



# Governance

## Report

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# Board of Directors Profiles



**Amir Mansoor**  
**Chairman**

Amir Mansoor was appointed as the Chairman of STO in December 2023, representing the company's majority shareholder, the Government of the Maldives. A seasoned entrepreneur with over 37 years of experience in business development and management, he has played a pivotal role in establishing and leading multiple enterprises across various industries. Currently, he serves as the Managing Director of several companies, including Lily International Pvt Ltd, Carpe Diem Maldives Pvt Ltd, Grape Expectation Pvt Ltd, Salt and Rock Real Estate Pvt Ltd, Huruvalhi Beach Resort Investments Pvt Ltd, Mariculture Maldives Pvt Ltd, and H.I.M Management Company Services Pvt Ltd. Additionally, he is the owner of The Standard Huruvalhi Maldives Resort.

Beyond his business ventures, Amir actively contributes to industry organizations. He serves as an Executive Board Member of the Maldives Liveaboard Association. In November 2023, he was elected President of the National Boating Association of Maldives. His previous tenure on the STO Board spanned from 2012 to 2019.

Amir holds a Master's degree in Business Administration from Tarlac State University, Philippines and an Executive Diploma in Directorship from Singapore Management University. He has also completed the Qualified Risk Director Program at the Institute of Enterprise Risk Practitioners in Malaysia.



**Shimad Ibrahim**  
**CEO & MD**

Shimad Ibrahim was first appointed to the Board of Directors in May 2019 as a representative of the majority shareholder and later assumed the role of Managing Director on November 28, 2023.

A Chartered Accountant with over 20 years of professional experience, he holds a Bachelor of Accounting (Honors) degree from the International Islamic University of Malaysia, where he was recognized as the Best Student in Management Accounting.

Currently, Shimad is a Director at SFG Corporate Services, SFG Logistics, S&A Tax and Financial Services, and Lisa Maldives. Additionally, he serves as the Managing Director of Maldives Industrial Development Free Zone PLC and a Chairman at Maldives National Oil Company Ltd. His extensive career includes leadership roles such as Chief Financial Officer at Villa Group, Head of Finance at Maldives Islamic Bank, and Chief Finance Executive at the Ministry of Finance. He has also served as a Board Director at Maldives Islamic Bank PLC, Maldives Tourism Development Corporation PLC, Thilafushi Corporation Limited, and Upper South Utilities Limited. Furthermore, Shimad has contributed to national financial matters as a member of the National Debt Management Committee.



**Mohamed Nizam**  
**CFO & Executive Director**

Mohamed Nizam with a tenure at STO since 2010, currently serving as the Chief Financial Officer and Executive Director. Throughout his tenure at the Company, Nizam has demonstrated exemplary performance in several key roles, including Head of Procurement, Senior Finance Manager, Chief Risk Officer, and Senior Information System Manager in the IT department. As of now, Nizam holds the position of Chairman at Raysut Maldives Cement Pvt Ltd, Chairman of STO Maldives (Singapore) Pvt Ltd and Board Director to Maldives National Oil Company Ltd.

Nizam has previously served as a Chairman of Fuel Supplies Maldives. His extensive experience in governance is further demonstrated through previous directorships, including Board Director to Maldives State Shipping Company Pvt Ltd, and Board Director at Maldives Industrial Fisheries Company Ltd. Moreover, Nizam has led as the Chairman of the Board of Directors at Allied Insurance Company of the Maldives Pvt Ltd. He has also notably represented STO on the Board of the Maldives Stock Exchange and the Maldives Securities Depository, showcasing his leadership in the financial sector.

Nizam is a Fellow member of the AICPA & CIMA (FCMA, CGMA), UK. He obtained Master's degree in Business Administration with a specialization in financial management from the University of Ballarat, Australia, Bachelor of Arts (Honors) degree in Finance and Accounting from the University of East London, UK. His professional credentials include membership in the Institute of Enterprise Risk Practitioners (IERP) as a certified Enterprise Risk Advisor (ERA), and Certified associate consultant in SAP Finance and Controlling, underscoring his expertise in financial analysis, risk management, and business information systems.



**Mohamed Ahsan Saleem**  
**Non-Executive, Independent Director**

Mohamed Ahsan Saleem was elected to the Board of Directors at the Annual General Meeting in June 2023, representing the interests of the company's 18% public shareholders.

He holds a Master's degree in International Tourism and Hotel Management from Southern Cross University, Singapore and a Bachelor's degree in International Hotel and Resort Management from Blue Mountain International Hotel Management School, Australia. Additionally, he has an Associate Diploma in Hotel Management from Les Roches School of Hotel Management, Switzerland, along with a Business Administration qualification in Food & Beverage Operations. Ahsan has also successfully completed the Board Certificate Exam from Corporate Directors International. Furthermore, Ahsan holds a Private Pilot License from Seletar Flying Club, Singapore.

Currently, Ahsan serves as the Director of Operations at Tree Top Hospital Maldives, where he previously held the position of Head of Information Technology. His diverse professional background spans multiple industries, with roles including Front Desk Agent at Maldives Tourism Promotion Board, Research Assistant at the Maldives Association of Tourism Industry, and other various hospitality positions. He has also worked as a service staff at College DU Leman in Switzerland, Front Office Management Trainee at Hilton Seychelles Northholme Resort & Spa and Conrad Rangali Island, Open Water Scuba Instructor at Diveclub, Front Desk Manager at Elysium Guest House, and Application Developer at EPrivate Limited.

# Board of Directors Profiles



**Dhaanish Mohamed Ameen**  
**Non-Executive, Independent Director**

Dhaanish Mohamed Ameen was appointed to the Board of Directors as an Independent, Non-Executive Director on December 18, 2023, representing the majority shareholder. He holds an LLB (Hons) from the University of Warwick and a Master’s in Law from the University of Law (UK), qualifying him as a Solicitor (UK). Additionally, he is a member of the Chartered Institute of Arbitrators (CI Arb).

Currently, Dhaanish serves as an Attorney at SHC Law & Tax, specializing in banking and finance, tourism, and infrastructure law. His expertise has been recognized internationally—he was ranked as a Rising Star Partner by Global IFLR and Chambers & Partners in 2023 and was listed as a Notable Practitioner by Asia Law for Mergers & Acquisitions between 2019 and 2023. In addition to his legal practice, Dhaanish has contributed to academia as a visiting lecturer at Villa College.



**Reesha Abdul Munnim**  
**Non-Executive, Independent Director**

Reesha Abdul Munnim was appointed to the Board of Directors of STO as an Independent, Non-Executive Director in January 2024, representing the majority shareholders.

She holds a Master’s in Business Administration from the University of Mysore, India, and a Bachelor’s in Business Management from JSS College for Women in India. Additionally, she has earned a Diploma in Airline Marketing for Leadership from IATA, Singapore, an Associate Diploma in Organizational Learning and Development from CIPD, UK, and a Diploma in Foreign Trade.

Reesha previously served as the Senior Manager of the Learning and Development function at Island Aviation Services Ltd and has held various roles in the Company’s commercial and human resource sectors, showcasing her expertise in workforce development and business operations.

Beyond her corporate experience, Reesha is a passionate educator, serving as a part-time lecturer at several institutions, including MAPS College, Villa College, Clique College, Avid College, and Male’ Business School. She is also an active member of the Singapore chapter of Women in Aviation International, USA, Active Member of Maldives Association of Human Resource Professionals (MAHRP) and Maldives Professional Speakers Association.



**Mohamed Murad**  
**Non-Executive, Non-Independent Director (Former)**

Mohamed Murad served as a Non-Independent, Non-Executive Director of the company, appointed to the Board of Directors on December 5, 2023, as a representative of the majority shareholders. He later resigned from the position on January 7, 2025.

Murad holds a Master of Business Administration from Cambridge College of Business and Management, along with a BTEC First Diploma and a BTEC Higher National Diploma from the Academy of Design, Northumbria University, UK.

His career at State Trading Organization Plc began in 1998 as a sales representative, and he steadily advanced through various roles, including Store Operations Manager, Home Improvement Manager, and Service Center Manager. From 2013 to 2021, he held the position of General Manager at STO.

Beyond STO, Murad has served as a Board Director for Allied Insurance Company of the Maldives, Maldives Gas Pvt Ltd, and Maldives Structural Products Pvt Ltd, and COO of Fenaka Corporation Limited, bringing his extensive experience and leadership from multiple organizations.



**Aishath Fazeena**  
**Non-Executive, Independent Director**

Aishath Fazeena was appointed to the Board of Directors of STO as an Independent, Non-Executive Director in March 2025, representing the majority shareholders.

Fazeena is an Affiliate member of the Association of Chartered Certified Accountants (ACCA). She holds a Master of Business Administration (MBA) from the University of the West of England, UK, and a Bachelor of Science in Applied Accounting from Oxford Brookes University, UK. In addition to her academic qualifications, she has completed an Executive Diploma in Directorship and successfully undergone the CMDA Director’s Training Program.

She currently serves as an Accountant at Waldives Pvt Ltd, where she oversees financial operations and compliance. Her previous board roles include serving as a Board Director of Maldives Transport and Contracting Company (MTCC), Maldives Tourism Development Corporation (MTDC), and the Maldives Pension Administration Office (MPAO). She has also previously served as Board Director to STO, back in 2018. In addition to her corporate responsibilities, she has served as a Visiting Lecturer at Villa College and MAPS College, and as a Lecturer at the Maldives National University (MNU).



# Senior Management Profiles



**Shimad Ibrahim**  
**CEO & MD**

Shimad Ibrahim was first appointed to the Board of Directors in May 2019 as a representative of the majority shareholder and later assumed the role of Managing Director on November 28, 2023.

A Chartered Accountant with over 20 years of professional experience, he holds a Bachelor of Accounting (Honors) degree from the International Islamic University of Malaysia, where he was recognized as the Best Student in Management Accounting.

Currently, Shimad is a Director at SFG Corporate Services, SFG Logistics, S&A Tax and Financial Services, and Lisa Maldives. Additionally, he serves as the Managing Director of Maldives Industrial Development Free Zone PLC and a Chairman at Maldives National Oil Company Ltd. His extensive career includes leadership roles such as Chief Financial Officer at Villa Group, Head of Finance at Maldives Islamic Bank, and Chief Finance Executive at the Ministry of Finance. He has also served as a Board Director at Maldives Islamic Bank PLC, Maldives Tourism Development Corporation PLC, Thilafushi Corporation Limited, and Upper South Utilities Limited. Furthermore, Shimad has contributed to national financial matters as a member of the National Debt Management Committee.



**Mohamed Nizam**  
**CFO & Executive Director**

Mohamed Nizam with a tenure at STO since 2010, currently serving as the Chief Financial Officer and Executive Director. Throughout his tenure at the Company, Nizam has demonstrated exemplary performance in several key roles, including Head of Procurement, Senior Finance Manager, Chief Risk Officer, and Senior Information System Manager in the IT department. As of now, Nizam holds the position of Chairman at Raysut Maldives Cement Pvt Ltd, Chairman of STO Maldives (Singapore) Pvt Ltd and Board Director to Maldives National Oil Company Ltd.

Nizam has previously served as a Chairman of Fuel Supplies Maldives. His extensive experience in governance is further demonstrated through previous directorships, including Board Director to Maldives State Shipping Company Pvt Ltd, and Board Director at Maldives Industrial Fisheries Company Ltd. Moreover, Nizam has led as the Chairman of the Board of Directors at Allied Insurance Company of the Maldives Pvt Ltd. He has also notably represented STO on the Board of the Maldives Stock Exchange and the Maldives Securities Depository, showcasing his leadership in the financial sector.

Nizam is a Fellow member of the AICPA & CIMA (FCMA, CGMA), UK. He obtained Master’s degree in Business Administration with a specialization in financial management from the University of Ballarat, Australia, Bachelor of Arts (Honors) degree in Finance and Accounting from the University of East London, UK. His professional credentials include membership in the Institute of Enterprise Risk Practitioners (IERP) as a certified Enterprise Risk Advisor (ERA), and Certified associate consultant in SAP Finance and Controlling, underscoring his expertise in financial analysis, risk management, and business information systems.



**Hawwa Nafia**  
**Chief Audit Executive**

Hawwa Nafia began her career at STO in 2014 as an Accountant and was appointed to Chief Audit Executive in 2021. She currently oversees the company’s Internal Audit Department. With over 10 years of experience in Accounting and Auditing. She has held key positions in various institutions, including Junior Assistant Auditor at the Auditor General’s Office (S. Hithadhoo Branch), Internal Auditor at the Capital Market Development Authority, and Investigation Officer at the Anti-Corruption Commission.

Additionally, she has served as a Board Director at Allied Insurance Company of the Maldives Pvt Ltd and was a member of both the Audit and Risk Management Committee and the Corporate Governance and Compliance Committee.

Nafia is a certified member of the Association of Chartered Certified Accountants (ACCA-UK) and holds a First-Class Honors Bachelor of Science degree in Applied Accounting from Oxford Brookes University. She is also a Certified Internal Auditor. (CIA)



**Ahmed Shifan**  
**Director of Corporate Marketing Communications**

After nearly five years of service in the Maldives National Defense Force, Shifan joined STO in 2003 as an Assistant Manager. He currently holds the position of Director of the Corporate Marketing Communications Department.

Throughout his tenure at STO, Shifan has held various leadership roles, including General Manager of STO People’s Choice, where he oversaw STO People’s Choice, Regional Sales, the Service Centre, and Staple Foods. Additionally, he has led multiple departments within STO, such as Medicals, Information Communication Technology, Human Resources, Administration, Store Operations, Home Improvement, Electronics, Super Mart, and Regional Sales.

Shifan is presently a Board Director of Maldives State Shipping Company Pvt Ltd and has previously served as a Board Director to Fuel Supplies Maldives Pvt Ltd, Board Director to Maldives Structural Products Pvt Ltd, and Board Director to Maldives Industrial Fisheries Company Ltd, where he also held the position of Chairman. He has also served as Chairman of Maldives Gas Pvt Ltd and STO Recreational Club, as well as Managing Director of STO Hotel and Resorts Pvt Ltd. Furthermore, he was a member of the Board of Advisors for the SAP Asia Pacific Japan Regional Services Board.

Shifan holds a Master of Business Administration with Honors from Auckland University of Technology (AUT), New Zealand, and a Bachelor of Science with Joint Honors (First Class) in Business Information Systems and Business Studies from Middlesex University, UK.

# Senior Management Profiles



**Ali Nabeeh**  
**Director of Logistics**

Ali Nabeeh joined STO in 2005, beginning his career as an officer in the Transport Department. Over the years, he held various roles within the department before advancing to his current position as Director of the Logistics Department. In this role, he oversees Marine Transport, Distribution Services, and Engineering Services. Nabeeh also serves as the Chairman of Fuel Supplies Maldives Pvt. Ltd. He has previously served as a Board Director at Maldives State Shipping Company Pvt Ltd. and has served as a board director to Fuel Supplies Maldives Pvt Ltd and as a Board Director of Maldives Gas Pvt Ltd.

He holds a Bachelor of Arts degree with First-Class Honors in Logistics Management from USCI University, Malaysia, and has undergone extensive training in international trade and maritime operations.



**Ismail Mifrah**  
**Chief Technology Officer**

Ismail Mifrah joined STO in 2006 as a Technical Support Engineer. He later worked his way up to the position of Senior Information Systems Manager where he was responsible for creating organizational level ICT policies and best practices and developing procedure for business continuity & development. After resigning in October 2017, he later rejoined the Company in May 2019 as the Chief Information Officer.

Mifrah also serves as the Chairman of STO Hotels and Resorts, Board Director of STO Maldives (Singapore) Pvt Ltd and Board Director of Allied Insurance Company of the Maldives Pvt Ltd. He has previously served as a Board Director of Fuel Supplies Maldives Pvt Ltd, Board Director of Maldives State Shipping Company Pvt Ltd and Board Director of Maldives Industrial Fisheries Company Limited. Mifrah has also served as a Chairman of Allied Insurance Company of the Maldives Pvt Ltd, Chairman of STO Maldives (Singapore) Pvt Ltd and Chairman of Maldives Gas Pvt Ltd.

Mifrah holds a Master's in Technology Management from Asia Pacific Institute for Information Technology (APIIT), Malaysia and a Bachelor of Science in Information Technology from Edith Cowan University, Australia. He is also a Microsoft Certified Professional and an SAP MM Associate Consultant.



**Mariyam Nuzla**  
**Director of Human Resources**

Mariyam Nuzla serves as the Director of Human Resources. She joined the Company in 1999, starting out as a Sales Officer. Nuzla's dedication and strong performance have propelled her into key leadership roles. Her decades long career of service has spanned to include several key positions at the organization, such as the Head of Corporate and Legal Affairs, the Head of Procurement (General), Head of Administration Department and as the Personal Assistant to the Managing Director.

