



PNG Air

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Dear Shareholders,

On behalf of the Directors of PNG Air Limited (**PNG Air**), I am pleased to invite you to participate at the PNG Air Annual General Meeting of Shareholders (**AGM** or **Meeting**) to be held on Thursday, 4 June 2026 at 09:00am at the Hilton Hotel's **Tabubil & Hekari Conference Rooms, Wards Road, HOHOLA**, Port Moresby.

The Board has called this Annual General Meeting of Shareholders in accordance with Articles 11.2, 11.5 and 11.6 of the Company Constitution and Section 101 (1) and (4) of the Companies Act 1997.

At the AGM shareholders will be asked to consider and, if thought fit, to approve **nine (9) ordinary resolutions**;

1. FY 2025 Financial Statement and Report
2. Appointment of Auditors for FY 2026-2027
3. Re-appointment of Augustine Mano as a Non-executive Director
4. Re-appointment of Edward Matane as a Non-executive Director
5. Re-appointment of Valentina Kaman as a Non-executive Director
6. Re-appointment of Simon Woolcott as a Non-executive Director
7. Re-appointment of Gheno Minia as a Non-executive Director
8. Revised Directors Remuneration Structure & Aggregate Fee Increase
9. Deferral of reinstatement for securities to quotation on PNGX Market (Stock Exchange).

You are encouraged to read the *enclosed* Notice of Meeting and the Explanatory Notes in full before reaching a decision on each resolution. A digital copy of the Annual reports for FY 2025 is available online on PNG Air Website at <https://pngair.com.pg/wp-content/uploads/2026/05/FY2025-PNG-Air-Ltd-Annual-Report-Financial-Statements.pdf>

If you are unable to participate in the Meeting, you are encouraged to complete and return enclosed Proxy Form to PNG Registries Limited (MUFG Group) via email, post or hand delivery no later than 48 hours being Tuesday, 2 June 2026 before the commencement of the meeting as specified on the Notice of Meeting and Proxy Form.

The enclosed Proxy Form is to be used to direct your proxy votes for each resolution by marking either the "For" box, the "Against" box or the "Abstain" box.

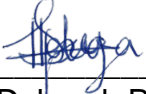
Shareholders also have the ability to lodge their proxy vote online by visiting <https://au.investorcentre.mpms.mufg.com>. Login to the Link website using holding details as shown on the Proxy Form. Select "Voting" and follow the prompts to lodge your vote. To use the



online lodgement facility, shareholders will need their "Holder Identifier"- Security holder Reference Number (SRN).

Thank you for your continued support of PNG Air Limited and I look forward to your participation on the 4th June 2026.

By order of the Board of Directors.



Deborah Poya
Company Secretary



PNG AIR LIMITED

NOTICE OF ANNUAL GENERAL MEETING

PNG AIR Limited (the “Company”) gives notice that the Annual General Meeting of Shareholders will be held on Thursday, 4 June 2026 at 09:00am at Hilton Hotel’s **Tabubil & Hekari Conference Rooms, Wards Road, HOHOLA**, Port Moresby.

GENERAL BUSINESS

Minutes from the Previous AGM held on 28 November 2025

To receive, consider and accept the Minutes of previous AGM dated 28 November 2025 as a correct record of the meeting.

ORDINARY BUSINESS

1. FY 2025 Financial Statement and Report

To receive and consider the financial statements and the reports of the Directors and the auditor for the company for the year ended 31 December 2025.

2. Appointment of Auditors for FY 2026-2027

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Deloitte Touche Tohmatsu be appointed as the Company’s auditor from the conclusion of this meeting until the conclusion of the Company’s annual meeting of FY2027 and to audit the 2026 and 2027 financial statements of the Company and the group financial statements during that period.”

3. Re-appointment of Augustine Mano as a Non-executive Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Mr Augustine Mano, who retires in accordance with Article 15.3(c) of the Company’s Constitution and, being eligible, has offered himself for re-election, be elected as a Director of the Company.”

4. Re-appointment of Edward Matane as a Non-executive Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Mr Edward Matane, who retires in accordance with Article 15.3(c) of the Company’s Constitution and, being eligible, has offered himself for re-election, be elected as a Director of the Company.”

5. Re-appointment of Valentina Kaman as a Non-executive Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Ms. Valentina Kaman, who retires in accordance with Article 15.3(c) of the Company’s Constitution and, being eligible, has offered herself for re-election, be elected as a Director of the Company.”



6. Re-appointment of Simon Woolcott as a Non-executive Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Mr. Simon Woolcott, who retires in accordance with Article 15.3 (c) of the Company’s Constitution and, being eligible, has offered himself for re-election, be elected as a Director of the Company.”

