

## REPORT ON CORPORATE GOVERNANCE

### 1. Company Philosophy

The Company has adopted and implemented the principles of organizing and managing public joint-stock companies in line with the Code of Corporate Governance (“CCG”) for the public joint-stock companies for the companies listed on Muscat Exchange Market (“MSX”) that is issued by the Capital Markey Authority (“CMA”) under No. 4/2015 dated 22 July 2015 and effective in 21 July 2016.

The Company is also committed to the Code of Corporate Governance for companies operating in the Insurance Sector issued pursuant to Circular No. 7/2005 dated August 1<sup>st</sup>, 2005.

#### **Mechanism adopted by the company:**

1. The philosophy of the company is based on basic principles of transparency in transactions and financial statements. The financial statements include the results of the business.
2. In addition to the full commitment to the responsibility that protects the interests of the company, shareholders, and policyholders enables the company to carry out its social responsibility, considering that the insurance sector is relevant to community service in many ways.
3. The company's full commitment to the regulatory controls for disclosure and availability of financial information and statements in full appropriate manner to realize justice for all parties.
4. The company is strongly focused on internal auditing and control taking into account the nature of the company's business. The company has developed appropriate auditing and balancing systems to ensure the safety of operations. The company also strongly emphasizes full compliance with the various laws and regulations prevailing in the country and focuses on transparency in its accounts in accordance with IFRS.

### 2. Board of Directors:

- (A) The Company's Board of Directors is composed of independent and non-executive members. The Board of Directors has been given the appropriate authority to manage all matters on a daily basis, based on the overall mandate of the Board of Directors.
- (B) Board members have extensive experience and knowledge of the rules regulating the corporate governance. The majority of the members of the Board are members of boards for other joint stock companies, which contributed to the development of acquired skills for corporate governance.
- (C) The Nominations & Remuneration Committee has been active since its establishment. Its views and recommendations will be relied upon for the nomination process for the next term. In order to verify the criteria to be met by members of the board.
- (D) The annual report submitted to the company's shareholders contains confirmation of the company's ability to continue its business for the coming year without any expected obstacles according to studies that were taken into consideration during the preparation of the next year's budget which is realistic and transparent.
- (E) The Chairman of the Board supervises the Board's secretariat with the assistance of the Legal Advisor to observe the following legal requirements:
  - The Board of Directors shall hold at least four meetings during the year, up to a maximum of 120 days between each successive meeting.
  - The schedule of the meeting of the Board of Directors shall be sent to all members of the board sufficient time before the date of the periodic meetings that should not be less than seven (7) days. This period may be reduced in the case of emergency meetings as the case may be.
  - The minimum amount of information to be submitted to the Board of Directors mentioned in Annexure (1) of the Code of Corporate Governance of public joint-stock companies shall be restricted during the quarterly meetings. The financial statements of the company shall be approved by the Board of Directors while other decisions may be approved by passing the same to the members. Such decisions shall be implemented and included in the agenda of the meeting immediately following the passing of these decisions.

#### **Composition of Board of Directors:**

##### **2.1. List of Board of Directors for the period 01<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021**

Elected member to the Board of Directors	Name of Representative	Membership	Category	No. of BOD meetings Incl. AGM/EGM
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*Mr. Aimen bin Ahmed Al Hosni	Representing Himself	Chairman (Till his resignation on 4 <sup>th</sup> March 2021)	Independent (Non-Executive)	3
*Dr. Loizos Mamas Christodoulides	Representing Himself	Chairman (From 14 <sup>th</sup> March till elected on 31 <sup>st</sup> March 2021) & Deputy Chairman (from 31 <sup>st</sup> March 2021)	Independent (Non-Executive)	8
*Mr. Ranjit Singh	Representing Himself	Chairman (From 31 <sup>st</sup> March 2021)	Independent (Non-Executive)	8
Mr. Bipin Dharamsey Nensey	Representing Himself	Director (From 14 <sup>th</sup> March till elected on 31 <sup>st</sup> March 2021)	Independent (Non-Executive)	7
Dr. Sheikha Suliman Al Houqani	Representing Himself	Director	Independent (Non-Executive)	10
Riyam Investment and Engineering LLC	Mr. Anand Budhia	Director	Independent (Non-Executive)	11
Mr. Qais bin Mahmoud Al Khonji	Representing Himself	Director (Till his resignation on 4 <sup>th</sup> March 2021)	Independent (Non-Executive)	2
National Heaters Industries Co. LLC	Mr. Pramod G. Karajgikar	Director (Till 22 <sup>nd</sup> November 2021)	Independent (Non-Executive)	7
*Muscat Contract Cleaning & Services LLC	Mr. Ahmed bin Humaid Al Hinaai	Director <i>Replaced as per the letter of M CCS dated 28<sup>th</sup> February 2021</i>	Independent (Non-Executive)	2
	Mr. Kamesh Tata	Director (From 14 <sup>th</sup> March 2021 and elected on 31 <sup>st</sup> March 2021- till 22 <sup>nd</sup> November 2021)	Independent (Non-Executive)	7

\* **Muscat Contract Cleaning & Services LLC** asked to change its representative on the Board of Directors, so their representative became. Mr. Kamesh Tata in place Mr. Ahmed bin Humaid Al Hinaai (The Board of Directors' decision issued on 14th March 2021).