Nuzla's educational qualification includes a Master's degree in Business from Cardiff Metropolitan University, United Kingdom, and a Bachelor Degree in Business (Marketing and Management) from Edith Cowan University, Australia.

She currently serves as a Board Director to Maldives State Shipping and previously served as a Board Director to Fuel Supplies Maldives Pvt Ltd. She has also served as a Board Director to Maldives Gas Pvt Ltd, Board Director to Allied Insurance Company of the Maldives Pvt Ltd, and Board Director to Maldives Industrial Fisheries Company Pvt Ltd on prior occasions.



**Abdul Wahid Moosa**  
**Director of Procurement**

Abdul Wahid Moosa joined STO after earning a Bachelor's degree in Business with a specialization in Management and Marketing from Edith Cowan University, Australia.

He began his career in the STO Transport Department, managing the company's fleet, before pursuing his passion for shipping, particularly in technical and operational management of foreign-going vessels. To gain industry experience, he worked at Thome Ship Management in Singapore, a leading ship management company. Wahid is a certified Company Security Officer and is qualified to conduct ship audits and inspections under ISM, ISPS, and ISO 9001:2015 standards. Currently, he serves as the Director of Procurement and has previously led the Fuel, Logistics, and Construction Department.

Wahid also holds key leadership roles, currently serving as Chairman of the Maldives State Shipping Company Pvt Ltd and Managing Director of Maldives National Oil Company Ltd. He has previously served as a Chairman of Fuel Supplies Maldives Pvt Ltd and a Board Director at Raysut Maldives Cement Ltd.



# Senior Management Profiles



**Aishath Shaffana Rasheed**  
**Director of Corporate Affairs / Company Secretary**

Aishath Shaffana Rasheed joined ST0 in 2004 and serves as the Company Secretary since 2007. She is also the Director of Corporate Affairs, overseeing the Managing Director's Bureau, Governance, Sustainability, Strategy, Compliance, and the Legal Affairs.

Shaffana has previously worked in the ST0 Supermart and Marketing Department. She has also managed the company's CSR initiatives and media engagements.

She holds a Master of Law and a Master of Business Administration from Cardiff Metropolitan University, UK, as well as a Bachelor of Business (Marketing and Management) from Edith Cowan University, Australia. Shaffana is a member of the Corporate Governance Institute of Ireland and has completed both a Diploma in Corporate Governance and a Diploma in ESG from the same institute.



**Mohamed Eman**  
**Director of Construction Solutions**

Mohamed Eman joined ST0 in 2005 and currently leads the Construction Solutions Department. Over the years, he has held various key positions, including Senior Manager of the Construction Materials Department and Manager of the Logistics, Enterprise Information System, and Fuel & energy operations.

In addition to his role at ST0, Eman serves as the Chairman of Maldives Gas Pvt Ltd. He has previously served as a Board Director of Maldives Structural Products Pvt, Board Director of Maldives Gas Pvt Ltd and Board Director of Raysut Maldives Cement Ltd., as well as the Chairman of the ST0 Recreation Club.

Eman holds a Bachelor of Arts in Economics from JSS College of Arts, Commerce & Science, India. He is also a certified Associate Consultant in SAP Materials Management.



**Mohamed Ihsan Waheed**  
**Director of Projects & Assets**

Mohamed Ihsan Waheed is the Director of the Projects and Assets Department, overseeing infrastructure projects and property management operations for the Company. With over 13 years of experience at ST0, Ihsan has previously served as an officer in the Asset Management Department, a Contracting Officer in the Procurement Department, a Delivery Manager in the Logistics Department, and a Senior Manager in the Projects Section of Business Research & Property Management.

Ihsan represents ST0 on the Board of Maldives Structural Products Pvt Ltd as its Chairman and also serves as a Board Director for ST0 Hotels and Resorts Pvt Ltd.

He holds a Master's Degree in Business Administration from Anglia Ruskin University, UK, and a Bachelor's Degree in Logistics Management from USCI University, Malaysia.



**Ahmed Niushad**  
**Director of Healthcare Solutions**

Ahmed Niushad joined ST0 in 2012 as a Project Manager and has since taken on key leadership roles, now serving as the Director of Healthcare Solutions. With over a decade of experience, he has been instrumental in driving ST0's healthcare initiatives, focusing on innovation, operational efficiency, and strategic growth.

A Certified Project Management Professional (PMP®), Niushad holds a Master's Degree in Business Administration from Anglia Ruskin University, UK, and a Bachelor of Arts in Architecture from the Maldives National University.

Beyond his role in ST0 healthcare, Niushad is the Managing Director of ST0 Hotel and Resorts and a Board Director at Allied Insurance Company of the Maldives Pvt Ltd. He has also previously served as a Board Director at Fuel Supplies Maldives Pvt Ltd.



# Senior Management Profiles



**Mohamed Shuaib Ahmed**  
**Director of Energy**

Mohamed Shuaib Ahmed is an accomplished leader in the Maldivian Oil & Gas industry, bringing over a decade of expertise in sales, operations, and business development. In December 2024, he was appointed Director of Energy, following a decade-long tenure as Terminal Manager of ST0 Port Facility and Funadhoo Terminal from 2014 to 2024.

His experience extends beyond his executive role, previously serving as a Board Director at Maldivian Gas and as a Board Director of Maldivian Industrial Fisheries Company Ltd. He currently serves as a Board Director at Fuel Supplies Maldives Pvt Ltd and Board Director at Maldivian National Oil Company Ltd.

Shuaib holds a Bachelor of Business Administration (BBA) with First-Class Honors in Oil & Gas Management and a Master of Business Administration (MBA).

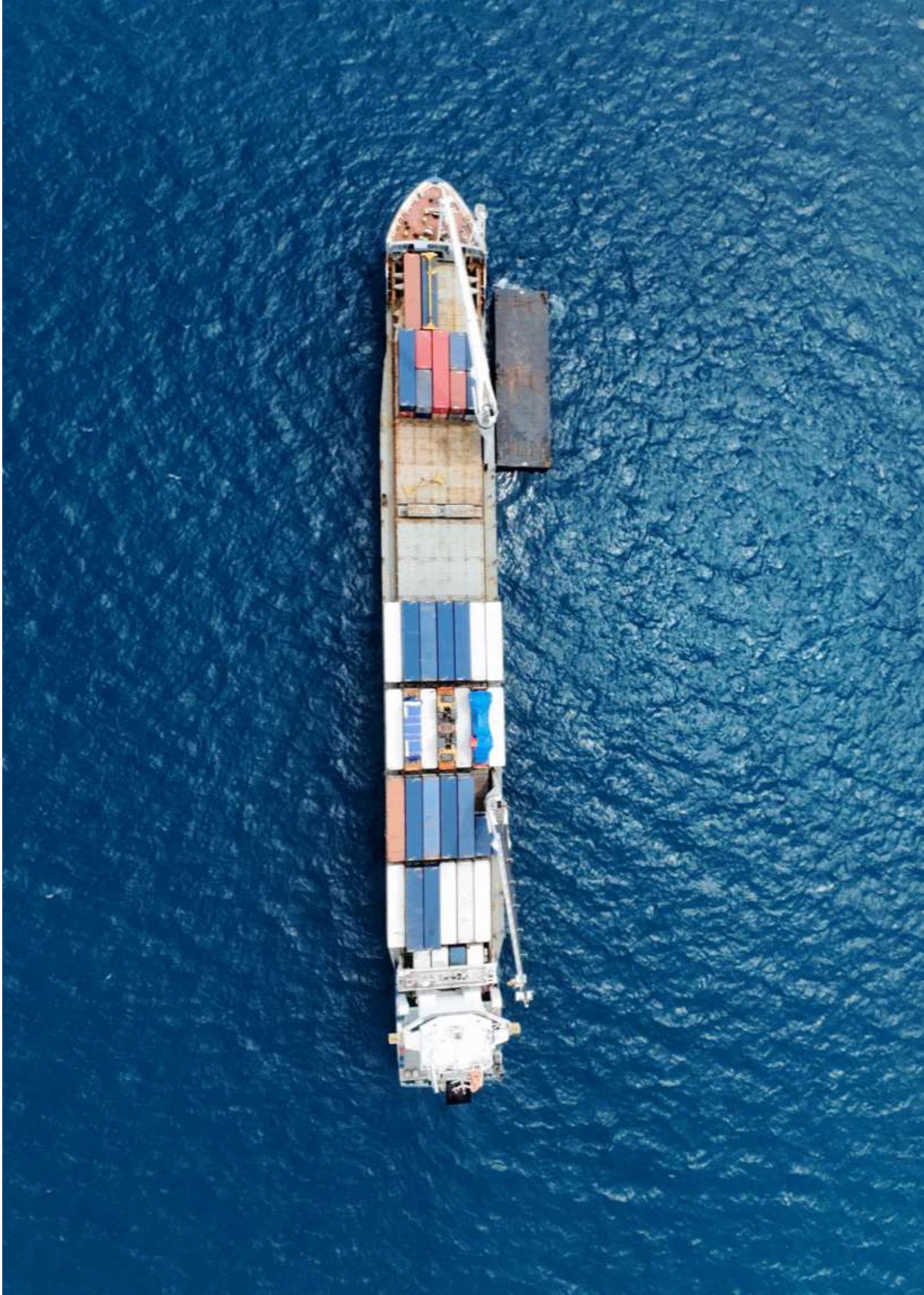


**Ibrahim Mirzaq**  
**Director of General Trading**

Ibrahim Mirzaq was appointed as the Director of General Trading in December 2024, overseeing ST0 People's Choice, Staple Foods, and Regional Operations. He began his journey with ST0 in 2009 as an Officer and has since held key positions, including Procurement Manager, and Operations Manager. He also played a pivotal role in leading the SAP S/4HANA implementation project as a Project Lead and later served as a Business Transformation Manager.

Mirzaq currently serves as a Board Director for Maldivian Structural Products and previously served as a Board Director at Fuel Supplies Maldives Pvt Ltd.

He holds a Master's degree in Business Administration from Anglia Ruskin University and a Diploma in Information Technology. Additionally, he is a Certified SAP Materials Management Professional, a Certified Project Manager, and a Certified International Procurement Manager from the International Purchasing and Supply Chain Management Institute.





# Corporate Governance Principles and Structure

## 1.1. Compliance with Corporate Governance Code

The Board of Directors (referred to herein as the "Board") and the management of ST0 (referred to herein as the "Company"), along with its subsidiaries (referred to herein as the "ST0 Group"), are dedicated to upholding high standards of corporate governance. Our aim is to foster robust and firmly established corporate governance practices for the benefit of shareholders and various stakeholders, including the government, customers, suppliers, employees, and the wider public.

The Company strictly adheres to relevant laws and regulations and follows the guidelines and rules issued by regulatory authorities. Periodic assessments of the corporate governance framework are conducted to ensure alignment with industry best practices.

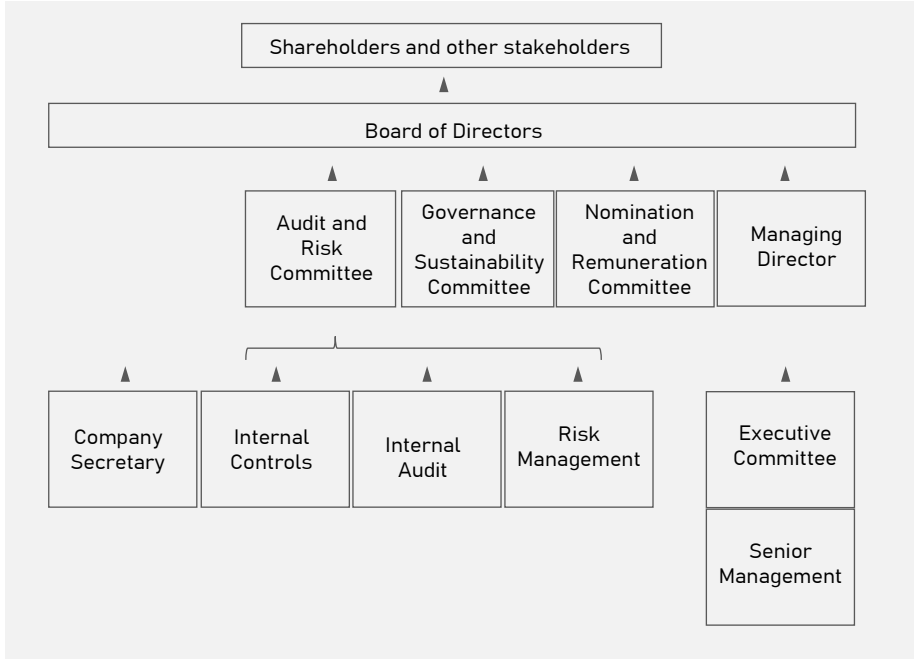
As a limited liability company, ST0 operates in accordance with the Companies Act 7/2023 (referred to herein as the "Act"), the Corporate Governance Code (referred to herein as "the Code") of the Capital Market Development Authority (CMDA), the Securities Act of Maldives, the Listing Rules of the Maldives Stock Exchange Pvt. Ltd (MSE), and the Securities Continuing Disclosure Obligations of Issuers Regulations 2019 (SCDOI Regulation) of CMDA, alongside other pertinent legislations. ST0 also adheres to its Articles of Association (AOA), the Board's procedural rules, delegation of authority to management, and policy documents of the Company.

Throughout the reporting period, ST0 placed significant emphasis on maintaining exemplary levels of compliance with all relevant regulations. Any instances of deviation are elucidated in accordance with the "comply" or "explain" principle outlined in this report.

As such, below is the summary of the non-compliant issues with the Code and its explanation and action plan.

Referenc e to CMDA Code	CMDA Code Requirement	Compliance Status	Explanation & Action Plan
1.2 (c)	<b>Composition of the Board</b> <i>At least half the Board should comprise of non-executive directors, with most of such non-executive directors being independent directors.</i>	Compliant, though concerning	1 non-independent director in Board due to family relationship, as the director's wife was employed in a key department of the Company. <b>Action Plan</b> <i>Although the director has resigned from post now, reviews are being made to strengthen the independence requirement of directors in the Board procedural documents.</i>
1.6 (a) vi.	<b>Duties of the Board as a whole</b> <i>Adopt policies and procedures to ensure women participation on Boards to be initially set at minimum 2 women Board members on each Board.</i>	Not compliant	There was only one female director in the Board. <b>Action Plan</b> <i>ST0 is actively working to encourage shareholders to nominate female directors to the Board.</i> <i>The Board has also revised the Board procedural documents to encourage at least 2 female directors to sit in the Board. Also, as of reporting date, there are 2 female directors in the Board.</i>

## 1.2. Governance Reporting Structure



Key matters reserved to the Board	Board committee structure	MD/CEO, the executive committee, and the delegated authorities
The Board retains the authority to make decisions on significant matters pertaining to strategy, finance, and governance. The table provided on page 52-53 delineates these key matters reserved by the Board for decision-making.	The Board has assigned responsibility of its primary governance functions to three principal committees, namely the Audit and Risk Committee, Nomination and Remuneration Committee, and Governance and Sustainability Committee (referred to collectively as the "Board Committees"), with their respective duties detailed on page 42-74. The activities and decisions made by these committees throughout the year are documented in their individual reports.	The MD/CEO oversees the business in accordance with the strategy endorsed by the Board and is answerable to it. Specific duties of the MD/CEO are outlined on page 50. The MD/CEO is aided by the Executive Committee in executing the strategy and overseeing operational performance. Additionally, as the Group CEO, he has implemented authority frameworks within the Group, delegating certain managerial decisions to designated individuals and management.





# Leadership

## 2.1. Board Roles

In the past year, the Board was composed of 7 members, consisting of 2 executive directors, 1 non-executive non-independent director, and 4 non-executive independent directors.

The roles of chairman and managing director were held by distinct individuals. Both positions are selected from among the non-executive independent members of the Board, while the Managing Directors role upon appointment changes to an executive position.

The Board operated within a coherent framework outlined in its charter, which delineates clear responsibilities and accountabilities aimed at safeguarding and enhancing long-term shareholder value and providing a robust foundation for realizing the Group's strategy. This Charter furnishes Directors with guidelines concerning their responsibilities, authorities, composition, meetings, appointments, training, evaluation, and disclosure.

The collective roles and responsibilities of the Board encompass:

- Formulating corporate vision, mission, and strategies
- Approving business plans and budgets
- Overseeing risks and providing guidance on mitigation strategies
- Monitoring and directing financial performance and asset management
- Establishing the appropriate technology direction
- Supervising the overall operations of the STO Group
- Determining dividend policy
- Issuing requisite reports for shareholders
- Developing an appropriate governance and sustainability framework for the Company

A summary of responsibilities of the Board roles is given in the below.