7. Re-appointment of Gheno Minia as a Non-executive Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Mr. Gheno Minia, who retires in accordance with Article 15.3(a) and 15.6 of the Company’s Constitution and, being eligible, has offered himself for re-election, be elected as a Director of the Company.”

8. Increase in aggregate of Non-executive Directors Fees under a revised fee structure.

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of Article 16.1 of the Company’s Constitution and Listing Rule 14.24 of PNGX Market Listing Rules, the aggregate amount of fees payable to Non-Executive Directors be increased from PGK 300,000 per annum to PGK 615,000 to be divided among the directors in such proportions under the revised fee structure in quarterly arrears, effective 1 July 2026:

- *Normal Sitting Director: PGK90, 000 base per annum as well as monetized air travel to the value of K15,000 per annum.*
- *Sub-Committee Chairperson: PGK 110,000 base per annum as well as monetized air travel to the value of K15,000 per annum.*
- *Chairperson of the Board: PGK 140, 000 base per annum as well as monetized air travel to the value of K15,000 per annum.*

9. Deferral of reinstatement for securities to quotation on PNGX Market (Stock Exchange).

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purpose of PNGX Listing Rule 26.5, the shareholders approve and authorize the company to request that PNGX sustain the suspension of the company's securities quotation until further notice, and at least until after the close of the 2027 financial year, notwithstanding the potential for reinstatement following the lodgement of the FY2025 Annual Accounts.”

Dated: 21 May 2026

By order of the Board

Deborah Poya
Company Secretary



EXPLANATORY NOTES

These Explanatory Notes accompany the Notice of Annual General Meeting of PNG Air Limited to be held on Thursday, 4 June 2026 at 09:00am at Hilton Hotel's **Tabubil & Hekari Conference Rooms, Wards Road HOHOLA**, Port Moresby.

Information relevant to the business to be considered at the Annual General Meeting is provided in these Explanatory Notes and Shareholders should read this document in full.

Resolution 1. Financial Statements and Reports

The Company's financial statements and the reports of the Directors and the auditor for the Company for the year ended 31 December 2025 will be put before the Annual General Meeting.

Shareholders will be afforded a reasonable opportunity to ask questions or comment about this report and the management of the Company. Shareholders will also be able to ask the auditor about the conduct of the audit and the preparation and content of the independent audit report.

The Annual Report for the year ended 31 December 2025 has been made available to Shareholders.

The Board unanimously recommend Shareholders vote in favour of Resolution 1.

Voting: *This is proposed as an ordinary resolution, requiring more than 50% of the votes cast by shareholders to be in favor.*

Resolution 2. Appointment of Auditor for FY 2026-2027

The resolution to re-appoint the Company's auditor, Deloitte Touche Tohmatsu, to hold office from the conclusion of this meeting for the purpose of auditing the 2026 and 2027 financial statements is formally put to shareholders in accordance with section 190(1) of the Companies Act 1997.

The Board unanimously recommend Shareholders vote in favour of Resolution 2.

Voting: *This is proposed as an ordinary resolution, requiring more than 50% of the votes cast by shareholders to be in favor.*

Resolution 3. Re-appointment of Augustine Mano as a Non-executive Director

By virtue of Article 15.3(c) of the Constitution, Mr. Augustine Sanga Mano was re-appointed at the AGM held on 28 November 2025. In the normal course of business, he would not be required for re-appointment for another three years, however in light of the capital raising and corporate governance renewal, he has agreed to retire at this AGM and he is eligible for re-election.

Mr. Mano has been a director of the PNG Air Board since 2010, and is one of the longest serving directors of the company. He was appointed to chair the Board on 30 July 2021 and has been the Chairman since. He has been the Managing Director and Chief Executive Officer of Mineral Resources Development Company since 2008.

The Board (with Mr. Mano abstaining) unanimously recommend Shareholders vote in favour of Resolution 3.

Voting: *This is proposed as an ordinary resolution, requiring more than 50% of the votes cast by shareholders to be in favor.*



Resolution 4. Re-appointment of Edward Matane as a Non-executive Director

By virtue of Article 15.3(c) of the Constitution, Mr. Edward Cleland Matane was re-appointed at the AGM held on 28 November 2025. In the normal course of business, he would not be required for re-appointment for another three years, however in light of the capital raising and corporate governance renewal, he has agreed to retire at this AGM and he is eligible for re-election.

Mr. Matane is an Aircraft Engineer by profession with over 31 years of experience in the aviation, oil and mining sector in leadership roles of aircraft maintenance and engineering.

The Board (with Mr. Matane abstaining) unanimously recommend Shareholders vote in favour of Resolution 4.