\* Dr. Loizos Mamas Christodoulides appointed on 14th March 2021 after the resignation of Aimen bin Ahmed Al Hosni, Dr. Loizos elected on AGM dated 31st March 2021.

\* Mr. Ranjit Singh appointed on 14th March 2021 and elected on the AGM dated 31st March 2021.

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\* Mr. Bipin Dharamsey Nensey appointed from 14th March till elected on 31st March 2021.

### **2.2.1. Profile of the present members of the Board of Directors**

#### **Mr. Ranjit Singh, Chairman**

Qualification: Bachelor of Science in Business Administration from Winona State University, Minnesota (USA). MBA in International Management from the Thunderbird School of Global Management, Arizona (USA).

Mr. Ranjit Singh has over 38 years business, risk and governance experience gained in executive roles at large complex leading listed financial services firms including Citibank, Allianz, Swiss Re, Standard Life Aberdeen and EFG International. In addition to his current role as Chairman of Muscat Insurance Company SAOG, he currently serves as a non-executive director on the board of AIB PLC, a listed and European Central Bank supervised Irish financial services firm. Raj was appointed to the AIB Board under the relationship framework between the Irish Minister of Finance and AIB Group. He is also a non-executive director on the Board of HSBC Oman SAOG, an OMX listed bank and chairs the audit committee there. He has also served as a non-executive director of a national credit bureau and two publicly traded financial institutions as well as serving on the boards of many of the major, banking, insurance, reinsurance and asset management subsidiaries of firms he has worked for. Until recently he held the role of Chief Risk Officer and Executive committee member of EFG International, a Swiss private banking group in Switzerland, where he remains based.

#### **Dr. Loizos Mamas Christodoulides, Deputy Chairman**

Qualifications: PhD in Telecommunications and Master of Engineering in Electronics respectively from the University of Southampton (UK).

Dr Christodoulides has extensive and diversified experience in Telecoms, IT, Real Estate and Tourism, as well as being a business owner with a career spanning 27 years. He has an accomplished international corporate background with multinationals. In the past he has held various senior positions in Inmarsat (UK) and Vodafone Group (UK and Germany).

#### **Mr. Aimen bin Ahmed Al Hosni, Chairman**

Qualification: Bachelor's degree - Political Science and master's degree - Public Administration

Experience: Mr. Aimen bin Ahmed Al Hosni has served as Chief Executive Officer of Oman Airports since May 2015. Oman Airports is responsible for managing seven civil airports in the Sultanate of Oman: Muscat, Salalah, Duqm, Sohar and PDO airports (Marmul, qarn al alam and fahud). His leadership is in the service of the national vision of establishing a safe, modern and customer centric aviation sector in line with Oman Vision 2040. Aimen joined Oman Airports in 2012 as the General Manager of Muscat International Airport. As the CEO, he managed the successful openings of three new airports in the last three years: Salalah Airport in November 2015, Muscat International Airport in March 2018, and Duqm Airport in August 2018.

Mr. Al Hosni is also the Chairman of Oman National Investment & Engineering Company S.A.O.G., and Oman Telecommunications Company SAOG. Most recently, the Airports Council International (ACI) has selected Mr. Al Hosni to be one of the representative members of the Asia-Pacific region.

#### **Mr. Bipin Dharamsey Nensey**

Qualification: Bachelor's Degree – Accounting & Finance, Mumbai University (India) 1977 and Management Executive Course from Indian School of Business (ISB) Hyderabad (India) in the Year 2003

He has been on the board of Dharamsey Nensey from 1977, Director in Sohar International Bank SAOG, 2018, Director in Al Suwadi Power Company SAOG, 2018, Director and Deputy Chairman in Muscat Insurance Co. SAOG – 2000 to 2021. Mr. Bipin Dharamsey was a Director of Oman International Bank from 1999 to 2002 & Deputy Chairman from 2002 till 2012

**Dr. Shaikha Sulaiman Al Houqani**

Qualification: MBBS, Arab Board of Family Medicine Speciality; Harvard Medical School – Global Clinical Scholars; and Faculty of Medicine & Health Sciences, UAE University, Al Ain, UAE

Experience: Mrs Sheikha is Consultant physician. She is Board member in MIC and OETI.