### Chairman

- Guides the Board in determining strategy and achieving objectives.
- Leads the Board in aligning culture with its vision, mission, values, and strategy, ensuring all directors uphold integrity, set an example, and foster the desired culture.
- Provides leadership and manages the Board to ensure directors are well-informed about issues discussed at meetings and receive timely, complete, and reliable information.
- Approves agendas for Board meetings, considering the concerns and issues of Board members.
- Promotes active engagement of Board members, leveraging their skills, experience, and knowledge.
- Establishes effective corporate governance practices and procedures, facilitating transparent communication with shareholders and stakeholders.
- Provides oversight, guidance, advice, and leadership to the Managing Director.

### MD / CEO and the Executive Director

- Is also entrusted with the responsibilities of Group CEO and Group CFO.
- Formulates and recommends the strategy of the Group to the Board.
- Executes the policies and strategies across the Group, as agreed with the Board.
- Makes and implements operational decisions and manages the business day-to-day.
- Leads the Group, business, and the management team.
- Ensures that the Board is kept informed in a timely manner on current affairs of the Group.

### Non-Executive Directors

- Participates in Board meetings to provide independent judgment on matters related to strategy, policy, performance, accountability, resource allocation, key appointments, and standards of conduct.
- Takes the lead in addressing or discussing potential conflicts of interest.
- Scrutinize the Group's performance in attaining agreed corporate goals and objectives and oversee performance reporting.
- Contributes positively to the development of the Group's strategy and policies by offering independent, constructive, and well-informed feedback.
- Encourages the alignment of STO's culture with its vision, mission, values, and strategy, ensuring all directors demonstrate integrity, set examples, and promote the desired culture. This culture should consistently reinforce STO's values of lawful, ethical, and responsible conduct.
- Engages with Senior Management and other relevant parties to ensure that various concerns and issues pertinent to the management and oversight of the Company's and the Group's business and operations are adequately addressed.

## 2.2. Board Composition and Diversity

The Board recognizes that a critical factor in its effectiveness is the presence of a diverse array of skills, experiences, knowledge, and independence among its members fostering cohesive team dynamics. Additionally, the Board acknowledges the importance of age and gender diversity as contributing factors to its success. STO's Board consistently strives to achieve a balance of these attributes, encompassing diversity in age, gender, experience, and expertise. To this end, the Board has endorsed the Board Candidacy Guideline, delineating key diversity policy for STO Group.

In 2024, the Board comprised 1 female director and 6 male directors, falling short of the Code's requirement for at least 2 female representations. To address this, the Company actively encouraged shareholders to nominate female candidates for Board appointments. Consequently, as of the report's publication date, the Board now includes 2 female directors, meeting the required threshold.

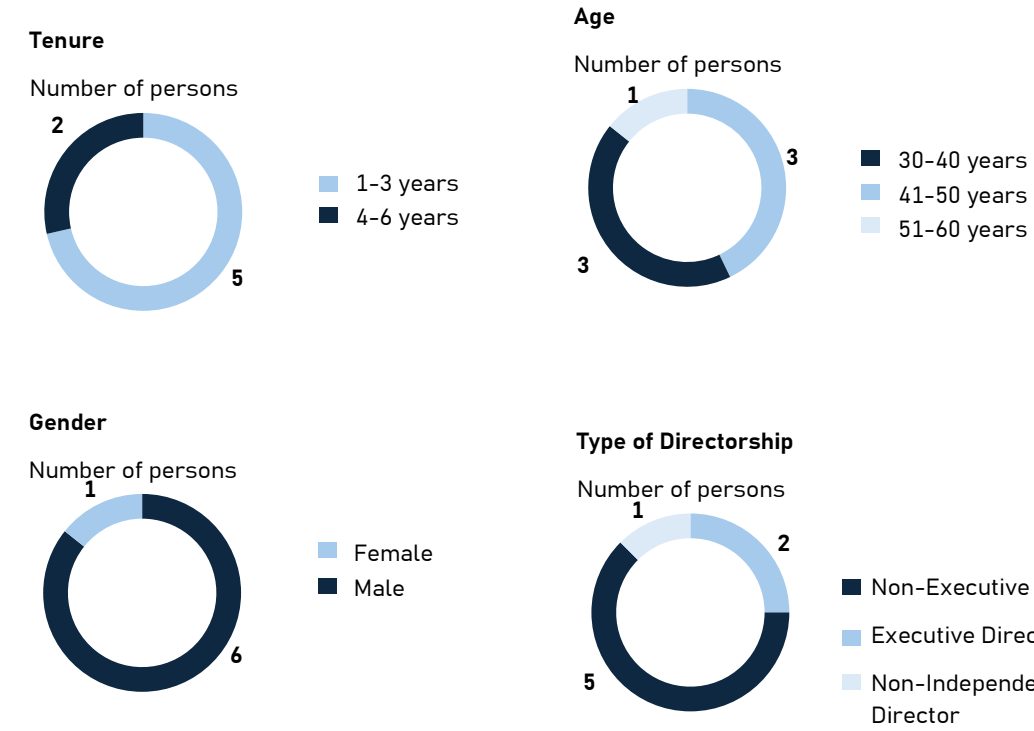
The accompanying diagrams below, provides an overview of the Board's composition and diversity profile, while detailed biographies of the directors can be found on pages 44-48 of this report.

Key features of the Board composition in 2024	
Diversity	The Board maintained a balance in terms of age, skills, and expertise, with some members having relevant industry-specific experience, with the presence of 1 female member in the Board.
Independence	Majority of the members are deemed independent as per the CMDA CG Code.  Director Mohamed Murad is classified as non-independent due to his ineligibility under 1.2(ii) of the Code, as his spouse holds an active employee position in the Company.
Relationship among directors	To the best of the Board members' knowledge, as of the date of this report, there are no relationships among the Board members beyond those (including financial, business, family, and other material and relevant relationships) documented in this report and in the directors' biographies.

## 2.3. Tenure

The current directors have varying terms ranging from 0 to 4 years on the Board. Mr. Ismail Zumayl Rasheed was removed from Board on 22nd January 2024 and Ms. Reesha Abdul Munnim was appointed to the Board on 28th January 2024. There were no further changes to the Board in 2024.

As of the current date, none of the non-executive independent directors serve on the Board for more than 6 years.





2.4. Board Skill Matrix

A Board Skill Matrix is a structured tool used to assess the collective expertise, experience, and competencies of the Board of Directors. It helps ensure that the Board possesses the diverse skills and knowledge required to effectively oversee corporate governance, strategic decision-making, and risk management.

The matrix identifies key areas of expertise, including financial management, corporate governance, risk oversight, sustainability, digital transformation, and industry-specific knowledge. By mapping out the strengths and gaps within the Board, the Company can:

- Ensure well-rounded decision-making and strategic oversight.
- Identify areas for director development through training and professional growth.
- Guide future board appointments to align with the Company’s evolving needs and governance best practices.

The following Board Skill Matrix provides an overview of the current directors' competencies, ensuring the Board remains capable, independent, and forward-thinking in driving corporate success.

Qualification and/or adequate experienced in.	Amir Mansoor	Shimad Ibrahim	Mohamed Nizam	Mohamed Ahsan Saleem	Reesha Abdul Munnim	Dhaanish Mohamed Ameen	Mohamed Murad
Strategic Thinking & Decision Making	***	***	**	**	**	**	**
Corporate Governance & Compliance	***	***	***	*	*	**	**
Polymaking & Oversight		***	***	**	**	**	**
Experience in leading Board & its committees	***	***	***	*	*	*	***
Strategic Financial Management	***	***	***	**	**	**	***
Risk Management, Internal Controls & Audit	***	***	***	*			***
Mergers, Acquisitions & Growth Strategy	***	***	**			**	
Commercial Acumen	***	***	***		***	**	***
Sustainability & ESG (Environmental, Social, Governance)	*		*	*	*	*	
Digital Transformation & Information Technology			***	**	*		
Human Resources & Talent Strategy	***				***		

\*\*\* = **Advanced Expertise** (More than 10 years of direct experience) \*\* = **Intermediate expertise** (5-10 years of experience) \* = **Emerging Expertise** (Less than 5 years of experience)

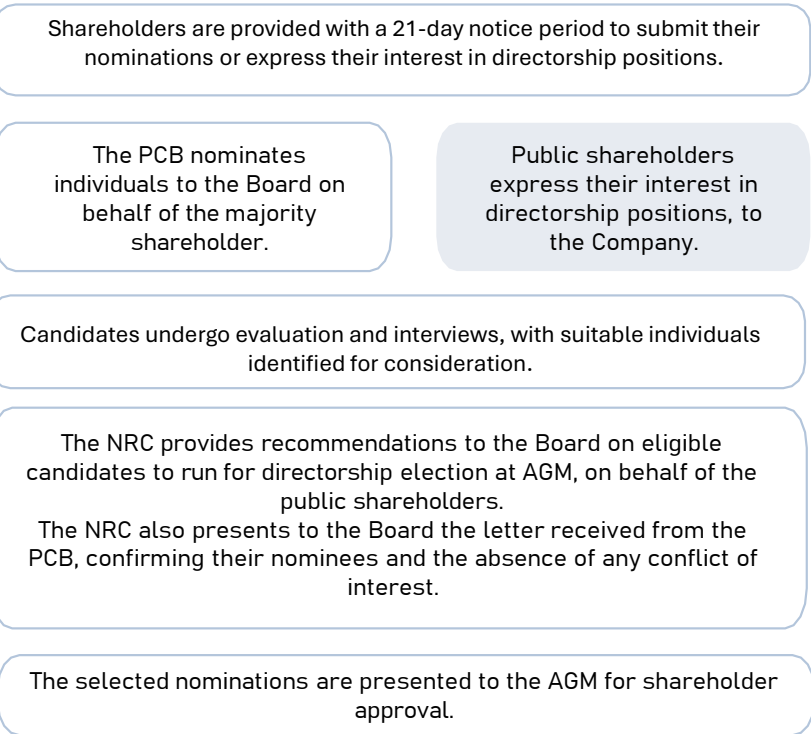
2.5. Process of Re-Election and Appointment of New Directors

All Board appointments are based on merit, taking into consideration the skills, experience, and gender diversity necessary for the effective functioning of the Board as a whole.

Therefore, the Board acknowledges the importance of ensuring that both the Board and Senior Management are adequately equipped with the requisite skills and experience to effectively execute the Group’s strategy.

A formal and transparent procedure governs the appointment of new directors to the Board, with the primary responsibility delegated to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has established a formal process for selecting new directors to enhance the transparency of the nomination and election process, which involves identifying and evaluating nominees for the Board. The process is outlined below.



In 2024, 2 candidates from the public shareholders expressed interest in directorship. All candidates participated in interviews with the Nomination and Remuneration Committee. After considering the interview results and other relevant information in accordance with the Board Candidacy Guideline and applicable regulations, both candidates were recommended to the AGM for shareholder decision. Shareholders appointed Mr. Mohamed Ahsan Saleem to represent public shareholders on the Board for a second term.

All nominations made by the PCB to the Board were also ratified at the AGM, with the appointed directors representing the interests of the majority shareholder.

All directors are appointed for a one-year term and may be re-elected or replaced in between or at the subsequent AGM.

2.6. Independence

All Directors are obligated to exercise independent judgment in the best interests of the Company. The Board affirms that the non-executive independent directors possess the requisite caliber and representation to ensure their perspectives carry significant weight in the Board's deliberations and decisions.

According to the Code, a majority of board members must be independent of the Company. Independence criteria are further outlined in the Code, which specifies that for a director to be deemed independent, neither the director nor an immediate family member should be holding or have held a key position in the Company during the past year. Additionally, the director or an immediate family member should not have engaged in substantial financial dealings with the Company during the same period. Significant financial dealings encompass any form of remuneration, fees, or wages provided by the Company for services rendered, or any transactions equivalent to or exceeding 0.1% of the Company revenue.

Consequently, it is determined that 4 out of the 5 non-executive members met the independence criteria outlined in the Code. Mr. Mohamed Murad was deemed non-independent as his spouse is a full-time employee of the Company.

2.7. Conflict of Interest and Materially Significant, Related Party Transactions

Directors are legally obligated to prevent situations in which their interests’ conflict with those of the Company. Accordingly, the Company has implemented a Board-approved Conflict of Interest Declaration Policy, which applies to Directors, Senior Management, and other employees of the Group. Under this Policy, directors must disclose any direct or indirect interests they or their immediate family members have in any proposal, transaction, arrangement, or contract that is significant in relation to the Company's business. This includes interests in entities connected to the director that are considered material. The information provided is reviewed and, if necessary, cross-referenced with relevant authorities to verify its accuracy.

All significant third-party transactions, monetary transactions, or relationships between the Company and its Directors, Management, Subsidiaries, or relatives are disclosed in note 48 of the audited financials.

2.8. Other Directorships Held

None of the directors have held directorships in any other Public Listed Companies during the past year. However, executive directors do serve on the Boards of some of the STO Group Companies, while some non-executive directors are affiliated with private companies and non-profit organizations. Nonetheless, all directors have dedicated adequate time and effort to fulfilling their duties as board members of the Company. Additional information on other directorships held by the directors can be found in their respective profiles.





2.9. Director’s Securities Transactions

The Company has implemented the "Policy on Prohibition of Dealing in Securities by Connected Persons with access to unpublished information" issued by the CMDA and has also established a Board-approved Guideline on Trading in Securities. This Guideline is applicable to all individuals identified as having access to unpublished information and classified as "restricted persons". Both the Board of Directors and Senior Management adhere to this Guideline in their transactions involving the Company securities.

Throughout 2024, all directors complied with this Policy in all their securities dealings. Additionally, the Company regularly updated the "restricted persons list" in accordance with the Policy and promptly notified relevant authorities.

2.10. Board Induction and Continuing Education

The Company acknowledges the importance of regularly reviewing and addressing the training needs of each director to ensure they remain abreast of key business developments, thereby maintaining and enhancing their effectiveness.

To facilitate this, the Company has implemented a Board-approved Director Induction and Training Policy, which includes a comprehensive orientation program designed for newly appointed directors. Conducted by the Company Secretariat, this program familiarizes directors with the Group’s business and governance policies, enabling them to assimilate into their new roles effectively.

Since 2018, the Company has provided directors with a training analysis report upon their appointment, which identifies areas for development based on their education and experience. This report assists directors in focusing on specific areas during their tenure. The Policy underwent review in 2023, resulting in the preparation of a Skill Assessment Policy to complement the Training Policy. The purpose of this Policy is to identify skill, knowledge, and experience gaps among board directors and any future requirements for the Company.

In 2024, directors participated in a total of 12 different training programs, both abroad and online. These programs covered various areas such as leadership for sustainability development, Using AI in strategic management, Corporate Directors International Board Director Certification, ISACA Certified Risk and Information System Controls Exam, board directorship certification at SMU-SID Singapore. A total of MVR1.1m was spent on the trainings.

Amir Mansoor	-
Shimad Ibrahim	Leadership for sustainability development, Using AI in strategic management
Mohamed Nizam	Leadership for sustainability development, Using AI in strategic management
Mohamed Ahsan Saleem	Corporate Directors International Board Director Certification, ISACA Certified Risk and Information System Controls Exam
Mohamed Murad	SMU_SID Module 04 - Risk Management and Cybersecurity Governance
Reesha Abdul Munnim	SMU-SID Module 05 - Sustainability Governance, SMU-SID Module 06 – Effective Succession Planning and Compensation, CMDA Directors Training Program
Dhaanish Mohamed Ameen	SMU-SID Module 04 - Risk Management and Cybersecurity Governance, SMU-SID Module 05 - Sustainability Governance

As part of the ongoing professional development program, Board members periodically receive presentations from Senior Executives on significant business matters. These presentations encompass a range of topics, including financial plans such as budgets and forecasts, updates on corporate strategy, and discussions on ESG issues. These matters are regularly reviewed and discussed during Board meetings.

2.11. Board Remuneration

The Company has established a Remuneration and Benefits Policy, which outlines a formal and transparent procedure for determining the remuneration packages of Board Directors and Senior Management.

Comprehensive details regarding the remuneration policies, remuneration payable to senior management, and other pertinent information are provided in the Remuneration Report of this Annual Report, located on pages 64.

2.12. Company Secretary

All Directors have access to the services and advice of the Company Secretary, who plays a crucial role in supporting the Board and its individual members. The Company Secretary provides guidance on fulfilling directorial responsibilities in the best interests of the Company. Additionally, the Company Secretary facilitates the Board process and fosters communication among Board members, shareholders, and management.

The Company Secretary consistently updates her knowledge of developments in Corporate Governance best practices and regulations. For further details on the Company Secretary’s profile, please refer to page 47.

The Board remains satisfied in the competency and experience of the Company Secretary.



3.1. Board’s Responsibilities and Delegation

The Company is governed by a Board tasked with steering its success through oversight of overall strategy, and responsible and effective supervision of its affairs. The Board also establishes the Group’s core values and adopts standards to ensure integrity and compliance with relevant rules and regulations.

