report 2024

MALDIVES STATE SHIPPING COMPANY PVT LTD  
C01192020



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## 1. Introduction

The Corporate Governance Report for the year 2024 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 2024, due to various changes, the Board predominantly had 6 members throughout the year. Among them were 5 non-executive members and 1 executive member, who served as the Managing Director. Moreover, the Board included 2 female directors throughout the majority of 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 2024, 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 2024.

Name	Position in Board	Initial appointment date	Resigned / removed date
Mr. Abdul Wahid Moosa	Chairman	04 Feb 2020	-
Mr. Ahmed Shareef	Managing Director	26 Dec 2023	-
Ms. Thooza Saeed	Board of Director	10 Jan 2021	31 Dec 2024
Mr. Ali Nabeeh	Board of Director	28 Nov 2023	31 Dec 2024
Mr. Ahmed Shifan	Board of Director	04 Feb 2024	-
Ms. Aishath Shaheen	Board of Director	04 Feb 2024	-
Mr. Ismail Mifrah	Board of Director	12 April 2023	04 Feb 2024

#### 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. Shareholder resolutions for the changes in MSS Board of Directors were received twice during the year (February 2024 and December 2024).

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 2024, 02 Directors were provided training opportunities in below key areas by reputed international training bodies.

- Strategic Corporate Governance
- Advance Board Director, Legal & General Counsel

## 9. Evaluation of the Board

In pursuit of continuous improvement and transparent governance, the Board of Directors went through a comprehensive internal evaluation of its performance for the year 2024, as per the Board Directors Performance Evaluation framework. The 2024 evaluation was carried out in December 2024, carrying on to 2025. Employing a 360-degree approach, an online assessment tool was utilized to gather feedback and insights from various perspectives, including the Board as a whole, individual directors, the chairman, managing director, board committees, and the company secretary.

The outcomes of this assessment facilitated the identification of both strengths and areas requiring improvement. Recommendations resulting from the evaluation were deliberated upon and deemed necessary to be implemented in future governance strategies and initiatives.

## 10. 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 2024.

<b>BOARD FEE STRUCTURE</b>	
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
<b>TOTAL FEES RECEIVED TO DIRECTORS IN 2024</b>	<b>MVR 382,148.27</b>

Due to salary disparities in the employment market, the Board of Directors has chosen not to disclose the individual remuneration package of top management and executive directors.

## 11. The Board meetings and attendance

During the year, a total of 8 Board Meetings were convened. During 2024, 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	Attendance %
<b>Mr. Abdul Wahid Moosa</b>	8/8	100%
<b>Mr. Ahmed Shareef</b>	8/8	100%
<b>Ms. Thooza Saeed</b>	8/8	100%
<b>Mr. Ali Nabeeh</b>	8/8	100%
<b>Mr. Ahmed Shifan</b>	8/8	100%
<b>Ms. Aishath Shaheen</b>	8/8	100%
<b>Mr. Ismail Mifrah</b>	0/0 *	-

\*There were no board meetings held in 2024 during Mr. Ismail Mifrah's tenure.

## 12. Board proceeds and major decisions

The Board has access to company information, with executive team members and managers often invited to board meetings to provide additional insights. Ahead of meetings, board materials such as agendas and papers are distributed well in advance via email.

To ensure directors are well informed about Company performance, management regularly shares reports containing budgets, forecasts, quarterly financial reports, and monthly management accounts.

Furthermore, the Internal Auditor furnishes the Audit and Risk Committee, and where necessary, the Board, with information on audit reports.

Throughout the year, the Board made several significant decisions, including:

#### Major Board Decisions

- Approved chartering of a vessel “YC Barrier” for MSS Feeder Service.
- Reviewed and endorsed quarterly financials for Q4 2023 through Q3 2024.
- Approved strategic training collaboration with Akademi Laut Malaysia (ALAM) for Kalaaseen scholarship recipients and cost optimization measures related to officer certification support.
- Approved key governance charters including those of the Audit & Risk, Corporate Governance, Nomination and Remuneration Committees, Managing Director, and Chairman.
- Approved acquisition of commercial land from Thilafushi.