**Mr Anand Budhia, Director:**

He is Director in Muscat Insurance Co. SAOG since July 2020 and member of Executive Committee.

A Chartered Accountant, Company Secretary, Chartered Financial Analyst and Cost Accountant from India having over 27 years of experience in fields of corporate finance & overseas investment, strategic management, corporate law, overall business planning and control in manufacturing and other sectors. He is working in Oman for over 12 years.

He is Director & Chairman of Audit Committee in National Detergent Company SAOG since Sept 2015 and Director and Member of Audit Committee in National Finance Company SAOG.

**Mr. Pramod G Karajgikar, Director**

Mr. Pramod G Karajgikar has been Director in Muscat Insurance Company SAOG since September 2019 & Member of Audit Committee.

He is Chartered Accountant (from Institute of Chartered Accountants of India) Cost Accountant (from Institute of Cost and Works Accountants of India) and Company Secretary (from Institute of Company Secretaries of India).

He has been a Director in National Finance Company SAOG since 2002 & Member of Audit Committee.

He has been in Oman since the year 1985 in the field of Finance with Waleed Associates LLC (an Omar Zawawi Group Company). He has total experience of 39 years in the field of Finance and Management

**Mr. Qais bin Mahmoud Al Khonji, Director**

Qualification: Bachelor of Commerce, De Montfort University (2001)

Experience: Qais Al-Khonji is Omani businessman. Mr. Al Khonji is the founder of Qais United Enterprises Trading, and Genesis International. Mr. Al-Khonji runs his own enterprises, but also serves as a prominent board member for many Omani companies and organizations, such as Oman National Engineering and Investment Company, Sharakah SAOC, Entrepreneurs Organization: Oman Chapter, Fund for Development of Youth Projects. He is especially known for his endeavors in assisting the Omani people in efforts to start their own businesses.

**Mr. Ahmed bin Humaid Al Hinaai, Director**

Qualification: Master's degree in MBA at Bedfordshire University, UK and bachelor's degree in economics from Sultan Qaboos University, College of Commerce and Economics.

Experience: Office Director of the Office of the Special Advisor to His Majesty The Sultan for External Liaison. Mr. Al Hinaai is a Director on the Board of Oman Textiles Holding Co SAOG. Mr. Ahmed is a member in Oman Chinese friendship association

**2.2.2. Profile of the Executive Management****Mr. Mohamed Amer Satur, Acting Chief Executive Officer**

Qualification: Master's in marine insurance

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Experience: Graduated from Faculty of Law, Alexandria University in 1991. Holds a master's degree in legal sciences specialized in Insurance and Marine Insurance Law. Mr. Mohamed has 27 years of experience in insurance industry in the Middle East. He started his career as energy insurance specialist in Alexandria Petroleum Company and its subsidiaries from August 1991 till August 1993. He joined Misr Insurance Company SAE as a lawyer till 2006. He was seconded as a legal advisor in October 2006 to Muscat Insurance Company SAOG former Muscat National Holding Company, and currently Acting Chief Executive Officer from 01<sup>st</sup> Jan 2021.

#### **Mr. Musaab Bingaradi, Chief Financial Officer**

Qualification: Bsc – Applied Accounting, FCCA – Chartered Accountant

Mr. Musaab is a highly qualified results-driven chartered accountant with experience spanning over 15 years' in the field of finance. Offering successful leadership and building of finance teams, driving the finance strategy, financial planning and financial analysis. Mr. Musaab worked in Assurance with PwC, one of the global leaders in the field of accounting. He then went on to work in several industries with multinational organization's both locally and abroad. Mr. Musaab joined the Muscat Insurance family in 2020.

#### **Mr. Mohamed Moosa Al Baloushi, Chief Regional Manager**

Qualification: Holds an insurance diploma from the Misr Insurance Institute (Egypt)

Mr. Mohammed Moosa Al Baloushi has acquired 38-years' experience in this field. He joined Ministry of Information from 1980 to 1988 then moved to the insurance sector for more than 30 years. He joined Al-Ahlia Insurance Company from 1992 to 1995. He joined Muscat insurance company in 1995 where he occupied several positions until he became Chief Regional Manager and supervisor of the company's branches.

#### **Mr. Abdullah Al-Abri, Chief Customer Service**

Qualification: He holds degrees from the Bahrain Institute of Finance and Insurance, and Diploma in Insurance Sciences from the University of Cambridge, England.

He started his career in 2001 with the Royal Guard of Oman in the Insurance Department then moved to Muscat Insurance Company in 2010 as Branch Manager of Sohar Branch. He was promoted as Regional Manager for North and South Al-Batinah Branches. In 2021 he was promoted as Chief Customer Service Officer.