Boards formal documentation delineates matters reserved for the Board and those delegated to Management. Management, led by the MD/CEO, is responsible for daily operations and administrative functions. The Board has provided clear directives to Management regarding matters requiring Board approval before decisions are made or commitments entered on behalf of the Company. Decisions delegated to Management include implementing Board-determined strategy and direction, overseeing business operations, preparing financial statements, operating budgets, and ensuring compliance with laws and regulations. These arrangements are subject to periodic review to ensure alignment with the Company’s needs.

Key matters reserved for Board approval	
<p><b>Risk Management and Fraud Prevention</b></p> <p>The Board plays a critical role in overseeing the risk management framework to ensure that the Company operates within acceptable risk parameters while safeguarding its assets and reputation. This includes:</p> <ul style="list-style-type: none"><li>• <b>Risk Appetite &amp; Control Processes:</b> Approval of the Company/Group’s risk appetite statements, defining the level of risk the organization is willing to accept in pursuit of its strategic objectives.</li><li>• <b>Risk &amp; Control Oversight:</b> Reviewing reports on the effectiveness of risk management and internal control processes, ensuring they align with corporate strategy and regulatory requirements.</li><li>• <b>Fraud &amp; Bribery Prevention:</b> Approving and overseeing the implementation of procedures to detect fraud and prevent bribery, ensuring compliance with legal and ethical standards.</li></ul>	<p><b>Financial and Strategic Oversight</b></p> <p>The Board is responsible for approving key financial and strategic decisions to ensure transparency, compliance, and alignment with corporate objectives. This includes:</p> <ul style="list-style-type: none"><li>• <b>Financial Reporting &amp; Policies:</b> Approval of quarterly reports, interim management statements, annual reports and accounts, including the corporate governance statement and directors’ remuneration report.</li><li>• <b>Dividends &amp; Shareholder Returns:</b> Approval of the Dividend Policy, declaration of interim dividends, and recommendation of final dividends.</li><li>• <b>Accounting &amp; Treasury Policies:</b> Authorization of significant changes in accounting policies or practices and approval of treasury policies, including foreign currency exposure and financial derivatives usage.</li><li>• <b>Budget &amp; Capital Expenditures:</b> Approval of the annual corporate budget and any significant revisions, as well as material unbudgeted capital or operating expenditures beyond established tolerances.</li><li>• <b>Strategic Planning &amp; Public Announcements:</b> Approval of long-term business plans and authorization of press releases related to financial performance or major corporate events.</li></ul>
<p><b>Borrowing, Indebtedness, and Financial Commitments</b></p> <p>The Board must review and approve any agreements related to STO’s borrowing or indebtedness that exceed the thresholds established by the Board or relevant committee. This includes entering into new borrowing agreements or making material amendments to existing ones.</p> <p>Additionally, the Board’s approval is required for granting security interests, guarantees, or sureties involving STO assets if they exceed the predefined authority limits, ensuring financial prudence, risk management, and alignment with corporate strategy.</p>	<p><b>Related-Party Transactions</b></p> <p>Approval of any transaction with a director, officer, major shareholder, or any related party beyond ordinary course, in accordance with STO’s Related-Party Transaction Policy and local regulations.</p>
<p><b>Board and Executive Appointments</b></p> <p>The Board is responsible for overseeing and approving changes to its structure, size, and composition, ensuring a well-balanced mix of skills and experience. This includes appointing new directors, selecting the Chairman and Managing Director, and determining committee memberships. The Board must also ensure succession planning for both the Board and senior management to maintain leadership stability.</p> <p>Additionally, the Board oversees the continuation, re-election, suspension, or termination of directors, in line with legal requirements and service contracts. It also approves appointments and removals of the Company Secretary, external auditors (subject to shareholder approval at the AGM), and directors of subsidiary boards to maintain governance consistency across the organization.</p>	<p><b>Remuneration and Incentive Plans</b></p> <p>The Board is responsible for establishing and approving the remuneration policy for directors, the Managing Director, the Company Secretary, and senior executives, ensuring alignment with market standards and corporate objectives. It also determines the remuneration of non-executive directors, subject to the Articles of Association and shareholder approval where required.</p> <p>Additionally, the Board must review and approve the introduction of new share incentive or bonus plans, as well as significant changes to existing plans, ensuring they align with corporate strategy and shareholder interests, before presenting them for shareholder approval.</p>

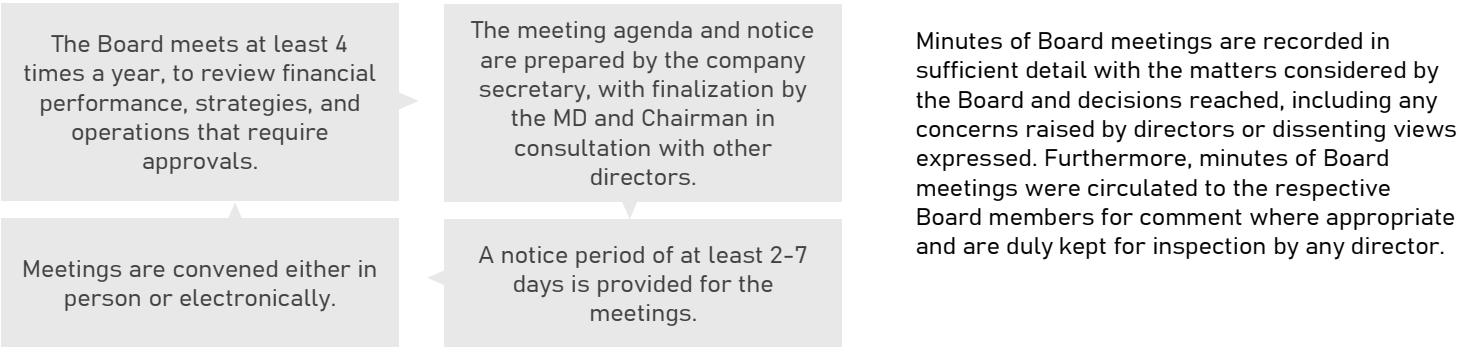




<b>Legal Proceedings</b>  Initiation or settlement of major legal proceedings that could significantly impact STO's financial position or reputation.	<b>Delegation and authority</b>  The Board is responsible for clearly defining and documenting the division of responsibilities between the Chairman, Managing Director, and other executive and non-executive directors, ensuring effective governance. It must approve the delegated authority levels, including the Managing Director's authority limits, and oversee the establishment and governance of Board committees, including their terms of reference and any material changes. Additionally, the Board must review reports from committees to ensure alignment with strategic objectives and regulatory compliance.
<b>Adoption or Amendment of Key Governance and Executive Policies</b>  The Board is required to review and approve the adoption or amendment of key governance and executive policies to ensure alignment with regulatory requirements, industry best practices, and the Company's strategic direction.	<b>Technology Strategy and Infrastructure Investments</b>  The Board is required to review and approve the Company's overall technology strategy and infrastructure to ensure alignment with the strategic direction, operational efficiency, and cybersecurity priorities.
As other tasks specified by law, by STO's Articles of Association, by Board resolution, Company Policies and Procedures or by any applicable regulatory requirement.	

3.2. Board Meetings

Regular Meetings



Other key features of Board Process	
Timely updates and discussion	The directors were supplied in a timely manner with all relevant documentation and financial information to assist them in discharge of their duties. Monthly updates of the financial performance of the Group were furnished to the Board between regular Board Meetings through Boardpaq / Diligent.
	Senior Management was invited to attend Board meetings, where appropriate, to report on matters relating to their areas of responsibility, and to brief and present details to the directors on recommendations submitted for the Board's consideration. Additional information or clarification required were furnished, particularly with respect to complex and technical issues tabled to the Board.
	The Company has adopted the SCDOI Regulations of CMDA and its implementation guideline on monitoring, reporting, and disseminating inside information.
	The Group's operational and developmental concerns were promptly communicated to the Board and addressed accordingly.
	Management's proposals to the Board for approval provided background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact and budget requirements, regulatory implications, expected outcomes and recommendations.
	The Chief Audit Executive also provided to the Audit and Risk Committee and where necessary to the Board, information on the audit findings.

3.3. Board Activities

Board activities are organized to help the Board achieve its objectives and to provide support and guidance to Senior Management in implementing the strategy within a transparent governance framework.

Below are the main areas of focus and decisions by the Board, which were discussed as agenda items throughout 2024. Focused discussions on these items help the Board make informed decisions based on the long-term opportunities for the business.

Financial Oversight and Strategic Planning

The agenda focused on financial oversight and strategic planning, ensuring effective management of receivables, financial facilities, and budget approvals. Discussions include quarterly and annual performance reviews, budget evaluations, and regular financial updates, supporting sound financial governance, operational efficiency, and long-term sustainability.

ESG

The agenda included a focus on sustainability and energy transition, with discussions on renewable energy exploration, feasibility assessments, and potential impact.

IT

The agenda included technology and digital transformation initiatives, focusing on SAP system enhancements, IT project updates, and contract renewals. Discussions aimed to ensure system efficiency, optimize digital capabilities, and support operational excellence through strategic IT investments and innovative solutions.

Strategic Business Decisions, Risk Management, And Operational Planning

The agenda emphasized strategic business decisions, risk management, and operational planning to support the Company's long-term growth. Key discussions include business expansion initiatives, risk control measures, and infrastructure development projects, ensuring operational resilience, regulatory compliance, and strategic alignment with corporate objectives.

Operational

The agenda emphasized on operational development, ensuring alignment with the Company's long-term growth objectives. Discussions focus on capital investments, infrastructure projects, and procurement decisions to enhance efficiency and expand business operations. Additionally, the Board reviewed subsidiary performance, financial governance, and key contractual agreements, ensuring compliance, risk mitigation, and value creation.

Governance

The agenda focused on corporate governance, strategic oversight, and operational efficiency, ensuring effective decision-making and regulatory compliance. Discussions include governance updates by board committees, board and subsidiary management, policy approvals, and structural changes to enhance transparency and accountability. Additionally, preparations for key corporate events and engagements, such as the AGM and non-executive director meetings, reinforced stakeholder communication and long-term sustainability.

HR

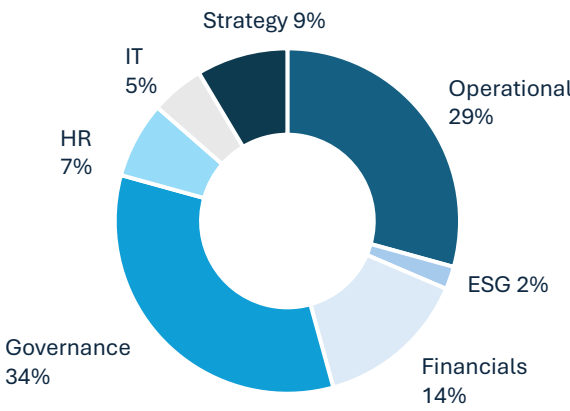
The agenda encompassed key strategic human resource matters, ensuring alignment with the Company's long-term objectives. Discussions focus on resources and infrastructure development, workforce planning, policy decisions, financial management, and governance enhancements. The Board reviewed organizational efficiency, employee well-being, and corporate culture, while also addressing whether compliance, risk management, and business expansion strategies were met it HR resources. These deliberations aimed to strengthen corporate governance, optimize resource allocation, and drive sustainable growth.

3.4. Main Activities

Regular Meetings

In 2024, a total of 19 Board meetings were convened. Among these, 4 meetings were primarily held to review quarterly business performance, one meeting was dedicated to reviewing business strategy with management, and the remainder focused on seeking directors' approval on various matters. The Board is confident that Directors allocated sufficient time to adequately address the matters discussed during these meetings.

The below chart provides and overview of how the Board allocated its agenda time during the year.



Directors are expected to attend all meetings of the Board and the Committees on which they serve and to devote sufficient time to the Company to perform their duties. Where directors were unable to attend a meeting, they receive papers for that meeting and are given the opportunity to raise any issues with the Chairman in advance of the meeting.

At quarterly meetings, the Board receives updates from the MD/CEO and the CFO on the financial and operational performance and any specific developments in the areas of the businesses.

Chairmen of the respective Board committees would also report on matters discussed and/or approved at the relevant Board Committee meetings held prior to the Board meetings. Meetings are structured to allow for thorough consideration and discussion of all matters.





### 3.5. Committees

The Board's work is supported through its committees – the Audit and Risk Committee, the Nomination and Remuneration Committee and the Governance and Sustainability Committee. Committee Chairpersons and members are appointed by the Board annually, and their performance is reviewed regularly.

Each Committee is required to convene at least twice a year and operates based on charters approved by the Board, detailing their membership, responsibilities, and activities. These details are further elaborated in the individual committee reports.

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.

The Committee Chairperson and the Company Secretary determines the frequency and duration of the Committee meetings. Committee reports, including their decisions or recommendations, are submitted to the Board on a regular basis, unless there are legal, regulatory, or conflicting restrictions on their ability to do so.

The Board may also establish committees on an ad hoc basis to approve specific projects as deemed necessary.

### 3.6. Board Evaluation

The Board recognizes the importance of regularly assessing its own performance to support the leadership of the Group. Led by the Governance and Sustainability Committee, the Board has established a formal process for evaluating the performance of both the Board and its Committees. This evaluation aims to ensure continued effectiveness and efficiency in fulfilling their respective duties, providing a valuable opportunity for continuous improvement.

The objectives of the evaluation include building upon previous improvements, enhancing the collective contribution of the Board, and improving the competence and effectiveness of individual directors. The Board regularly reviews this evaluation framework, conducting the assessment through an annual online questionnaire.

The evaluation process involves the following 3 stages.

Stage 1

Determine the scope

Review the evaluation framework to assess whether adjustments are necessary in response to policy, procedural changes, or new regulations.

Determine the approach

The evaluation is carried out using an online questionnaire.

Stage 3

Action plan agreed

- Following review of the results, the Board draws conclusions and agrees on the improvements.

Stage 2

Discuss and review the results

- The Company Secretary drafts the results report.
- The draft results are discussed with the Chairman of the Board.
- Any matters requiring separate discussion with individual directors are addressed by the Chairman of the Board and where necessary the NRC Chairman.
- The final report is presented to the Board.
- Action items are identified and decided upon.

The evaluation for the year 2024 was completed in January 2025, identifying areas for improvement, and engaging in discussions accordingly. Key aspects covered in the evaluation include:

- Board composition and structure
- Effectiveness of Board processes
- Directors' contribution during Board meetings
- Strategic and operational oversight
- Professional development opportunities
- Board support
- Communication with shareholders and stakeholders

The overall performance of the directors was assessed as significantly fair, with all sections of the evaluation receiving an overall rating above 3 out of 5. However, several key areas for improvement were identified to enhance governance effectiveness and strategic alignment.

One of the primary areas highlighted was the need for better alignment between the company's strategies, its core remit, and existing capabilities. This would ensure that the company's objectives are both realistic and aligned with its operational strengths. Additionally, it was suggested that some directors should come better prepared for meetings to facilitate more productive discussions and decision-making processes. Another key recommendation was to improve the clarity of information presented to the Board to support more informed and efficient decision-making.

To strengthen governance practices, it was also recommended to enhance the company's internal controls and financial principles. Additionally, greater emphasis should be placed on deploying technology that improves overall organizational effectiveness, ensuring that the company remains competitive and operates efficiently.

Overall, while the directors demonstrated strong performance, these areas of improvement present opportunities to further enhance governance and decision-making within the organization.

### 3.7. Board meetings, committee meetings and general meetings

The following diagram illustrates the Board, Board Committee meetings and general meetings held during 2024.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
01 BM	02 BM	03 BM	05 BM	06 BM	07 BM	10 BM	13 BM	15 BM	16 BM	17 BM	19 BM
01 ARC		04 BM		03 ARC	08 BM	11 BM	14 BM	05 ARC	06 ARC	18 BM	08 ARC
		02 ARC		02 NR C	09 BM	12 BM		03 NR C	03 GSC	07 ARC	09 ARC
		01 NR C			01 GSC	04 ARC		02 GSC		04 NR C	10 ARC
										04 GSC	01 NE D
						AGM		SM's			

BM – Board Meeting, ARC – Audit and Risk Committee, NRC – Nomination and Remuneration Committee, GSC – Governance and Sustainability Committee, AGM – AGM, NED – Non-executive directors meeting, SM-Strategic Meetings

### 3.8. Director’s Attendance

During 2024, the overall attendance rate of directors at Board meetings was 97% (2023: 98%). Details of the attendance of each director at the Board meeting, Board Committee meetings and general meeting are set out in below table.