Voting: *This is proposed as an ordinary resolution, requiring more than 50% of the votes cast by shareholders to be in favor.*

Resolution 5. Re-appointment of Valentina Kaman as a Non-executive Director

By virtue of Article 15.3(c) of the Constitution, Ms. Valentina Kias Kaman was re-appointed at the AGM held on 28 November 2025. In the normal course of business, she would not be required for re-appointment for another three years, however in light of the capital raising and corporate governance renewal, she has agreed to retire at this AGM and she is eligible for re-election.

Ms. Kaman is a lawyer by profession with more than 16 years' experience in Oil and Gas industry. She brings to the Board, her extensive and strong network from both Government, Industry and NGO sectors. Ms. Kaman is currently the Chief Risk Officer of Mineral Resource Development Company.

The Board (with Ms. Kaman abstaining) unanimously recommend Shareholders vote in favour of Resolution 5.

Voting: *This is proposed as an ordinary resolution, requiring more than 50% of the votes cast by shareholders to be in favor.*

Resolution 6. Re-appointment of Simon Woolcott as a Non-executive Director

By virtue of Article 15.3(c) of the Constitution, Mr. Simon David Woolcott was re-appointed at the AGM held on 28 November 2025. In the normal course of business, he would not be required for re-appointment for another three years, however in light of the capital raising and corporate governance renewal, he has agreed to retire at this AGM and he is eligible for re-election.

Mr. Woolcott is a CPA qualified Accountant with more than 19 years of experience in Aviation, Property development and Asset Finance management in PNG and Australia. He was a Non-executive Director of PNG Air in 2019, resigned in 2020 and re-joined the Board in May 2025. He is currently the Chief Financial Officer of Mineral Resource Development Company.

The Board (with Mr. Woolcott abstaining) unanimously recommend Shareholders vote in favour of Resolution 6.

Voting: *This is proposed as an ordinary resolution, requiring more than 50% of the votes cast by shareholders to be in favor.*



Resolution 7. Re-appointment of Gheno Minia as a Non-executive Director

Mr. Gheno Minia was nominated by one of the new shareholders of the Company, Pacific Balance Fund under a Board seat offering following the successful Capital Raise in FY 2025. By virtue of Article 15.3(a) of the Constitution, Mr. Minia shall retire at this AGM and is eligible for re-election as a director, having been appointed by the Board on 16th February 2026 under Clause 15.6.

Mr. Minia has over 15 years of trustee services and fund management experience in the capital market in Papua New Guinea. He brings to the Board a distinctive financial expertise specifically in the establishment and governance of regulated entities, active engagement with market regulators, institutional investors and boards and provision of financial & compliance advisory to highly regulated entities in the Capital Market

The Board (with Mr. Minia abstaining) unanimously recommend Shareholders vote in favour of Resolution 7.

Voting: *This is proposed as an ordinary resolution, requiring more than 50% of the votes cast by shareholders to be in favor.*

Resolution 8: Increase in aggregate of Non-Executive Directors Fees under a revised fee structure.

The current director fee structure at PNG Air is PGK 50,000 per director, applied uniformly without demarcation for sub-committee chairpersons or the Chairperson of the Board. This flat rate does not adequately reflect the differentiated responsibilities carried by directors who lead committees or the board itself, nor does it align with governance best practice, and it does not encourage the recruitment of talented new Directors.

The benchmarking against peer companies under a Legal Advice from the Company's external Legal Counsel Leahy Lewin Lowing Sullivan Lawyers (LLLS Lawyers) demonstrates that PNG Air's current fees are below market averages, with TISA Group directors averaging PGK 98,263, Credit Corporation directors averaging PGK 240,000, and BSP Financial Group directors averaging PGK 523,269.

PNG Air's operational complexity, restructuring status, and governance reform objectives require a transparent, role-based fee structure that acknowledges aviation's higher risk profile while maintaining fiscal discipline.

The legal advice received from LLLS Lawyers confirms the revised structure with differentiated fees and monetised travel benefits should be considered in order meets fiduciary responsibilities, best practise in talent recruitment and disclosure standards.

Presented below is a summary of the proposed new Board Fee Structure:

- A. The proposed revised director fee structure is as follows
- **Normal Sitting Director:** PGK 90,000 per annum
 - **Sub-Committee Chairperson:** PGK 110,000 per annum
 - **Chairperson of the Board:** PGK 140,000 per annum



- B. Each director shall be afforded a monetized travel benefit equivalent to 20 tickets per year at PGK 750 per ticket, reflecting short-notice bookings on PNG Air's domestic network. This benefit shall be afforded only to immediate family members as declared by directors.
- C. The monetized travel benefit shall be capped at **PGK 15,000 per director per annum**, resulting in total travel benefit across all five Directors of **PGK 75,000 per annum**.
- D. The total annual board fees under this revised structure shall be **PGK 615,000**, up from **PGK 250,000** representing a global increase of **K365,000** across all five Directors. Under this proposal the average cost per director will be **PGK 123,000** (inclusive of monetized travel).
- E. The revised structure shall be subject to **annual review**, aligned with PNGX disclosure cycles, to ensure continued compliance with governance standards and fiscal discipline.

