



STANDARDS AND COMPLIANCE COMMITTEE CHARTER

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1. Introduction

1.1 The Standards and Compliance Committee is a Committee of the Board of Directors (the "Board") of Inter-Ocean Aviation Finance Corporation including its subsidiaries ("the Company") to which the Board has delegated certain oversight responsibilities.

2. Objective

2.1 The principle function of the Standards and Compliance Committee (the Committee) is to assist the Board in fulfilling its responsibilities with regards to aviation safety, maintenance, occupational health and safety, security and quality matters including compliance with related legal and regulatory obligations.

2.2 The Committee does not relieve the Board of its responsibilities in any way.

3. Composition

3.1. The Committee shall comprise of no less than 3 members and if possible, the majority should be non-executive Directors, of which, if possible 1 member should be independent.

3.2. The Chief Executive Officer and Executive Director shall be additional members of the Committee.

3.3. Other additional members (non-board members) may be appointed to the Committee on account of their expertise, qualifications and experience in relation to the responsibilities of the Committee as stated in this Charter.

3.4. The Chairperson and the members of the Committee shall be appointed by the Board. The Chairperson shall be an independent non-executive Director, and shall normally not be the Chairperson of the Board.

3.5. The Board may at any time remove members from the Committee and fill any vacancy created by such removal.

4. Meetings

4.1. The Committee shall as far as possible meet 4 times a year and prior to the Board meeting. However, the Chairperson or any other member of the Committee may call a meeting at any other time.

4.2. The Group Corporate Governance, Risk and Compliance Officer shall act as the Secretary of the Committee. The Chairperson shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and the Secretary shall minute them accordingly.

4.3. A quorum for a meeting of the Committee is a majority of the members present in person, by video conference, webcast or telephone.

4.4. Notice of each meeting confirming logistics and an agenda of items to be discussed and supporting reports, shall be forwarded to each member of the Committee, and any other person required to attend, no later than 5 working days before the date of the meeting.

4.5. The Secretary shall minute the proceedings and decisions of all meetings of the Committee including recording the names of those in attendance.

4.6. Draft minutes of the Committee meetings shall be circulated no later than 15 working days after such meeting to all members of the Committee. Once approved, the minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee Chairperson.

5. Responsibilities of the Committee

5.1 The Company will comply with all the applicable laws and relevant aviation standards of practice concerning security, quality, maintenance, protection of health and safety of its employees in the work place and other persons affected by its business activities.

5.2 The Committee in discharging their duties shall:

5.3 Operational aviation risk management process

5.3.1 The Committee shall review the operational aviation risk management processes within the Company which are designed to ensure that all aviation risks are identified and mitigated.

5.4 Quality

5.4.1 Consider and recommend for ratification to the Board, any major quality related strategies and policies to be implemented by management, and monitor the compliance of such strategies and policies.

5.4.2 Review the operational aviation risks identified and mitigating actions implemented by management in response to the risks identified in relation to quality.

5.4.3 Review the processes in place to ensure the implementation of the quality assurance programme and how management have ensured that quality policies and procedures meet the legislative requirements and customer specifications.

5.4.4 Consider the outcomes of evaluations performed by management on maintenance and supplier actions to ensure compliance with current quality technical publications, standards and directives.

5.4.5 Review reports on the level of compliance as prepared by management, based on their evaluation, with the applicable procedure manuals and relevant laws, directives and regulations.

5.4.6 Review the processes in place and implemented by management to ensure that all quality related manuals are relevant and up to date.

5.4.7 Consider all non-conformities identified by management and how these events have been mitigated to prevent reoccurrence of such events.

5.4.8 Review and consider the annual aviation internal audit plan prepared by management that includes the reasoning behind what audits are to be performed and in what region before implementation.

5.4.9 Review the outcome of major aviation audit findings, be it internal or external findings and how these findings were addressed by management.

5.4.10 Deal with any other matters formally delegated by the Board to the Committee from time to time.

5.5 Occupational Health and Safety

5.5.1 Consider and recommend for ratification by the Board, any major occupational health and safety related strategies and policies to be implemented by management, and monitor the compliance of such strategies and policies.

5.5.2 Consider, for reporting to the Board how occupational health and safety legal requirements have been complied with for the Group as a whole on an annual basis.

5.5.3 Consider, for reporting to the Board the occupational health and safety inspections that have taken place or are planned to take place and the outcome of such inspections.

5.5.4 Consider, for reporting to the Board the overall process followed in relation to occupational health and safety. This would include the safety representatives appointed in the various areas to assist with oversight, how often meetings have taken place and the decisions made or those that require approval.