### 13. Non-executive directors meeting

In accordance with the Board Charters and Governance Code, the non-executive directors held a meeting separately from the executive members of the Board. The assessment primarily aimed to evaluate the efficiency of information exchange between management and the Board, with a focus on aspects like communication quality and timeliness.

### 14. Board Committees

The Board depends on the assistance provided by its committees, including the Audit and Risk Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Compliance Committee. Each year, the Board appoints and evaluates the performance of the Chairpersons and members of these Committees.

The Audit Committee is required to meet at least once every quarter while other committees are required to meet at least twice a year. The agenda and duration of committee meetings are determined by the respective Chairpersons and the Company Secretary. All Committees have charters in place that are approved by the Board of Directors, describing in detail the duties and responsibilities of the Committees.

The Nomination and Remuneration Committee is combined for the purpose of expediency since most of the same Directors are entrusted with the functions of both Committees.

Prior to any tasks being executed by the management, recommendations put forth by the committees, undergo approval by the Board.

### 15. Audit & Risk Committee

Focus Area: Financial Oversight and Risk Management

Composition:

The Committee was formed in adherence to the Governance Code, comprising of minimum 3 members, with at least 1 member possessing sufficient financial expertise or experience.

In 2024, there was only one alteration to the Committee membership of the Audit and Risk Committee.

This was during February 2024, when the board composition was changed by the Majority Shareholder of MSS.

Mr. Ahmed Shifan and Ms. Aishath Shaheen joined as new members of the Audit & Risk Committee to replace the outgoing member Mr. Ismail Mifrah. Mr. Ali Nabeeh remained the Chairman of Audit & Risk Committee and Ms. Thooza Saeed remained a member of this Committee with no changes.

With this change, the number of members of the Audit & Risk Committee increased from 3 members to 4 members.

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

In 2024, the Committee held 07 meetings. The Managing Director, Internal Auditor, Financial Controller, Chief Commercial Officer and the Company Secretary / Executive Secretary made presentations to the meetings, where required. The External Auditors also attended the meetings in the presence and absence of management.

Name	Post in Committee	Joined date	Removed date	Attendance %
Mr. Ali Nabeeh	Chairperson	28 November 2023	31 December 2024	100%
Ms. Thooza Saeed	Member	10 January 2021	31 December 2024	86%
Mr. Ahmed Shifan	Member	04 February 2024	-	100%
Ms. Aishath Shaheen	Member	04 February 2024	-	83%
Mr. Ismail Mifrah	Former Member	12 January 2023	04 February 2024	100%*

\*There was only one Audit & Risk Committee meeting held in 2024 during Mr. Ismail Mifrah's tenure to which he attended.

Major Activities:

- Undertook a comprehensive review of the financial statements for the year.
- Made recommendations to the Board, to submit for shareholder approval, on appointing Deloitte as external auditors of the Company.



- Reviewed the Audit & Risk Committee Charter, Internal Audit department structure, Internal Audit Manual and relating policies and procedures.
- Reviewed and recommended actions on internal audit reports submitted to the Committee. Where necessary, some reports were submitted to Board for further review, depending on the severity of the matters identified.
- Conducted a comprehensive review of the Company budget for 2025.

## 16. Nomination & Remuneration Committee

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

Composition:

The Committee was formed in adherence to the Governance Code, comprising of a minimum of 3 members.

In 2024, there was only one alteration to the Committee membership of the Nomination & Remuneration Committee.

This was during February 2024, when the board composition was changed by the Majority Shareholder of MSS.

Mr. Ahmed Shifan and Ms. Aishath Shaheen joined as new members of the Nomination & Remuneration Committee to replace the outgoing member Mr. Ismail Mifrah. Ms. Thooza Saeed remained the Chairperson of the Nomination & Remuneration Committee and Mr. Ali Nabeeh remained a member of this Committee with no changes.

With this change, the number of members of the Nomination & Remuneration Committee increased from 3 members to 4 members.