Voting: This is proposed as an ordinary resolution, requiring more than 50% of the votes cast by shareholders to be in favor.

Resolution 9. Deferral of reinstatement of securities to quotation on PNGX Market (Stock Exchange).

Suspension History

The securities of the Company were suspended from official quotation as at 15 January 2019 following failure to lodge its periodic report for the period ending 31 December 2017 within the time limit permitted by the Listing Rules.

The Company lodged the audited financial accounts for the period ending 31 December 2017 on 15 October 2020. A month later on 9 November 2020, the Company also lodged audited financial accounts for period ending 31 December 2018.

Path to Compliance

On 31 July 2025 at an Annual General Meeting (AGM), the company successfully received and passed a consolidated audited financial account of five financial years for the periods ending 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022, and 31 December 2023.

On 28 November 2025 at another Annual General Meeting (AGM), the Company successfully received and passed an audited financial account for the period ending 31 December 2024.

The Company has lodged its audited financials for FY 2025.

Rationale for Continued Suspension from Quotation

The company intends to maintain its suspended status on the PNGX exchange to allow for continued operational restructuring without the pressure of public trading, despite being eligible for potential reinstatement after filing the FY2025 accounts.

The Board and Management of PNG Air consider that remaining suspended from official quotation on the PNGX Market is necessary to facilitate the successful implementation of its three-year strategic recovery



plan (FY2024-FY2027), ensuring the company is not prematurely exposed to market volatility during a critical turnaround phase. The continued suspension allows the company to:

- **Execute Fleet Consolidation and Strategic Growth:** Focus on the transition to an all-ATR 72-600 fleet to drive operational efficiency, reliability, and network expansion, ensuring the company is fully positioned to leverage growth opportunities through 2026 and 2027.
- **Manage External Economic Pressures:** Proactively manage the adverse effects of volatility in fuel pricing and regional economic instability arising from the ongoing Middle East conflict, ensuring operational sustainability.
- **Rebuild and Protect Shareholder Value:** Allow for the stabilization of the financial structure post-restructuring and FY 2025 capital raise, focusing on building long-term value for existing shareholders before initiating public trading.
- **Facilitate Corporate Restructuring and Buy-back:** Provide the required stability and confidentiality to fully achieve various restructuring initiatives, including the successful implementation of the K29 million capital raise, the onboarding of new investors, and explore potential initiatives to buy back minority shareholder shares.
- **Protect New Investors:** Ensure that trading in PNG Air securities resumes once the strategic re-fleet plan's return on investment is fully realized and newly invested capital have been successfully deployed, providing a more stable and accurate valuation for all market participants.

The impact of this delay is that PNG Air would not be reinstated to trading on PNGX until after lodgment of the FY2027 accounts in the first half of FY2028. Further, PNGX has advised that, prior to reinstatement of trading, PNG Air would need to demonstrate a sufficient spread of shareholdings including not less than 20% held by non-affiliated security holders (as defined in the PNGX Listing Rules) and at least 200 non-affiliated security holders, each of whom holds a parcel of the shares with a value of at least PGK1,000.

This temporary delay in reinstatement is in the best interests of the company's capital restructuring goals coupled with the three-year strategic plan and ensures that upon returning to the market, PNG Air is a financially stronger and a more efficient entity.

Board Recommendation

While there is potential for reinstatement to quotation the Board believes that the company's growth cycle underpinned by fleet expansion, digital investment, cultural rejuvenation, as well as aggressive commercial strategies aimed at capturing both new and existing charter and RPT markets, need to be consolidated through 2026 and 2027 in order to deliver real shareholder value to both new and existing shareholders of the business.



Deferral of Reinstatement

PNGX has discretion over the lifting of trading suspensions over listed companies under Rule 26.12 of the PNGX Listing Rules.

Notwithstanding PNG Air's eligibility to be reinstated on the market for the trading of its securities following successful lodgments of its financial accounts to date, under PNGX Listing Rule 26.5, companies listed on PNGX Market can request suspension.

For the reasons set out above, the Board unanimously recommend Shareholders vote in favour of Resolution 9.

Voting: *This is proposed as an ordinary resolution, requiring more than 50% of the votes cast by shareholders to be in favor.*

Attached are:

- i) *The minutes of the AGM for FY 2024 held on 28 November 2025;*
- ii) *Proxy Form as required under Chapter 19 of the PNGX Listing Rules: and*

Please note that refreshment will **not** be served at this meeting.