Name of Director	Meeting attended / held in 2024				
	BM	ARC	NRC	GSC	NED
Amir Mansoor (Chairman)	19/19				1/1
Shimad Ibrahim (MD & CEO)	19/19				
Mohamed Nizam	19/19				
Mohamed Murad	19/19	9/10	4/4	4/4	1/1
Mohamed Ahsan Saleem	19/19	10/10		4/4	1/1
Dhaanish Mohamed Ameen	16/19	8/9	3/4	4/4	1/1
Reesha Abdul Munnim	19/19		4/4	4/4	1/1
Ismail Zumayl Rasheed (member of the Board until 22 <sup>nd</sup> January 2024)		1/1			

**Notes:** The attendance represents actual attendance/the number of meetings a director is entitled to attend.

## Accountability and Audit

### 4.1. Good Governance, Policies, Procedures and Guidelines

Over the years, the Board has developed and reviewed the Company's Corporate Governance Principles to help fulfil its corporate responsibility towards the stakeholders. These principles ensure that the Board has the necessary authority and processes to review and evaluate the operations when required. Furthermore, these guidelines allow the Board to make decisions that are independent of the Management.

STO first established its Governance Guideline in 2006. Thereon, the Company has reviewed and made changes to it, considering the various amendments brought to the relevant regulations and the international codes. However, the Company now adheres to the CMDA CG CODE. The Company further established its first Code for the Group in 2014. This Code was last revised in 2023.

STO has in place, policies, and procedures to govern its subsidiary companies and major commercial activities, a manual for Board Directors and a Code of Ethics for Directors. Furthermore, STO has timely reviewed the Board and its Committee Charters and Corporate Governance Guidelines. STO also, has in effect a guideline on holding AGMs and preparation of Annual Reports for its Group Companies. These policies, procedures and guidelines are believed to provide the Group with guidance and emphasize the importance of proper governance within the Companies.

The Group also has in effect a Board Candidacy Guideline and a Guideline on Administration and Control of STO Group Companies. These guidelines define the characteristics and procedure for making nominations, appointment, and removal of board members to the Boards of STO Group of Companies.

### 4.2. Financial Reporting

The Board acknowledges its responsibility for presenting a balanced, clear, and comprehensive assessment of the Group's performance, position, and prospects. The Board is also responsible for the preparation of financial statements for each financial year which gives a true and fair view of the situation of the Group on going concern basis. The practices of the Company on the timeline for publication of financial results and the related reports are set out below:

Annual results
<ul style="list-style-type: none"><li>Publish by end of April month</li><li>Approve financials at the AGM</li></ul>
Quarterly results
<ul style="list-style-type: none"><li>Publish report by end of preceding month after each quarter</li></ul>



The Board has reviewed and approved the financial results of 2024. In presenting these results, the Board has aimed to provide shareholders with a balanced and clear assessment of the Group's position and prospects.

As required by the Code and SCDOI Regulation, the MD/CEO, Audit Committee Chairman and CFO certifications on the financials are provided with this report. The Board, to the best of their knowledge, confirms that the Financial Statements for the period from January 01, 2024, to December 31, 2024, have been prepared in accordance with the applicable accounting standards and gives a true and fair view of the Group and the Company's consolidated and separate assets, liabilities, financial position and results of operations.

### 4.3. Risk Management

At STO, risk refers to potential actions, events, or circumstances that could positively or negatively affect the Company's ability to achieve its business strategies and objectives. Understanding and effectively managing these risks are crucial for the Company's sustained success in its operations.

In line with the commitment to delivering sustainable business value, STO has implemented a comprehensive risk management and internal control framework. This framework, based on the "Three Lines of Defense" model, is overseen by the Board of Directors with support from the Audit and Risk Committee. Their responsibility is to monitor key business risks and evaluate the design and effectiveness of the Company's risk management and internal control systems.

During the year, a structural change was implemented whereby the Risk Management function, which was previously embedded within the Legal Department, was transitioned under the purview of the Finance Department. This change was undertaken to enhance the alignment of risk management with financial planning, reporting, and enterprise-level decision-making processes. The repositioning aims to ensure a more integrated approach to risk oversight, enabling better assessment of financial exposures, improved internal controls, and strengthened compliance with corporate governance standards.

### 4.4. Internal Controls

The internal controls and monitoring systems within the company ensure that the Group's objectives are achieved efficiently, compliance with relevant policies, laws, and regulations is maintained, and financial reporting is reliable.

The Board of Directors holds the overall responsibility for establishing an effective system of internal control, with the Audit and Risk Committee assisting in overseeing its adequacy. The MD/CEO is tasked with managing and maintaining these internal controls.

STO's control environment is defined by various policies, procedures, manuals, codes, and IT systems, all of which are effectively communicated to employees by management. Training on these systems and policies reinforces the Company's commitment to compliance and integrity in business conduct. Additionally, STO has implemented numerous policies to provide detailed guidance to employees on compliance with rules and laws, including those related to preventing bribery and corruption. Any violation of these controls is treated seriously and may result in disciplinary action, including termination of employment.

Regular monitoring and testing of control activities are conducted to ensure their adequacy, with the Internal Audit and Risk Department overseeing this process and reporting to the Audit and Risk Committee and Management. Any failed controls are remediated through corrective actions. Employees are also provided with confidential and anonymous channels for reporting concerns or suspected misconduct.

Furthermore, as part of the company's commitment to financial integrity, relevant senior executives regularly verify the accuracy and completeness of quarterly financial statements and confirm compliance with key internal controls.

The Board is confident that the system of internal controls in place adequately addresses material risks within the Company's current business environment, including financial, operational, compliance, and information technology risks and is not aware of any significant areas of concern affecting shareholders.

### 4.5. System for Raising Concerns

The Company has established mechanisms to allow employees, management, and other stakeholders to report any concerns regarding non-compliance, fraud, or misconduct, whether confidentially or otherwise.

STO has implemented a Whistleblower Policy. Employees and other stakeholders can utilize the "Whistleblower Facility" feature on the company's website and intranet. Messages submitted through this facility are forwarded directly to the Chairman of the Audit and Risk Committee, along with the Chief Audit Executive for further review and action.

In 2024, a total of 29 notifications were received through the whistleblower facility, all of which were addressed, and necessary actions were taken. For further details on how these cases were handled and resolved, please refer to the Sustainability Report on page 75

Additionally, STO has set up an Appeal Committee, as well as a Sexual Harassment Prevention and Gender Equality Committee, to address concerns and grievances raised by employees. These Committees are dedicated to investigating and resolving issues related to disciplinary matters, grievances, and gender equality, including sexual harassment.

A total of 3 cases were submitted to the Appeal Committee, while 1 case was submitted to the Sexual Harassment Prevention and Gender Equality Committee. All cases were reviewed, addressed, and appropriate actions were taken. For further details, please refer to the Sustainability Report on page 75.

Furthermore, in 2019, the Company introduced the "Raise Your Concern" facility, enabling stakeholders to submit their concerns directly to the MD/CEO for prompt attention and resolution. In 2024, 5 queries and suggestions were received through this platform. Details on the handling and resolution of these cases can be found in the Sustainability Report on page 75.

### 4.5. Insider Information

In relation to procedures and internal controls for handling and disseminating inside information, the Company ensures the following:

- a. Acknowledges its obligations under the SCDOI Regulations and the Listing Rules, prioritizing the immediate announcement of inside information if it falls under the requirements and safe harbors provided in the SCDOI Regulation.
- b. Conducts its operations in compliance with the applicable laws and regulations of the country.
- c. Includes in the Employee Handbook and Code of Conduct a strict prohibition on the unauthorized use of non-public or inside information.
- d. Identifies authorized spokespersons of the Company and delineates their responsibilities for communicating with stakeholders.

Additionally, the Company has established a Guideline on Trading in Company Securities to govern, monitor, and report trading by insiders. This guideline outlines practices and procedures for disclosing price-sensitive information and other ongoing disclosures, along with penalties for non-compliance.

### 4.7. Internal Audit

To aid the Audit Committee in its oversight and monitoring responsibilities, the Company maintains an independent Internal Audit function. This function ensures that the system of internal controls is effective and operating as intended, providing objective assurance to the Audit Committee.

To maintain its independence, the Chief Audit Executive directly reports to the Audit Committee on audit matters and to the MD/CEO on administrative issues. The Chief Audit Executive is also authorized to communicate directly with the Chairman of the Board, the Chairman of the Audit Committee, and other Board members, as necessary.

To uphold the quality of the Internal Audit function and ensure compliance with the standards of the Institute of Internal Auditors, comprehensive and continuous quality assurance and improvement programs are implemented. Additionally, the Audit Committee periodically commissions an independent review of the Internal Audit function.

Each year, Internal Audit conducts a risk assessment to select audits, considering input from process owners, the risk management team, senior executives, the external auditor, and the Board. The resulting audit plan prioritizes areas with significant risks or strategic importance to the business. The Audit Committee reviews the audit plan and receives quarterly updates on its performance and key findings. The plan is adjusted as needed to address emerging risks or changes in business plans, and ad hoc reviews are conducted for areas of concern.

In 2024, Internal Audit issued multiple reports covering significant operational and financial units, regularly monitoring management action plans resulting from audit findings and reporting progress to the Audit Committee. Moreover, Internal Audit investigates certain allegations of potential policy violations, collaborating with Legal, Human Resources and other experts as needed. The results of these investigations, required actions, and status updates are communicated to management and the Audit Committee.

The Board, with the support of the Audit Committee, regularly evaluates the effectiveness of the Company's internal control system, considering all material risks and controls, including financial, operational, information technology, and compliance controls. The Board is satisfied with the effectiveness of the internal audit function and their performance.

### 4.8. External Audit

The appointment of the External Auditor undergoes an annual review by the Audit and Risk Committee. The Committee then advises the Board on the outcome of this assessment, which is subsequently presented to the AGM for shareholders' approval. The Board values the impartial opinions and recommendations provided by the appointed Independent Auditors and endeavors to address the findings highlighted in the Auditor's Report.

In 2024, the shareholders re-appointed Deloitte as the External Auditor of the Company. While this marks the fifth consecutive year of audit services provided by the same local team, it is important to note that PwC Maldives exited the PwC global network and joined the Deloitte network in 2023, and a new engagement partner was appointed in 2024. In accordance with the Corporate Governance Code of the Capital Market Development Authority (CMDA), Clause C.3 (b), a change in audit firm or engagement partner resets the tenure. Therefore, for the purpose of regulatory compliance, 2024 is considered the first year of Deloitte's audit tenure. Deloitte has issued independent audit opinions for both the standalone financial statements of STO and the consolidated financial statements of the STO Group, in accordance with applicable international auditing standards.

#### 4.8.1. Independence of External Auditors

The Group's external auditor, Deloitte, is primarily compensated for its audit services rendered to the Group. The Company has implemented a Policy governing the engagement of the external auditor, which includes guidelines for providing non-audit services. According to this Policy, the external auditor must adhere to the independence requirements outlined in the CMDA Code for Professional Accountants.

The auditors have confirmed that no conflicts of interest existed between themselves, the company, or any related stakeholders during the audit period. As a result, they maintained their independent qualification in accordance requirements set forth by the Chartered Accountants, Maldives, and the Code of CMDA.

#### 4.8.2. Remuneration of External Auditors

The fees payable to Deloitte for audit services in 2024 amount to USD65,500, compared to USD63,800 in 2023.





4.9. Management Review and Responsibility

The Company's vision is to enrich lives through sustainable growth, innovative products and services, operational excellence, and dedicated employees. STO aims to develop smarter, more accessible, and resource-efficient solutions to meet people's needs and enhance their everyday lives.

STO's operations include trading in fuel, supermarket products, home improvement items, staple foods, construction materials, medical services, and pharmaceuticals, spanning across the country. These businesses are supported by various departments including Finance, Human Resources, Projects and Assets, Procurement, Information Technology, Corporate Affairs, Corporate Marketing Communications, Internal Audit and Logistics.

The STO Group operates in diverse sectors such as insurance, fuel distribution and logistics, commodity trade, gas distribution, shipping, and manufacture of roofing sheets, managed as Subsidiary Companies under STO's governance.

With over 3000 employees, STO Group serves both the community and the country. The Nomination and Remuneration Committee reviews and recommends compensation and benefits for all Executive Board Members, while the Managing Director evaluates and promotes members of the Executive Team, adhering to the Board approved salary and benefits structure.

Representatives such as the Managing Director, Chief Financial Officer, and Head of Corporate Marketing Communications engage with investors, the media, and the Government. The Head of Human Resources interacts with employees, while individual Executives handle client relations.

4.10. Group Management

The Board of Directors has designated the MD/CEO of STO to oversee its Group of Companies, effectively serving as the Group Chief Executive Officer. Various measures have been implemented to promote good governance practices within the Group, including the adoption of a Corporate Governance Code, a Board Manual and a Code of Ethics approved for all Group companies.

As of the end of 2024, STO had 6 subsidiaries where it held more than 90% of shares. Additionally, STO had 1 Joint Venture Company with equal share distribution alongside Rainbow Enterprises, and it held less than or equal to 25% of shares in 4 other companies. Detailed information on STO's shareholdings in these companies, as required by the SCDOI Regulations, can be found on page 5 of the report.

4.11. Subsidiary Governance

STO is committed to strong corporate governance across its Group companies, ensuring alignment with the Company's strategic objectives, regulatory requirements, and best governance practices. To reinforce transparency, accountability, and oversight, STO has established a Group Governance Code, which sets out the governance framework for all subsidiary boards, management structures, and operational oversight mechanisms.

As part of our commitment to enhanced disclosure and governance reporting, all subsidiary companies began publishing their own governance reports from 2023, providing stakeholders with insights into their board composition, management structure, risk management, and compliance frameworks. These reports are available on each subsidiary's respective website and can also be accessed through the STO corporate website.

The governance of subsidiaries is overseen by dedicated boards, with members appointed based on expertise, independence, and alignment with corporate strategy. STO ensures that these boards maintain effective leadership and oversight, while subsidiary management teams are responsible for day-to-day operations, risk mitigation, and performance management.

STO continues to strengthen its subsidiary governance framework by monitoring compliance, providing strategic guidance, and ensuring governance standards remain aligned with international best practices. Through structured board appointments, independent oversight, and transparent reporting, STO Group companies are well-positioned to drive sustainable growth, operational efficiency, and value creation for stakeholders.

Shareholders

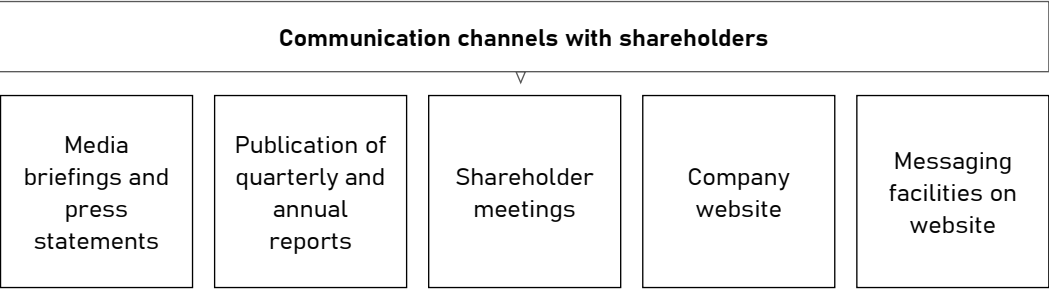
5.1. Shareholder Communication Policy

STO is devoted to providing transparent and clear communications with shareholders, potential investors and analysts to help them form a better understanding of the Group's business development and future prospects.

5.2. Communication with Shareholders

STO is committed to ensuring that the shareholder community, potential investors, and analysts have timely and equal access to fair, balanced, and understandable information regarding the Company's financial performance, corporate strategies, and ESG initiatives. Additionally, the Company is dedicated to safeguarding shareholders' interests and believes that effective communication with shareholders and other stakeholders is vital for enhancing investor relations and understanding of the Group's business performance and strategies.

STO regularly updates its website (<https://sto.mv>) to provide easy access to the public with information about the affairs of the Company. This includes financial reports, announcements, statutory publications, presentation materials, press releases, major corporate news, financial calendars, and dividend announcements.



5.3. Constructive Use of Shareholder Meetings

The AGM and other general meetings serve as the main platform for communication between the Company and the shareholders, allowing for shareholder participation. The Board encourages shareholders to attend these meetings as they offer an important opportunity to discuss matters regarding the Company, its corporate governance, and other significant issues. Notice of the AGM and related documents are provided at least 14 clear business days before the meeting date, including a summary of the agenda items.

Shareholders can participate in decision-making by attending the meeting personally or appointing a proxy. They must also be registered in the share register by a specified date before the meeting and follow the prescribed registration process. Decisions at the meeting are typically made based on a simple majority.

During the AGM, the Company organizes a question-and-answer session, allowing shareholders to directly communicate with the Chairman, Board, and Senior Management.

5.4. Annual General Meetings

The 2023 AGM was held on July 15, 2024, at the Noovilu Seaplane Terminal, Hulhule and on Microsoft Teams Live events. A total of 189 shareholders representing a total of 84.1% of the share capital were represented at the AGM.