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

In 2024, the Committee held 4 meetings. The Deputy Managing Director, Financial Controller, HR Manager and Company Secretary/Executive Secretary made presentations to the meetings where required.

Name	Post in Committee	Joined date	Removed date	Attendance %
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Ms. Thooza Saeed	Chairperson	10 January 2021	31 December 2024	100%
Mr. Ali Nabeeh	Member	28 November 2023	31 December 2024	100%
Mr. Ahmed Shifan	Member	04 February 2024	-	75%
Ms. Aishath Shaheen	Member	04 February 2024	-	100%
Mr. Ismail Mifrah	Former Member	12 January 2023	04 February 2024	0%*

\*There were no Nomination & Remuneration Committee meetings held in 2024 during Mr. Ismail Mifrah's tenure.

#### Major Activities:

- Reviewed the Company's organization structure (Head Office & Vessels), and where required brought changes.
- Comprehensive review of department mandates were conducted.
- Reviewed the Nomination & Remuneration Committee Charter.

## 17. Corporate Governance Committee

Focus Area: Good governance.

#### Composition:

The Committee was formed in adherence to the Governance Code, comprising of minimum 3 members.

In 2024, there was only one alteration to the Committee membership of the Corporate Governance Committee.

This was during February 2024, when the board composition was changed by the Majority Shareholder of MSS.

Mr. Ahmed Shifan was appointed as the Chairperson of the Corporate Governance Committee to replace the outgoing member Mr. Ismail Mifrah. Ms. Aishath Shaheen joined as a new member of the Committee. Mr. Ali Nabeeh and Ms. Thooza Saeed remained on this Committee with no changes.

With this change, the members of the Corporate Governance Committee increased from 3 members to 4 members.

#### 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



In 2024, the Committee held 02 meetings. The Deputy Managing Director, Financial Controller, Chief Commercial Officer, Operations Manager, IT Manager, HR Manager and Company Secretary/Executive Secretary made presentations to the meetings where required.

Name	Post in Committee	Joined date	Removed date	Attendance %
Mr. Ahmed Shifan	Chairperson	04 February 2024	-	100%
Ms. Thooza Saeed	Member	10 January 2021	31 December 2024	100%
Mr. Ali Nabeeh	Member	28 November 2023	31 December 2024	50%
Ms. Aishath Shaheen	Member	04 February 2024	-	100%
Mr. Ismail Mifrah	Former Chairperson	12 January 2023	04 February 2024	-*

\*There were no Nomination & Remuneration Committee meetings held in 2024 during Mr. Ismail Mifrah's tenure.

#### Major Activities:

- Comprehensive review of the Corporate Governance Committee Charter, MD charter, Chairman Charter, existing policies in the company and brought changes where required.
- Identified additional policies to be made according to STO Group Policies which were under review.

### 18. Conflict of Interest and materially significant, related party transactions

The Company has a Disclosure of Interest Policy approved by the Board. Under this policy, Directors are required to disclose any significant interest they or their immediate family members hold in any company, association, or other affiliation. This information is carefully reviewed and, if necessary, cross-referenced with relevant authorities to verify its accuracy.

No significant or material related party transactions occurred during 2024.

### 19. Good governance, policies and procedures

Over the years, the Board has consistently reviewed and enhanced the Corporate Governance principles of the company to fulfill its corporate responsibility to stakeholders. These principles are pivotal in empowering the Board with the necessary authority and processes to effectively review and evaluate operations as required.

The Company adheres to the Corporate Governance Code of STO Group of Companies and where required, adopts other best practices and good governance practices.

The Company further adheres to the Group Policies enforced upon the Company by shareholders, such as the Conflict of Interest and Declaration Policy, Blacklisting Policy, and the Whistleblower Policy. Apart from these, the Company further has in place, many policies to govern the processes and procedures of the Company.

## 20. Company Secretary

The Company Secretary assists the Board and its individual directors by offering guidance on how to fulfill their responsibilities in the best interests of the Company.

