



INTER - OCEAN
AVIATION FINANCE CORPORATION

STANDARDS AND COMPLIANCE COMMITTEE CHARTER

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1. Introduction

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

2. Objective

2.1 The principle function of the Standards and Compliance Committee (the Committee) is to assist the Board in fulfilling its responsibilities of obtaining assurances that the aviation risk management processes are effective. This would include a review and conclusion on the effectiveness of aviation safety, maintenance, occupational health and safety (OHS), security and quality matters including compliance with related legal and regulatory obligations in line with industry norms.

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

3. Composition

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

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

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

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

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

4. Meetings

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

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

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

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

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

4.6. Draft minutes of the Committee meetings shall be circulated no later than 15 working days after such meeting to all members of the Committee and the attendees. Once approved by the Committee during the next scheduled Committee meeting, the minutes should be made available to members of the Board should they so wish.

5. Responsibilities of the Committee

5.1 Annual Work Plan

5.1.1 It is the responsibility of the Committee to develop and implement an annual work plan that includes the detailed objectives in relation to the below key areas:

- AOC (Aircraft Operator Certificate) Operational Executive Summary
- AOC Quality
- AOC Safety
- AOC OHS
- AMO (Approved Maintenance Organisation) Executive Summary
- AMO Quality
- AMO Safety
- AMO OHS
- Group Security
- Environmental Management System

5.1.2 The objectives to be met by the Committee per key area is summarised below.

5.2 AOC/AMO Operational Executive Summary

5.2.1 To review the operational executive summaries as prepared by Senior Management in order to determine if the operational and maintenance environments are being well managed and that key threats and risks are being adequately addressed.

5.3 AOC/AMO Quality

5.3.1 To review and conclude on the effectiveness of the overall AOC and AMO quality related strategy/programs implemented by management and all major instances of non-compliance in relation to the implementation of the strategy/programs, the impacts thereof and how these instances have been mitigated to prevent re-occurrence.

5.3.2 To review the processes that support the development of the internal audit plans and conclude on the effectiveness of these processes.

5.3.3 To monitor the progress made by management in the implementing of the internal audit plans to ensure that key areas of weaknesses identified are addressed.

5.3.4 To review the major quality related risks identified by management, the impacts thereof and mitigating actions implemented in response to the risks identified.

5.3.5 To review the total number of all internal and external audit findings raised and for the major findings, the impacts of the findings and the corrective action plans implemented to prevent reoccurrence.

5.3.6 To review the processes implemented to ensure that third party suppliers to the AOC's and the AMO's, conform with the required quality standards.

5.3.7 To review all the quality related confidential reports made and management responses there to.

5.4 AOC/AMO Safety

5.4.1 To review and conclude on the effectiveness of the overall AOC and AMO safety management systems as implemented by management and all major instances of non-compliance in relation to the implementation of the systems, the impacts thereof and how these instances have been mitigated to prevent re-occurrence.

5.4.2 To monitor and conclude on the effectiveness of the process followed by management to ensure the emergency response plans are relevant and take into account client requirements.

5.4.3 To review the outcome of the testing of emergency response plans as conducted by management to ensure that managements suggested responses to the lessons learnt are being implemented.

5.4.4 To review the summary of the major safety issues arising from the safety reports received by management and conclude on the effectiveness of managements resolutions of these safety issues.

5.4.5 To review the major safety related risks identified and conclude on the effectiveness of the mitigating actions implemented by management in response to the identified risks.

5.4.6 To review how management monitors the adequacy and effectiveness of the incident reporting system.

5.4.7 To review the major safety incidents reported to management and the effectiveness of the remedial actions taken by management in response to the incidents.

5.5 AOC/AMO OHS

5.5.1 To review and conclude on the effectiveness of the overall AOC and AMO OHS related strategy/programs implemented by management and all major instances of non-compliance in relation to the implementation of the strategy/programs, the impacts thereof and how these instances have been mitigated to prevent re-occurrence.

5.5.2 To review the processes that support the development of the OHS internal audit plans and conclude on the effectiveness of these processes.

5.5.3 To review and conclude on the effectiveness of the procedures in place for reporting injury on duty to the applicable authorities in accordance with the required laws and regulations.

5.5.4 To review the major instances of injury on duty that occurred, the root causes thereof and the remedial actions taken by management and conclude on the effectiveness thereof.

5.5.5 To review the total number of all internal and external audit findings raised and for the major findings, the impacts of the findings and the corrective action plans implemented by management to prevent reoccurrence.

5.5.6 To review the major OHS related risks identified by management, the impacts thereof and mitigating actions implemented in response to the risks identified.

5.5.7 To review the emergency evacuation procedures determined by management for the various regions the Group operates in and consider how management have communicated these procedures to all employees and review the outcome of evaluation drills performed by management.

5.6 Group Security

5.6.1 To review and conclude on the effectiveness of the Group security strategy/program implemented by management and all major instances of non-compliance in relation to the implementation of the strategy/program, the impacts thereof and how these instances have been mitigated to prevent re-occurrence.

5.6.2 To review and conclude on the effectiveness of the Groups security risk assessment and mitigation processes implemented by management.

5.6.3 To review the major security reports received by management and conclude on the effectiveness of managements responses thereto.

5.6.4. To review the significant risks in relation to high threat Countries the Group operates in and the mitigations put in place by management in response to these security Country risks.

5.6.5 To review the major security related risks identified by management, the impacts thereof and mitigating actions implemented in response to the risks identified.

5.7. Environmental Management Systems (EMS)

5.7.1 To review the EMS manual and recommend any changes to the Board for approval.

5.7.2 To review the progress made by management in regards to the EMS objectives and targets set.

6. Reporting responsibilities

6.1 The Committee is responsible to ensure that the Board is aware of all significant issues that may arise in the areas as summarised above and make appropriate recommendations to the Board on these matters.

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

7. Other matters

7.1 The Committee shall:

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

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

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

7.5 Review, at least annually, this charter and recommend any changes it considers necessary to the Board for approval.

8. Authority

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

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