Matters Resolved at the AGM 2023
Approval of the audited consolidated financial statements and the reports of the directors and the independent auditor
Declaration of MVR80 as final dividend per share
Election of directors to the Board
Re-appointment of PwC (Deloitte) as the Company's auditor for a remuneration of USD65,500

5.5. Shareholder Rights

5.5.1. Procedures for Convening a General Meeting

Shareholders holding a minimum of 10% of the total voting rights of the Company can request the Board to convene a general meeting by requisition. This request should adhere to the procedures outlined in the Company's Articles of Association. The requisition must include the general nature of the business to be discussed at the meeting and be submitted to the registered office of the Company, addressed to the Company Secretary.

5.5.2. Voting Rights

STO's share capital consists solely of ordinary shares. Each share grants its holder an equal stake in the company's assets and earnings, as well as equal entitlement to dividends. As per the Articles of Association revised last year, each shareholder carries one vote per each share they represent.

5.5.3. Remote E-Voting at the AGM

To facilitate shareholder voting on resolutions proposed at the AGM, the Company has introduced an e-voting facility. This initiative has streamlined and expedited the meeting process. The e-voting platform was developed in-house by the STO IT Department, and it has been successfully utilized at the last 9 AGM.

5.5.4. Constitutional Documents

The rights of shareholders are also outlined in the AOA. In 2024, two amendments were made to the AOA in line with changes to the Companies Act. One key amendment involved the voting threshold for extraordinary resolutions. Previously, a resolution could be passed with the approval of ¾ of the members, but this was revised to require 75% of the votes from eligible voters present at the meeting.

The other amendment pertained to voting at the AGM. Except for votes concerning share types, each member is now entitled to one vote per share held. Previously, voting was conducted on a one-vote-per-shareholder basis by a show of hands, unless shareholders representing at least 10% of the shareholding requested a poll.

An up-to-date consolidated version of the AOA is available on the Company's website.

5.7. Shareholding Structure

STO's shares are listed on the Maldives Stock Exchange (MSE). The Government of Maldives owns 81.6% of the shares, while the remaining 18.4% is owned by the General Public. There were no changes to the shareholding structure during the past year.

As of the end of 2024, there were 4,187 (2023:4,043) registered shareholders of the Company. These shareholders include institutions, private investors, related parties such as substantial shareholders, directors, employees of the Company, and others.

None of the individual shareholders, apart from the Government, hold shares amounting to more than 5% of the Company.



# Declaration

## 6.1. Details of Non-Compliance

No penalties have been imposed by MSE, CMDA, or the Registrar of Companies, and there have been no instances of non-compliance with legislative requirements pertaining to the capital market throughout the year 2024.

## 6.2. Going Concern Declaration and Future Outlook

### Going Concern Declaration

The Board of Directors, after thorough assessment, affirms that ST0 remains a going concern. In making this determination, the Board has reviewed the Group's financial position, business strategy, risk management framework, cash flow projections, access to funding, and overall economic and industry conditions.

ST0 maintains a strong financial position, with stable revenue streams, prudent financial management, and adequate liquidity to meet operational and financial obligations. The Group has sufficient reserves and financing facilities to support business continuity and sustain its commitments.

Furthermore, the Board has considered potential risks and uncertainties, including macroeconomic factors, regulatory changes, and market volatility, and remains confident that the Group has the necessary risk mitigation measures, operational controls, and strategic flexibility to navigate these challenges.

Based on this assessment, the Board is satisfied that ST0 has the necessary resources to continue its operations for the foreseeable future, and as such, the financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and corporate governance best practices.

### Future Outlook Statement

Looking ahead, ST0 is positioned for long-term growth and resilience, driven by its strategic initiatives, digital transformation, expansion projects, and commitment to sustainability.

Key focus areas for the upcoming year include:

- Strengthening the energy sector by expanding its services, resources, investments, and optimizing fuel supply chain management.
- Enhancing operational efficiency through digitalization, automation, and modernization of IT infrastructure.
- Investing in infrastructure development, including fuel storage expansion, retail network growth, and logistics enhancements.
- Advancing sustainability initiatives, with a strong focus on ESG compliance, green energy solutions, and waste reduction strategies.
- Strengthening governance and transparency, ensuring compliance with regulatory requirements and enhancing risk management frameworks

Despite global economic uncertainties and evolving market dynamics, ST0 remains committed to delivering value to its stakeholders, fostering innovation, and sustaining its leadership position in key industries. With a strategic vision, prudent financial management, and operational excellence, the Group is well-equipped to seize new opportunities, mitigate risks, and drive sustainable growth in the coming years.

The Board remains confident in ST0's ability to navigate challenges and capitalize on emerging opportunities, ensuring long-term profitability and continued success.



Amir Mansoor  
Chairman



Shimad Ibrahim  
Managing Director







# Corporate Governance & Sustainability Committee

## Report

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Membership and Attendance

This report encompasses the activities of the Governance and Sustainability Committee (GSC) of the Board from January1, 2024, to December 31, 2024. Ismail Zumayl Rasheed was a member from June 15, 2023, till January 22,2024. No meetings were held in 2024 during his tenure in committee that period.

During 2024, the members and meeting attendance of the GSC were as follows.

Meetings were also attended by members of the Committee and, by invitation, the Chairman of the Board, the Managing Director, the Chief Financial Officer and other relevant people from the business, when appropriate.



Dhaanish Mohamed Ameen  
Chairman  
Member since Jan 29,2024, till Dec 2024



Mohamed Murad  
Member since Jan 29,2024, till January 9, 2025



Mohamed Ahsan Saleem  
Member since Jan 29,2024, till date



Reesha Abdul Munnim  
Member since Jan 29,2024, till date

Committee member	No. of meetings attended	No. of meetings required to attend	% meeting attendance
Dhaanish Mohamed Ameen	4	4	100
Mohamed Ahsan Saleem	4	4	100
Reesha Abdul Munnim	4	4	100
Mohamed Murad	4	4	100

Composition of the Committee

All but one member of the Committee (Mr. Mohamed Murad) were non-executive independent directors, selected for their expertise in governance and sustainability. Mr. Ismail Zumayl Rasheed served as a committee member until January 22, 2024, but did not attend any meetings during his brief tenure that year. Additionally, Mr. Mohamed Murad resigned from the Board in January 2025 and is no longer a member of the Committee.

Terms of Reference and Major Activities

The responsibilities and duties of the NRC, as outlined in its Terms of Reference, undergo periodic review, considering pertinent regulatory modifications and recommended best practices. Below are the principal responsibilities of the NRC and notable matters addressed in 2024:

Corporate Governance Principles, Policies and Compliance matters

Responsibilities:

- Monitor and review evolving corporate governance trends and best practices, and as it determines appropriate, consider other matters of corporate governance, and make recommendations to the Board regarding, or act with respect to, such matters.
- Develop and recommend appropriate policies and procedures (in accordance with the Policy Development Framework) to ensure that the company has the appropriate governance structures in place and recommend revisions as required, to assist in fulfilling its oversight responsibilities at all levels.
- Undertake an annual review of corporate governance issues and practices for the company and make recommendations for improvements where necessary.
- Develop a process for assessing the effectiveness of the Company, Board, individual directors, and its committees and ensure that the board conducts these evaluations, annually.
- Assist the Board in discharging its responsibilities relating to the development and recommend to the Board of Directors on corporate governance guidelines and principles applicable to the Company.



Matters attended in 2024:

The GSC conducted a comprehensive review of the Group and Company’s key documents, including policies, procedures, frameworks, and guidelines, to ensure their ongoing relevance, compliance, and alignment with evolving governance standards and industry best practices. Recognizing the dynamic nature of corporate governance, this review process remains an ongoing initiative to continually strengthen governance structures and improve operational effectiveness.

In 2024, the Committee made substantial strides in strengthening corporate governance by approving the Organizational Health and Safety Policy, reaffirming STO’s dedication to workplace safety and employee well-being. Additionally, 59 policies and procedures were reviewed, with new policies and procedures being drafted in response to audit recommendations and control issues identified through strategic evaluations. This initiative commenced in the third quarter of 2024, and the Committee continues to systematically review, and release documents based on priority, ensuring their effectiveness in upholding operational integrity and regulatory compliance.

To further enhance the efficiency and timeliness of decision-making, the GSC assessed and refined the Board paper formats used for presenting critical information. These refinements were aimed at ensuring that Board members receive well-structured, concise yet comprehensive reports that facilitate informed and strategic discussions, enabling more effective governance oversight.

Additionally, as part of its continuous improvement efforts, the Committee conducted a detailed review of its Charter, reinforcing its governance mandate and refining its responsibilities to better support the Company’s strategic objectives.

In alignment with its 2023 resolution, the Group-wide Skill Assessment Matrix was implemented across STO’s subsidiary Boards to evaluate the expertise, competencies, and qualifications of directors. The findings indicated that while most subsidiary Boards were well-composed and had diverse skill sets, certain areas required enhancements to strengthen leadership effectiveness. Based on these insights, strategic adjustments were made to the composition of select Subsidiary Boards, ensuring they are optimally structured to support STO’s long-term strategic vision and governance priorities.

Corporate Responsibility and ESG

Responsibilities:

- Review and monitor the Company’s corporate responsibility and sustainability plans, strategies, priorities, policies, targets, practices, and frameworks, and make recommendations to the Board.
- Establish and monitor ESG targets approved by the Board on a regular basis.
- As it determines appropriate, consider environmental, social responsibility, and governance (“ESG”) matters and make recommendations to the Board regarding, or act with respect to, such matters.

Matters attended in 2024:

As part of its commitment to fostering a culture of environmental responsibility, the GSC approved the Green Office Campaign, an ongoing initiative aimed at promoting the sustainable and responsible use of office resources. This campaign encourages employees to adopt environmentally friendly practices in their daily work routines, such as reducing paper waste, optimizing energy consumption, and implementing eco-friendly workplace habits.

The Campaign is designed not only to improve operational sustainability within STO but also to generate a broader ESG impact, reinforcing the organization’s role as a leader in corporate sustainability. Through a combination of awareness sessions, behavioral change initiatives, and structured impact measurement, the Green Office Campaign serves as a foundational step in STO’s journey toward embedding sustainability in workplace culture.


Furthermore, with the Sustainability Framework for the Maldives introduced by the CMDA, the GSC has initiated a structured preparation process to ensure that STO is fully equipped to comply with new sustainability reporting standards. This effort includes:

- Conducting gap assessments to identify areas requiring improvement to meet the new regulatory framework.
- Enhancing data collection and ESG performance tracking mechanisms to support accurate and transparent reporting.
- Engaging with stakeholders and sustainability experts to align STO’s reporting practices with global best practices.

The GSC confirms that its members have the necessary knowledge, skills, and expertise to effectively carry out their delegated responsibilities. Each member demonstrates a strong understanding of Governance, ESG, and related areas, ensuring that the Committee possesses the collective competence required to oversee matters relevant to the sectors in which the STO Group operates.

Additionally, the Committee expresses satisfaction with the activities conducted throughout the year.

In the upcoming year, the Committee provides assurance that it will maintain its focus on the key areas of responsibility assigned to it by the Board. It will ensure that standards of good governance are upheld, and appropriate assurance is attained across all business areas. There will be a particular emphasis made on addressing the Group’s compliance and sustainability risks, evaluating a suitable framework and targets for finalization, and enhancing the appropriate approach to effective reporting.



Dhaanish Mohamed Ameen

Chairman







# Nomination & Remuneration Committee

## Report

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## Membership and Attendance

This report encompasses the activities of the Nomination and Remuneration Committee (NRC) of the Board from January1, 2024, to December 31, 2024.

The Company has a combined Nomination Committee and Remuneration Committee for the purpose of expediency, since the same members are entrusted with the functions of both the Nomination and Remuneration Committees. Members of the Committee are mindful of their dual roles, which are clearly reflected and demarcated in the agendas of each meeting.

Ismail Zumayl Rasheed was a member from June 15, 2023, till January 22,2024. No meetings were held in 2024 during his tenure in committee that period.

During 2024, the members and meeting attendance of the GSC were as follows.

Meetings were also attended by members of the Committee and, by invitation, the Chairman of the Board, the Managing Director, the Chief Financial Officer and other relevant people from the business, when appropriate.



**Reesha Abdul Munnim**  
**Chairman**  
**Member** since Jan 29,2024, till date



**Dhaanish Mohamed Ameen**  
**Member** since Jan 29,2024, till Dec 2024



**Mohamed Murad**  
**Member** since Jan 29,2024, till January 9, 2025

Committee member	No. of meetings attended	No. of meetings required to attend	% meeting attendance
Reesha Abdul Munnim	4	4	100
Dhaanish Mohamed Ameen	3	4	75
Mohamed Murad	4	4	100

## Composition of the Committee

All but one member of the Committee (Mr. Mohamed Murad) were non-executive independent directors, selected for their expertise and experience in human resource management. Mr. Ismail Zumayl Rasheed served as a committee member until January 22, 2024, but did not attend any meetings during his brief tenure that year. Additionally, Mr. Mohamed Murad resigned from the Board in January 2025 and is no longer a member of the Committee.

Ms. Reesha Abdul Munnim was appointed as the Committee Chairperson on January 29, 2024.

## Terms of Reference and Major Activities

The responsibilities and duties of the NRC, as outlined in its Terms of Reference, undergo periodic review, considering pertinent regulatory modifications and recommended best practices. Below are the principal responsibilities of the NRC and notable matters addressed in 2024:

## Remuneration Matters

### Responsibilities:

- Develop and enforce a remuneration policy for the directors and employees of the company.
- Periodically review the effectiveness of remuneration and benefits policies, structures and packages, and make recommendations to the board on improvements.

### Matters attended in 2024:

Following a comprehensive review of employees' remuneration and benefits in 2023, the Committee determined that a one-year interval before initiating another evaluation would be appropriate.

During the annual board assessment, directors expressed their view that the current remuneration structure for board members was adequate and met the Board's expectations.

In light of this feedback, the Nomination and Remuneration Committee (NRC) reaffirms that the Company's Remuneration Policy remains effective and continues to align with the Board's requirements and industry standards.

Refer to page 65-67 on detailed report on remuneration provided to directors in 2024.

Composition, recruitment and structure of directors, management and organization

Responsibilities:

- Regularly review the size, structure and composition of the board/organization and make recommendations to the board regarding changes.
- Identify and advice the board on suitable candidates for board appointments.

Matters attended in 2024:

The Nomination and Remuneration Committee (NRC) reviewed to assess whether the size, composition, and structure of the Board remained optimal for ensuring effective governance. The Committee confirms that the current Board structure was appropriate and aligned with the organization’s strategic objectives and operational requirements.

As part of broader organizational improvements, a revision of the corporate structure was undertaken to enhance business efficiency. This involved merging certain departments and decentralizing key functions to optimize operational effectiveness. These structural changes came into effect in November 2024.

Additionally, the Committee reviewed the Board Candidacy Guidelines to ensure alignment with prevailing governance standards. In parallel, the Board initiated the process of filling vacancies created by retiring members, inviting shareholders to express their interest in directorship positions. The NRC reviewed and approved the related announcements and application documents. Applications received were subjected to a rigorous evaluation process, including interviews, to identify the most suitable candidates. Based on this assessment, the NRC presented its recommendations to the Board of Directors, which subsequently forwarded them to the Annual General Meeting (AGM) for election.

In 2024, two candidates from public shareholders submitted applications, both of whom participated in interviews conducted by the NRC. Following a comprehensive evaluation, all candidates were approved for nomination at the AGM. Notably, Mr. Mohamed Ahsan Saleem was re-elected through a shareholder vote to continue representing public shareholders on the Board. Additionally, the government nominated six directors, all of whom secured majority votes for re-election, ensuring the continuation of the existing government-appointed representatives for another term.

Conflict of Interest

Responsibilities:

- Develop and monitor a Conflict-of-Interest Declaration Policy for the directors, executive members, and employees of the company.

Matters attended in 2024:

In 2024, the NRC confirmed that no conflicts of interest arose in matters discussed between the Board members and the Company. Furthermore, the Committee affirmed the adequacy of the existing Conflict-of-Interest Declaration Policy, ensuring its effectiveness in maintaining transparency and ethical governance.

Declaration

The NRC affirms that the Committee members possess the requisite knowledge, skills, and experience to fulfill their delegated duties effectively. Each member satisfactorily possesses knowledge on recruitment and remuneration matters, ensuring the Committee collectively has the necessary competence relevant to the sectors in which the STO Group operates.

Additionally, the Committee expresses satisfaction with the activities conducted throughout the year.

Looking Forward

In the upcoming year, the Committee provides assurance that it will maintain its focus on the key areas of responsibility assigned to it by the Board. It will ensure that standards of good governance are upheld, and appropriate assurance is attained throughout the Company.