Continuously updating her knowledge of Corporate Governance best practices and regulations, the Company Secretary ensures that she remains well-informed. Moreover, she regularly supplies directors with the necessary information as needed.

Ms. Aminath Shimna served as the Company Secretary of the Company during 2024. The Board remains satisfied with the competency and experience of the Company Secretary.

## 21. Management review and Responsibilities

The company aims to improve the welfare of its stakeholders, customers, employees, and shareholders, by improving its services while addressing major concerns of all parties. Realizing this vision depends on sustainable growth, the introduction of innovative products under strong brands, operational excellence, and the dedication of committed employees.

## 22. Internal and External Audit

The Company maintains an independent Internal Audit function. The Internal Auditor reports functionally to the Chairperson of the Audit and Risk Management Committee and administratively to the Managing Director. This function ensures impartial and objective assurance, systematically evaluating and proposing enhancements for more effective management, governance, and internal control processes.

External Auditors are appointed annually at the Annual General Meeting. Deloitte was appointed by the shareholders as the External Auditors for 2024. The performance of the Auditors is reviewed by the Audit and Risk Management Committee regularly. The Company follows the International Financial Reporting Standards (IFRS), ensuring reasonable assurance regarding the accuracy of Financial Statements.

Both the Board of Directors and management welcome the impartial opinions and recommendations of the Auditors, internal and external alike, and strive to address the findings highlighted in the Auditor's Reports for continuous improvement.

## 23. Internal control, Risk management and Compliance

The internal control and risk management frameworks in place ensures that the Company achieves its goals concerning efficient operations, compliance with applicable laws and regulations, and dependable financial reporting. The Company's control environment shapes individual and collective behavior, defined by policies, procedures, manuals, codes, IT-generated controls, and are reinforced by the organizational structure, which delineates clear responsibility and authority based on shared values.



The Board of Directors bears ultimate responsibility for establishing an effective internal control system. The Managing Director is tasked with maintaining internal controls, while the Audit and Risk Committee aids the Board in overseeing the adequacy of relevant manuals, policies, and significant accounting principles.

Instructions for delegation of authority, manuals, policies, procedures, codes of conduct, and the employee handbook delineate the limits of authorities and responsibilities. These internal guidelines, along with external laws and regulations, collectively shape the control environment.

The Board remains satisfied with the adequacy of existing internal controls in place.

## 24. Shares, Shareholding and Shareholder voting rights

The Company has two ordinary shareholders with 99% shares of State Trading Organization plc and 1% share of Fuel Supplies Maldives Pvt Ltd. The Company has issued altogether 1,000 of its authorized shares. Each share entitles holders to the same proportion of assets and earnings and carries equal rights in terms of dividend.

According to the Articles of Association, each share accounts for one vote each. Voting is based on show of hands, where the vote is counted as 1 vote per member, unless 1% shareholders or their proxies present, request for a poll where voting will be counted on shares represented.

## 25. Systems for raising concerns

Appropriate mechanisms are in place to enable employees, management, or other stakeholders to raise any concerns, whether on a confidential basis or otherwise, about any non-compliance or fraud or other misdemeanor within or to the Company. The Company has established whistleblower facilities for stakeholders to submit their concerns to relevant officers and the Board of Directors.

## 26. Annual General Meeting

The decision-making rights of shareholders are exercised at the General Meetings. The Annual General Meeting of the company is held during the first half of the year.

## 27. Dividend

The company declared no dividend for the year 2024.



## 28. Details of non-compliance

No penalty has been imposed by any regulator or authority due to a non-compliance issues. Issues noted regarding compliance with regulatory and other statutory requirements are being addressed immediately and effectively.

## 29. Going concern declaration and future outlook

The Board is confident in its composition, believing that the Board and Management possesses a well-rounded mix of members capable of providing vital support to the Company in achieving its strategic and business goals.

As a result, there is a prevailing sense of optimism among the Board members regarding the Company's prospects. The Board is committed to continuing its efforts to pursue the Company's long-term vision and therefore affirm that the Company can proceed with confidence in carrying out its operations, implementing proposed plans, and achieving projected results effectively.