5.5.5 Review the processes followed on how occupational, health and safety were promoted within the Company.

5.5.6 Consider, for reporting to the Board the assessments performed on all non-conformities identified in relation to Occupational, Health and Safety requirements as well as the assessment of the non-conformity to identify the root cause and the corrective measures put in place to ensure the non-conformity does not occur again.

5.5.7 Consider, for reporting to the Board the emergency evacuation procedures for the various regions in which the Company operates, as well as the process that has been communicated to all staff members. Results of evacuation drills should also be presented to the Committee.

5.5.8 Consider, for reporting to the Board how it was ensured that all manuals have been reviewed to ensure compliance with up-to-date laws and regulations relating to occupational, health and safety.

5.5.9 Consider, for reporting to the Board the procedures for reporting injury on duty to the applicable body in accordance with the required laws and regulations. All instances of injury on duty and remedial action taken should be reviewed by the Committee.

5.5.10 Review the occupational, health and safety risks identified and mitigating actions implemented by management in response to the risks.

5.6 Aviation Safety

5.6.1 Consider and recommend for ratification by the Board, any major aviation safety strategies and policies to be implemented by management, and monitor the compliance of such strategies and policies.

5.6.2 Review the processes in place to ensure the continuous development and implementation of the Company's safety management system.

5.6.3 Monitor the processes followed by Management to ensure the Emergency Response Plan of the Company is relevant and takes into account client requirements.

5.6.4 Review the processes and mechanisms implemented by management to promote safety awareness within the Company.

5.6.5 Consider and review the quarterly safety reports produced by management.

5.6.6 Review the operational aviation risks identified and mitigating actions implemented by management in response to the risks identified in relation to aviation safety.

5.6.7 Review the processes in place and implemented by management to ensure that all safety related manuals are in terms of the relevant regulatory requirements.

5.6.8 Monitor the adequacy of the incidence reporting system for actual or potential breaches and incidents, and monitor subsequent investigations and remedial actions. All incidents reported are to be reviewed by the Committee.

5.6.9 Deal with any other matters formally delegated by the Board to the Committee from time to time.

5.7 Security

5.7.1 Review the processes that are in place which are designed to ensure compliance with all operational security related legal and regulatory requirements.

5.7.2 Review the operational aviation risks identified and mitigating actions implemented by management in response to the security risks identified.

5.7.3 Monitor the adequacy of operational security reporting systems process for actual or potential breaches and incidents and monitor subsequent investigations and remedial actions.

5.8 Maintenance

5.8.1 Review the processes in place to ensure that all AMO's are operated in accordance with the applicable laws, rules and regulations and monitor the mitigations in place in relation to all areas of non-compliance identified by management.

5.8.2 Monitor the progress made in relation to all AMO strategies as determined by the Board.

5.8.3 Evaluate the marketing strategies in place in relation to the Group AMO's and the impact that these strategies have in relation to generating 3rd party revenue.

5.8.4 Review of quarterly activity reports based on actual maintenance related data in comparison to industry best practices or internal targets as set by management in order to provide assurance to the Board that the Group maintenance operations are run consistently, efficiently and effectively.

5.8.5 Review of quarterly aircraft down-time reports that include the root causes and monetary impact to the Group.

5.8.6 Review of revisions taking place and the associated costs incurred.

5.8.7 Monitor management cost savings initiatives in relation to maintenance.

5.8.8 Monitor management initiatives of optimising spares support.

5.8.9 Ensure that management have implemented a process to ensure that all maintenance related risks are reported to the Committee and the Board.

5.8.10 Ensure that all risks relating to maintenance and how these risks are being mitigated and monitored are reviewed by the Committee for reporting to the Board.

6. Reporting responsibilities

6.1 Ensure that the Board is aware of all significant issues that may arise in the area of aviation safety, occupational health and safety, maintenance, security and quality matters that may affect the safety of employees and all other effected parties and reputation in terms of quality of the Company, and make appropriate recommendations to the Board on these matters. The minutes of all meetings held by the Committee will be available for consultation by all Board members.

6.2 The Chairperson of the Committee will provide written feedback at the Board meeting on the Committees most recent meeting or on any other matter as he deems fit.

7. Other matters

7.1 The Committee shall:

7.2 Have access to sufficient resources in order to carry out its duties, including access to the Secretary for assistance as required.

7.3 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

7.4 Give due consideration to aviation laws and regulations in respect of aviation safety, occupational health and safety, maintenance, security and quality matters, and any other applicable rules, as appropriate.

7.5 Arrange for period reviews of its own performance and, at least annually review its charter to ensure the Committee is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

8. Authority

8.1 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of refence.

8.2 The Committee will act in terms of the delegated authority of the Board as recorded in this charter. It has the power to investigate any activity within the scope of its terms of reference.