Reesha Abdul Munnim  
Chairperson







# Remuneration *Report*

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This Remuneration Report has been compiled to inform shareholders about the compensation allocated to both executive and non-executive directors. It covers the period from January 01, 2024, to December 31, 2024. There have been no alterations to the remuneration granted to directors since it was approved at the 2010 AGM.

Remuneration Philosophy

STO's remuneration philosophy is founded on principles of fairness, performance, and sustainability. The Company is dedicated to offering competitive and equitable compensation to its employees, acknowledging their contributions and accomplishments. STO's remuneration strategies aim to stimulate high performance, promote behavior based on values, and cultivate a culture of accountability and excellence. The Company is steadfast in its commitment to ensuring employees are justly compensated for their endeavors, aligning remuneration practices with organizational values and long-term objectives.

Governance

The Board of Directors has the overall responsibility for defining the compensation principles for the company. The remuneration Board of Directors, however, is subject to approval by the shareholders, upon proposal by the Board of Directors.

As of December 31, 2024, the governance for setting the compensation is defined as follows:

Remuneration of	Recommended by	Approved by
Board of Directors as a whole	Board of Directors	Shareholders
Executive Directors remuneration for their executive position in the company	Nomination and Remuneration Committee	Board of Directors
Staff of the Company	Management – Nomination and Remuneration Committee	Board of Directors

Policy on Employee Remuneration and Incentives

A structured evaluation process is implemented for each employee to determine their appropriate compensation level and position within the organizational hierarchy. Remuneration comprises both fixed and performance-based elements, with annual assessments conducted to gauge employees' adherence to role requirements and attainment of predetermined performance goals. Fixed compensation is benchmarked against industry standards for comparable positions.

Employees are eligible to receive performance-based incentives, such as bonuses and related allowances. Trading in the Company's securities is permissible in accordance with the Company's Trading in Securities Guideline.

The Company abides by the Regulations of the Maldives Pension Administration Office concerning employee pension provisions. Employees contribute 7% of their basic salary, matched by a corresponding contribution from the Company.

Furthermore, employees are entitled to retirement, termination, and severance payments as applicable. They also have access to credit scheme and interest-free loans provided by the Company.

In 2024, staff remuneration and other expenses totaled to MVR560m (MVR512m in 2023)

Policy on Board remuneration and incentives

The remuneration awarded to the Board of Directors for their service is established and ratified by the shareholders during the AGM. Executive directors receive equivalent compensation to other directors, supplemented by an additional payment for their executive responsibilities within the Company. These particulars are also disclosed in the Audited Financial Statements.

The remuneration for executive directors adheres to employee remuneration and incentive principles, subject to review by the NRC before approval from the Board of Directors.

The remuneration framework for board members encompasses various components, including monthly compensation, attendance fees per meeting, and a chairman's allowance for the board chairman. According to the guiding principles of board director compensation, non-executive directors are compensated through fees to recognize their roles on the Board and its sub-committees. Similarly, executive directors receive identical fees to non-executive directors for their Board membership. Additionally, executive directors receive variable salaries, benchmarked against market standards for companies of similar market segment, business complexity, and international scope. Additionally, they receive bonuses contingent upon meeting performance targets and attaining predetermined financial objectives.

Board remuneration comprises of:

<i>MVR10,000</i> <i>Monthly fee of directors</i>
<i>MVR500</i> <i>Sitting fee of directors</i>
<i>MVR1000</i> <i>Monthly Chairman fee</i>

Policy vs. Action 2024

	Executive directors	Non-executive directors
Remuneration and Allowances	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Board remuneration provided as approved by shareholders at AGM.</li><li>Salary provided for the executive position in the company, as per Board approved salary structure.</li><li>Both remunerations provided monthly.</li><li>All remuneration benchmarked against market practices in Maldives with companies that are comparable in size, business, and complexity.</li><li>Salary provided for the executive position is based on the role, qualification, individual skills, and experience.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>Paid monthly.</li><li>No increase or decrease was granted.</li></ul>	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Board remuneration provided as approved by shareholders at AGM.</li><li>Remuneration is provided monthly.</li><li>Board remuneration benchmarked against market practices in Maldives with companies that are comparable in size, business, and complexity.</li><li>Remuneration is based on the guideline issued by the Ministry of Finance and PCB, on determining directors' remuneration.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>Paid monthly.</li><li>No increase or decrease was granted.</li></ul>
Pension Fund	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Provided as per Maldives Pension Administration Office regulations.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>Paid to Maldives Pension Administration monthly.</li><li>7% of basic salary contributed from employee's salary,</li><li>7% of basic salary contributed from STO.</li></ul>	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Non-executive directors are not eligible for this fund.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>No payments for pension were made for non-executive directors.</li></ul>
Life Insurance	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Allied Insurance Life Insurance package subscribed for executive directors.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>MVR180 per person paid annually.</li></ul>	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Allied Insurance Life Insurance package subscribed for non-executive directors.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>MVR180 per person paid annually.</li></ul>
Health Insurance	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Allied Insurance Gold package subscribed for executive directors.</li><li>Individual director insurance cost is borne by the Company,</li><li>Covers 1 spouse and 2 children of below 18 years of age,</li><li>Cost depends on the age of Director and the dependent,</li><li>Director must bear any insurance for additional dependents,</li><li>The package now includes add-on for insurance of parents.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>Package obtained from Allied Insurance Company of the Maldives for a 1-year period and renewed annually.</li></ul>	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Allied Insurance Gold package subscribed for non-executive directors.</li><li>Individual director insurance cost is borne by the Company,</li><li>Covers 1 spouse and 2 children of below 18 years of age,</li><li>Cost depends on the age of Director and the dependent,</li><li>Director must bear any insurance for additional dependents,</li><li>The package now includes add-on for insurance of parents.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>Package obtained from Allied Insurance Company of the Maldives for a 1-year period and renewed annually.</li></ul>





	Executive directors	Non-executive directors
Annual and deferred bonus	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Bonus for Executive Directors are provided as per the Executive Charter approved by the Board,</li><li>Bonus is given annually, upon achievement of the annual key ratios and other key performance indicators, determined and approved by the Board,</li><li>Bonus is distributed by the Board of Directors, in a manner that reflects the Executives contribution and performance in achieving the years targets.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>Bonus of the year 2023 was paid in 2024,</li><li>Both executive directors were determined by the Board of Directors to have fulfilled their tasks exceptionally well,</li><li>There was no deferred bonus paid to any of the executive directors,</li><li>Directors are not eligible for any other employee bonus or sales incentive schemes of the Company.</li></ul>	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Non-executive directors are not provided annual or deferred bonus.</li><li>Non-executive directors are not eligible for any employee bonus or sales incentive schemes either.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>No bonus of any kind was provided to any non-executive directors.</li></ul>
Service Contract, Notice Period and Severance Fee	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>All directors are appointed for a term of one year (i.e., from one AGM to another)</li><li>Service contracts must be signed between the executive directors and the company.</li><li>Executive directors are eligible for notice periods and severance fees.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>The executive directors were last appointed to the Board on July 12, 2024,</li><li>Both directors have signed service contracts with the Company,</li><li>Additionally, both directors have signed the Board Charter, which describes their duties as members of the Board,</li><li>There was no change to executive directors of the company,</li><li>None of the executive directors were eligible for notice period or severance fees.</li></ul>	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>All directors are appointed for a term of one year (i.e., from one AGM to another)</li><li>All directors must sign the Board charter, upon appointment.</li><li>Non-executive directors are not eligible for notice periods and severance fees.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>The non-executive directors were last appointed to the Board on July 12, 2024,</li><li>All directors have signed the Board Charter, which describes their roles and responsibilities as members of the Board,</li><li>The PCB informed on removing Mr. Ismail Zumayl Rasheed on January 22, 2024. This vacancy was filled by Ms. Reesha Abdul Munnim on January 28, 2024.</li></ul>

	Executive directors	Non-executive directors
Share options and Trading in Securities	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Directors may hold shares in the Company and share trading must only be made in accordance with relevant policies of the Company.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>None of the members traded any shares of the company, during the year,</li><li>Trading in Securities are implemented according to the Trading in Securities Guideline of the Company,</li><li>All changes to the restricted persons list, was informed to relevant authorities, within due time.</li></ul>	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Directors may hold shares in the Company and share trading must only be made in accordance with relevant policies of the Company.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>None of the members traded any shares of the company, during the year,</li><li>Trading in Securities are implemented according to the Trading in Securities Guideline of the Company,</li><li>All changes to the restricted persons list, was informed to relevant authorities, within due time.</li></ul>
Travelling	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>The Company's Travel Policy applies to all directors.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>Expenses including accommodation, and other expenses incurred with regard to travels made as a director of Company to represent the Company were provided as per Travel Policy.</li><li>MVR 981,467.4 (2023: MVR1,557,592.70) was provided for executive directors' travels in 2024.</li></ul>	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>The Company's Travel Policy applies to all directors.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>Expenses including accommodation, and other expenses incurred with regard to travels made as a director of Company to represent the Company were provided as per Travel Policy.</li><li>MVR 546,715.63 (2023: MVR 685,467.42) was provided for non-executive directors' travels in 2024.</li></ul>
Other benefits	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>Both directors are entitled to other benefits applicable to the employees of the Company. This includes the use of company car, launch and other vehicles / vessels, discount from STO stores and acceptance of gifts from company on certain occasions, as per the benefits list approved by the Board.</li><li>Executive members are eligible to receive Ramazan allowance, as allowed by the regulations.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>The executive directors used the company launch for no (2023:6) personal trips as allowed by the Launch use Policy. Both directors were billed for the trips, and by the end of the year, both directors had settled all dues.</li><li>Both directors received MVR3,000 as Ramazan allowance in 2023.</li></ul>	<p><b>Policy</b></p> <ul style="list-style-type: none"><li>All directors are entitled to other benefits applicable to the employees of the company. This includes the use of company car, launch and other vehicles / vessels, discount from STO stores and acceptance of gifts from company on certain occasions, as per the benefits list approved by the Board.</li><li>Non-executive members are not eligible for Ramazan allowance.</li></ul> <p><b>Action</b></p> <ul style="list-style-type: none"><li>The non-executive directors used the company launch for 4 (2023:10) personal trips as allowed by the Launch use Policy. All directors were billed for their respective trips made, and by the end of the year, all directors had settled all dues.</li><li>None of the non-executive members received Ramazan allowance in 2023.</li></ul>

The overarching aim of the Company's Remuneration Policy is to attract and retain high-caliber directors and employees, motivating them to develop and implement the Company's business strategy effectively to optimize long-term shareholder value creation.

Paid Remuneration to Board of Directors

In 2024, the Board of Directors were compensated with a total remuneration amounting to MVR 1,041,588 (2023: MVR 1,013,124.46) for their services. Similarly, the executive directors received a combined remuneration of MVR 2,238,700 (2023: MVR 2,325,932) for their respective executive roles within the Company.

Paid Remuneration to Top Management

In response to disparities in the employment market, the Board of Directors has made the decision to withhold the disclosure of individual remuneration packages for both top management and executive directors. This measure is intended to maintain confidentiality while addressing prevailing salary variations.

An aggregate sum of MVR12,588,670 (2023: MVR11.02 million) was disbursed to the senior management team, excluding the executive directors, encompassing various components such as basic salaries and allowances.

Loans

Granting loans to members of the Board of Directors is strictly prohibited. Accordingly, no directors, including executive board members, received any form of loan or credit scheme, ensuring compliance with corporate governance standards and financial integrity.

Additionally, no compensation was paid to related parties of members of the Board of Directors and there were no loans outstanding to related parties.

Directors Shareholding in the Company

The Directors have the right to subscribe for securities in the Company, in accordance with the Trading in Securities Guideline of the Company. However, they do not have the right to subscribe for securities in the subsidiaries.

Below table describes the number of direct and indirect shares held by directors, in the Company.

Name	Position in Board	Total remuneration received for the position in Board	Direct shares held	Indirect shares held (spouse and kids)
Amir Mansoor	Chairman	262,000		-
Shimad Ibrahim	MD / CEO	129,500	55	-
Ismail Zumayl Rasheed	Former Director	7,596.77		-
Mohamed Ahsan Saleem	Director	137,000	200	-
Reesha Abdul Munnim	Director	124,467.70		-
Dhaanish Mohamed Ameen	Director	113,023.46		-
Mohamed Murad	Director	138,500		-
Mohamed Nizam	Director	129,500		-

Director's Membership on Other Boards

In adherence to the Company's Subsidiaries and Major Commercial Activities Policy, executive directors and senior management personnel are permitted to hold positions on the Boards of STO group companies. This Policy allows for their involvement in overseeing and guiding the strategic direction of subsidiary entities and major commercial endeavors.

Conversely, the CMDA Governance Code sets clear limitations on directorships, restricting directors from serving on the boards of three or more Public Listed Companies simultaneously. This regulation is designed to ensure that directors can dedicate sufficient time and attention to their responsibilities without being overextended across multiple organizations. Additionally, the Companies Candidacy Policy imposes even stricter constraints, limiting directors to holding only one directorship in a Public Listed Company, further reinforcing governance standards and accountability. As such, no director of STO Board, holds additional directorship in another listed company.

To provide transparency regarding director compensation, the table below presents any additional remuneration received by directors for their involvement on other boards during the 2024. This information enables stakeholders to understand the extent of directors' external board commitments and any associated financial implications.

	Directorships held	Remuneration	Total Remuneration Received
Shimad Ibrahim (Jan 01, 2024 – Dec 31, 2024)	Chairman of MNOC	No fee	
	Represented STO at the Port City Development Consortium	No fee	
	Represent STO at Maldives Industrial Development Free Zone PLC	No Fee	
	Board member at Fenaka Corporation	MVR12,800 monthly fee and MVR500 (caped at MVR1500 per month)	MVR49,007
Mohamed Nizam (Jan 01, 2024 – Dec 31, 2024)	Director of MNOC	No Fee	
	Chairman of Fuel Supplies Maldiv e Pvt Ltd	MVR5000 monthly fee and MVR250 sitting fee	MVR57,610
	Chairman of Raysut Maldives Pvt Ltd	MVR7,000	MVR84,000
	Board member at Fenaka Corporation	MVR7,500 monthly fee and MVR500 (caped at MVR1500 per month)	MVR30,750

Looking Forward

Looking ahead, STO remains committed to upholding the principles of fairness, performance, and sustainability in our remuneration approach. As the evolving market conditions and regulatory requirements are navigated, the Company will continue to review and refine its policies to ensure alignment with best practices and industry standards. Additionally, STO will strive to maintain open communication with stakeholders and uphold the highest standards of corporate governance in all aspects of its remuneration strategy. Through these efforts, the Company aim to attract and retain top talent, drive performance, and create long-term value for our shareholders and stakeholders alike.

Declaration

This Remuneration Report was approved by the Board and signed on its behalf by the Chairperson of NRC.



Reesha Abdul Munnim

Chairperson







# Audit & Risk Committee

## Report

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### Membership and Attendance

This report encompasses the activities of the Audit and Risk Committee (ARC) of the Board from January1, 2024, to December 31, 2024.

Meetings were also attended by members of the Committee and, by invitation, the Chairman of the Board, the Managing Director, the Chief Financial Officer and other relevant people from the business, when appropriate.

All but one member of the Committee (Mr. Mohamed Murad) were non-executive independent directors, selected for their finance, auditing and risk. Mr. Ismail Zumayl Rasheed served as a committee member until January 22, 2024, but did not attend any meetings during his brief tenure that year. Mr. Dhaanish Mohamed Ameen was appointed to replace the vacancy created by Mr. Ismail Zumayl Rasheed’s removal. Additionally, Mr. Mohamed Murad resigned from the Board in January 2025 and is no longer a member of the Committee.



**Mohamed Ahsan Saleem**  
**Chairman**  
**Member** since Jan 29,2024, till date



**Dhaanish Mohamed Ameen**  
**Member** since Jan 29,2024, till Dec 2024



**Mohamed Murad**  
**Member** since Jan 29,2024, till January 9, 2025

	No. of meetings attended	No. of meetings required to attend	% meeting attendance
Ismail Zumayl Rasheed	1	1	100
Dhaanish Mohamed Ameen	8	9	88
Mohamed Ahsan Saleem	9	9	100
Mohamed Murad	9	9	100

### Composition of the Committee

All but one member of the Committee (Mr. Mohamed Murad) were non-executive independent directors, selected for their expertise and experience in finance and risk oversight. Mr. Ismail Zumayl Rasheed served as a committee member until January 22, 2024, and attended one committee during his brief tenure. Mr. Mohamed Murad resigned from the Board in January 2025 and is no longer a member of the Committee.

Mr. Mohamed Ahsan Saleem was appointed as the Committee Chairperson on January 29, 2024.

### Terms of Reference and Major Activities

The responsibilities and duties of the ARC, as outlined in its Terms of Reference, undergo periodic review, considering pertinent regulatory modifications and recommended best practices. Below are the principal responsibilities of the ARC and notable matters addressed in 2023:

### Risk Management and Internal Controls

#### Responsibilities:

- Assessing the efficacy of the risk management and internal control framework.

#### Matters attended in 2024:

An external review of the Risk Management function was conducted, and based on the recommendations provided by the consultants, the committee decided to transfer the Risk Management function from the Legal Affairs Department, previously under the supervision of the Chief Legal Officer, to the Finance Department under the oversight of the Chief Financial Officer.

Additionally, the committee reviewed and revised the Risk Committee Charter to incorporate the necessary structural changes and strengthen governance practices.

Furthermore, the Risk Management Policy and Procedure, including defined risk tolerance levels, underwent a comprehensive review. The committee also evaluated the risk management process and assessed the allocation of staff dedicated to this function to ensure efficiency and effectiveness.



Responsibilities:

- Ensuring the accuracy and reliability of the financial statements, including annual and quarterly reports.
- Monitoring the implementation of recommendations outlined in the management letters, by Group Companies.
- Assessing the potential effects on consolidated financial statements resulting from the company's strategic initiatives.
- Providing guidance to the Board on whether the Annual Report is fair, balanced, and comprehensible, and offers shareholders the necessary insights to evaluate the Company's status, performance, business model, and strategy.
- Reviewing and engaging in discussions with management regarding the suitability of decisions made concerning the application of accounting principles and disclosure regulations.
- Evaluating and discussing the effectiveness of the company's budgets and plans compared to actual budgets.

Matters attended in 2024:

i. Fair, balanced and understandable assessment

The ARC reviewed the Company's unaudited interim financial statements for all quarters of 2024 and the annual external auditor's report with the Board, management, and, where necessary, external auditors. The ARC conveyed to the Board its belief that the 2024 Annual Report, encompassing the financial statements for the year ending December 31, 2024, is fair, balanced, and easily comprehensible. It provided shareholders with the necessary information to evaluate STO's position, performance, business model, and strategy.

ii. Going concern and viability statement

The ARC reviewed and deliberated on the Directors' statements for the full year regarding the going concern basis of accounting. It supports this accounting method and believes the business aligns with the best practice guidance issued by the IFRC.

Compliance and Governance

Responsibilities:

- Reviewing the functioning and reports arising from the whistleblowing facility.
- Overseeing compliance with applicable legal and regulatory requirements.

Matters attended in 2024:

i. Whistleblowing investigations

The ARC is responsible for establishing and monitoring the implementation of procedures for the receipt, retention, investigation, and follow-up actions of complaints received. The ARC reviewed whistleblowing reports and internal audit reports and considered management's responses to the findings in these reports. In 2024, 29 allegations and inquiries were received, of which 100% cases were attended and closed. 22 cases out of the 29 were found to be substantial and were primarily in the areas involving harassment, conflicts of interest and protection of assets.

ii. Regulatory developments

The ARC received updates on regulatory advancements covering various areas, including disclosures related to sustainability, as well as other developments in accounting and reporting, and any changes to the policies and procedures.

iii. ARC annual evaluation

The Board, along with ARC members, conducted an annual assessment of its performance and efficacy. The evaluation was conducted internally by the Board of Directors. It was determined that the ARC's performance in 2024 was effective, and it had fulfilled its responsibilities as outlined in its Terms of Reference.

In developing its 2025 work plan, the ARC prioritized conducting a limited number of in-depth audits rather than numerous shorter audits, ensuring a more comprehensive and thorough evaluation of key areas.

iii. Annual internal audit plan and assessment of internal audit's effectiveness

Internal Audit

Responsibilities:

- Supervising the qualifications, expertise, resources, and independence of the internal audit function.
- Endorsing the mandate and annual plan of the internal audit function to ensure they align with the business's key risks.
- Examining significant issues identified in internal audits with the Chief Audit Executive, assessing management's response to noteworthy findings and control weaknesses. This involves discussing potential enhancements and agreed-upon actions with management.
- Evaluating the performance and effectiveness of the internal audit function annually.

Matters attended in 2024:

i. Communication with Chief Audit Executive

The ARC engaged in discussions with the Chief Audit Executive regarding the company's risk management and internal control system. They addressed any significant issues identified in internal audits and management's response to notable audit findings and control weaknesses, including planned improvements and agreed-upon actions. Additionally, the ARC frequently held private sessions exclusively with the Chief Audit Executive, excluding members of management. Furthermore, outside of the formal ARC meetings, the Chairman of the ARC maintained regular meetings with the Chief Audit Executive.

ii. Internal Audit Mandate

The internal audit function serves as an independent assurance function, supporting STO's ongoing efforts to enhance its overall control framework. It contributes to maintaining a systematic and disciplined approach to assess and enhance the design and effectiveness of the company's risk management, control, and governance processes. The primary focus of the internal audit function's assurance and investigative activities is to safeguard value by protecting STO's assets, reputation, and sustainability in alignment with the organization's defined goals and objectives.

The ARC delineates the responsibilities and scope of the internal audit function and approves its annual plan. The Chief Audit Executive reports functionally to the Chairman of the ARC and administratively to the Managing Director. The Chairman of the ARC, in consultation with the ARC members, approves all decisions regarding the performance evaluation, appointment, or removal of the Chief Internal Auditor.

iii. Annual internal audit plan and assessment of internal audit's effectiveness

The Chief Audit Executive provided quarterly updates to the ARC on the approved 2024 internal audit plan, discussing its effectiveness in addressing critical areas of risk during a transitional period. The ARC evaluated the performance of the internal audit function and found it to be effective. Additionally, the ARC assessed the performance of the Chief Audit Executive as effective.

Periodically, the Chief Audit Executive evaluates whether the purpose, authority, and responsibilities of the internal audit function enable it to achieve its objectives. The results of these assessments are communicated to the ARC. The Chief Audit Executive also confirms to the ARC the ongoing validity of the internal audit function's charter or proposes updates to it when necessary. Furthermore, the Chief Audit Executive maintains an internal quality assurance and improvement program, including an annual assessment of the effectiveness and efficiency of the internal audit function's activities and compliance with the standards of the Chartered Institute of Internal Auditors (CIIA). The Chief Audit Executive regularly discusses the results of this annual assessment with the ARC.





External Audit

Responsibilities:

- Assessing the qualifications, expertise, resources, independence, and objectivity of the external auditor, and monitoring them regularly.
- Reviewing and endorsing the annual external audit plan.
- Evaluating the performance and effectiveness of the external auditor and the audit process, including an assessment of audit quality.
- Recommending to the Board, for submission to the Company's shareholders at the AGM, the appointment, reappointment, or removal of the external auditor.

Matters attended in 2024:

i. Annual external audit plan and assessment of external audit's effectiveness

The ARC reviewed the annual audit plan, ensuring that planned materiality levels and proposed resources aligned with the audit's scope.

Deloitte regularly updated the ARC on its audit procedures and initial findings, allowing the ARC to oversee the audit's progress and outcomes. Discussions between the ARC and PwC covered strategies for managing audit risks, significant accounting, and audit decisions, identified issues in the management letters of the Group, and any resulting issues.

Throughout the year, the ARC held private meetings with Audit representatives, without management present, to facilitate open and transparent dialogue. Additionally, the Chairman of the ARC met separately with the external auditor periodically.

The ARC is content with Deloitte's continued delivery of a high-quality and effective audit in its fourth year as auditor, maintaining its objectivity, integrity, and impartiality.

ii. Reappointment

The ARC is tasked with evaluating the need for rotation of external auditors to ensure ongoing quality and independence. This includes assessing the advisability and potential impact of conducting a tender process to appoint a different independent audit firm. Additionally, the ARC recommends to the Board whether the Company's shareholders should appoint, reappoint, or remove the external auditor at the AGM.

During the AGM held in May 2024, shareholders approved the reappointment of Deloitte as the external auditor until the conclusion of the subsequent AGM. Deloitte was initially appointed at the May 2020 AGM following a competitive tender process. Therefore, 2024 marks their fifth year serving as the Company's external auditor. According to CMDA's Code requirements, the Company may retain external auditors for up to five years.

iii. Non-audit services

In accordance with the regulations of CA Maldives and the Code of CMDA, ARC confirms that Deloitte did not perform any non-audit services for the Group during 2024.

iv. Fees

At the last AGM, shareholders approved a fee of USD 65,500 to be paid to Deloitte for external audit services.

Declaration

The ARC affirms that the committee members possess the requisite knowledge, skills, and experience to fulfill their delegated duties effectively. Each member possesses appropriate expertise in financial matters and commercial acumen gained from relevant industries, ensuring the committee collectively has the necessary competence relevant to the sectors in which the STO Group operates.

Additionally, the Committee expresses satisfaction with the activities conducted throughout the year.

Looking Forward

In the upcoming year, the Committee provides assurance that it will maintain its focus on the key areas of responsibility assigned to it by the Board. It will ensure that standards of good governance are upheld, and appropriate assurance is attained across all business areas. There will be a particular emphasis on addressing implementation of audit recommendations, reviewing the Group's principal risks, and enhancing the approach to financial reporting.



Mohamed Ahsan Saleem

Chairman







# Risk Management

## Report

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Overview

In 2024, STO Group reinforced its Enterprise Risk Management (ERM) Framework to navigate an evolving business environment. Under the stewardship of the Board of Directors and its Audit and Risk Committee, our risk strategy focuses on proactive mitigation and strategic opportunity enhancement, ensuring organizational resilience and stakeholder trust. This report outlines our risk governance processes, risk management procedures, mitigation measures, emerging risk landscape, and our approach to long-term risk viability—highlighting our commitment to sustainable value creation and robust risk culture.

Our Approach to Risk Management

Risk is both a challenge and an opportunity. At STO, risk management is a core organizational competency, embedded across business functions and strategic decisions. Our holistic and proactive framework aims to optimize opportunities while minimizing potential threats to our strategic and operational objectives. This dual lens enables STO to build business agility, uphold financial stability, and enhance long-term stakeholder value. Risk management is closely integrated with our strategic planning, investment appraisal, budgeting, and operational planning.

Governance and Risk Oversight

Risk governance at STO group is structured to align with ISO 31000 standards and is guided by our Group Risk Policy and Framework. The Board of Directors retains oversight responsibility, supported by the Audit & Risk Committee (ARC). The Risk Management Function, in collaboration with operational leaders and designated Risk Champions, implements risk identification, assessment, and response mechanisms. Risk evaluations are integral to all investment and strategic decisions, enabling informed governance and operational alignment.

Risk Appetite Statement

STO operates within a well-defined risk appetite framework, maintaining a low tolerance for compliance, safety, and reputational risks, while adopting a moderate risk appetite for innovation and strategic business development. This structure guides decision-making across business units and ensures alignment with STO's long-term objectives.

Risk Management Process

The Group's risk management process is a structured and systematic approach to managing uncertainty. It ensures that risks are proactively identified, assessed, treated, and monitored at all levels of the organization. The process includes:

1.

**Risk Identification** – Recognizing potential events that could affect the achievement of objectives across all business segments.
2.

**Risk Assessment** – Evaluating risks in terms of likelihood and impact using qualitative and quantitative methods.
3.

**Risk Treatment** – Determining appropriate mitigation strategies including acceptance, avoidance, reduction, or transfer of risk.
4.

**Monitoring and Review** – Continuously tracking risk exposure, effectiveness of mitigation actions, and changes in risk profiles.
5.

**Communication and Consultation** – Ensuring consistent communication across stakeholders to promote awareness and effective risk engagement.

This process is embedded in our operational and strategic workflows, ensuring real-time responsiveness to emerging risk scenarios and regulatory compliance.

Risk Profile Overview

As a government-majority listed entity, STO operates within a multifaceted risk landscape, shaped by import dependency, fuel sector dominance, and its role in public sector supply. We continuously monitor emerging risks and assess their impact through structured scenario analyses, risk quantification, and long-term forecasting tools. These insights support viability assessments and strategic agility.

STO employs robust mitigation strategies to reduce risk exposure while identifying opportunities to enhance performance. Mitigation measures are tailored to each risk, leveraging technology, training, and strategic partnerships.

Principle Risks and Mitigation Measures

#	Risk Name	Description	Risk Level	Mitigation Measures
1	Commodity Price Volatility	Global fuel food and material price fluctuations affecting procurement and retail pricing.	High	Hedge fuel purchases through forward contracts; negotiate long-term supplier agreements to lock in prices; adjust retail pricing dynamically to reflect cost changes.
2	Supply Chain Disruptions	Delays in importing fuel, pharmaceuticals, or consumer goods due to shipping issues, geopolitical tensions, or natural disasters, disrupting STO's supply to the country and regional distribution.	High	Diversify supplier base across regions; maintain strategic buffer stocks in key locations; establish contingency shipping contracts with multiple logistics providers.
3	Credit and Receivables Risk	Delayed payments from government agencies and SOEs, critical STO customers, straining cash flow amid the dollar shortages and fiscal challenges.	High	Set strict credit terms with phased payment schedules; implement automated receivables tracking and escalation protocols; explore factoring options to liquidate receivables.
4	Operational Hazards	Fire, spills, or equipment failures at fuel farm, vessels or warehouses, risking safety, environmental damage, and operational downtime.	High	Install automated fire suppression and spill detection systems; conduct monthly safety drills and equipment checks; maintain emergency response teams at high-risk sites.
5	Foreign Exchange Risk	Currency shortages increasing the cost of USD-based imports or reducing the value of MVR receivables, a persistent issue in the Countries' forex-constrained economy.	High	Invest in USD earning sources or contracts; maintain USD reserves for critical payments; negotiate MVR-based contracts with local partners where feasible.
6	Cybersecurity Breaches	Cyberattacks targeting STO's digital systems for inventory, sales, or payments, potentially disrupting operations or exposing sensitive data in a digitized trading model.	High	Deploy a dedicated cybersecurity team for 24/7 monitoring; conduct quarterly penetration tests and staff IT training; install advanced firewalls and encryption for data protection.
7	Market Competition Pressure	Intense rivalry from private merchants in retail (e.g., Electronics & FMCG), threatening STO's market share in a price-sensitive market.	High	Launch targeted marketing campaigns highlighting quality and value; introduce exclusive product lines; conduct monthly competitor analysis to stay ahead of pricing trends.
8	Inventory Stock Imbalances	Overstocking or shortages of fuel, medical supplies, or retail goods due to inaccurate demand planning or forecasts, leading to losses or unmet customer needs across islands.	Medium	Implement AI-driven inventory forecasting tools; integrate real-time sales data with SAP S/4Hana systems; conduct quarterly, and annual stock reviews to adjust levels proactively.
9	Economic Downturn Impact	Reduced demand for non-essential goods or government spending cuts during a tourism slump or recession, affecting STO's retail and bulk sales revenue.	Medium	Diversify revenue through essential goods focus (e.g., fuel, food); offer flexible payment plans to retain customers; reduce overhead costs in low-demand periods.
10	Regulatory Compliance Failures	Non-compliance with fuel safety, staple food and pharmaceutical import, or environmental regulations, risking fines or operational bans in a tightly regulated trading environment.	Medium	Conduct biannual compliance audits across operations; train staff on regulatory updates; engage legal advisors to monitor and adapt to local and international standards.



Monitoring Emerging Risks

Our Group continuously monitors emerging risks that could influence our future operations and strategy. These risks may not yet be fully realized but have the potential to grow in significance over time. For 2024, the following are considered the most relevant emerging risks for STO:

- AI-Driven Innovation: Potential operational and ethical challenges arising from rapid integration of artificial intelligence technologies.
- Climate Change & Extreme Weather: Adverse impacts on logistics, infrastructure, and supply continuity.
- Geopolitical Risks: Disruptions in global trade routes and rising regional tensions affecting supply chain reliability.
- Energy Transition: Regulatory and cost pressures from global shifts toward renewable energy and decarbonization.
- Health Crises: Future outbreaks or health emergencies impacting workforce availability and service delivery.
- ESG Compliance: Heightened expectations for transparency and performance on sustainability, social responsibility, and governance.

Through scenario planning and proactive strategies, we address these evolving threats while identifying potential opportunities.

Viability and Long-Term Risk Outlook

STO continually assesses the long-term viability of its business model under a range of adverse but plausible scenarios including global commodity price volatility, fiscal stress, foreign exchange fluctuations, supply chain disruptions, and climate-related events. These scenario-based analyses are designed to test the Group’s ability to maintain solvency, liquidity, and business continuity under extreme but conceivable conditions.

The assessment incorporates macroeconomic forecasts, business segment resilience, projected cash flows, stress on critical supply lines, and risk mitigation capabilities. STO’s Board and Executive Management regularly review the outcomes of these evaluations to refine strategic priorities, enhance operational resilience, and reinforce our capital allocation framework.