#### **2.2.3. Board of Directors meeting attendance during 2021**

<b>Board of Directors Meeting Schedule Dates up to AGM held on 31<sup>st</sup> March 2021</b>					
<b>Directors</b>	<b>1<sup>st</sup> Mtg</b>	<b>2<sup>nd</sup> Mtg</b>	<b>3<sup>rd</sup> Mtg</b>	<b>4<sup>th</sup> Mtg</b>	<b>AGM</b>
	<b>1/24/2021</b>	<b>2/18/2021</b>	<b>3/2/2021</b>	<b>3/14/2021</b>	<b>3/31/2021</b>

<b>Mr. Ranjit Singh</b>	-	-	-	Yes	Yes
<b>Dr. Loizos Mamas Christodoulides</b>	-	-	-	Yes	Yes
<b>Mr. Aimen bin Ahmed Al Hosni</b>	Yes	Yes	Yes	-	-
<b>Mr. Bipin Dharamsey Nensey</b>	-	-	-	Yes	Yes
<b>Dr. Sheikha Suliman Al Houqani</b>	Yes	Yes	Yes	Yes	Yes
<b>Mr. Anand Budhia</b>	Yes	Yes	Yes	Yes	Yes
<b>Mr. Qais bin Mahmoud Al Khonji</b>	Yes	Yes	Yes	-	-
<b>Mr. Pramod G. Karajgikar</b>	Yes	Yes	Yes	Yes	Yes
<b>Mr. Ahmed bin Humaid Al Hinaai</b>	Yes	Yes	-	-	-
<b>Mr. Kamesh Tata</b>	-	-	-	Yes	Yes

<b>Board of Directors Meeting Schedule Dates After AGM held on 31<sup>st</sup> March 2021</b>							
<b>Directors</b>	<b>5<sup>th</sup> Mtg 11-Apr- 21</b>	<b>6<sup>th</sup> Mtg 28-Apr- 21</b>	<b>7<sup>th</sup> Mtg 15-Jun- 21</b>	<b>8<sup>th</sup> Mtg 29-Jul- 21</b>	<b>9<sup>th</sup> Mtg 28-Oct- 21</b>	<b>EGM 22-Nov- 21</b>	<b>10<sup>th</sup> Mtg 19-Dec- 21</b>
<b>Mr. Ranjit Singh</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Dr. Loizos Mamas Christodoulides</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Mr. Aimen bin Ahmed Al Hosni</b>	-	-	-	-	-	-	-
<b>Mr. Bipin Dharamsey Nensey</b>	Yes	-	Yes	Yes	Yes	Yes	Yes
<b>Dr. Sheikha Suliman Al Houqani</b>	Yes	Yes	Yes	-	Yes	Yes	Yes
<b>Mr. Anand Budhia</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Mr. Qais bin Mahmoud Al Khonji</b>	-	-	-	-	-	-	-
<b>Mr. Pramod G. Karajgikar</b>	Yes	-	Yes	Yes	-	-	-
<b>Mr. Ahmed bin Humaid Al Hinaai</b>	-	-	-	-	-	-	-
<b>Mr. Kamesh Tata</b>	Yes	Yes	Yes	Yes	Yes	Yes	-

### 3. Chairmanships/Directorship on other Boards of Omani Public Joint Stock Companies 'SAOG'

Name of Board Director	No. of Boards on which a Director (including MIC)	No. of Boards on which a chairman (includes MIC)
Mr. Aimen bin Ahmed Al Hosni	4	2
Mr. Ranjit Singh	2	1
Dr. Loizos Mamas Christodoulides	3	-
Mr. Bipin Dharamsey Nensey	3	-
Dr. Sheikha Suliman Al Houqani	2	-
Mr. Anand Budhia	2	-
Mr. Qais bin Mahmoud Al Khonji	1	-
Mr. Pramod G. Karajgikar	1	-
Mr. Ahmed bin Humaid Al Hinaai	2	-
Mr. Kamesh Tata	1	-

The Board's responsibilities are in compliance with all applicable laws of the Sultanate of Oman.

The functions of the Board of Directors are as per Commercial Companies Law, and Second, Third and Fourth (for the Chairman) principles of the New Code of Corporate Governance mandated by CMA Circular No. E/4/2015 dated 22/7/2015, as well as the Code of Corporate Governance of Companies Operating in the Insurance Sector issued pursuant to circular No. 7/T/2005 dated 1<sup>st</sup> August 2005 and all other relevant laws.

- A- Determine the future vision of the company and develop performance indicators and business plan of the company.
- B- Adoption of the internal regulations and controls of the Company.
- C- Adopting the commercial and financial policy of the company, adopting the policy of underwriting and pricing, strategy of risk assessment and management, adopting the reinsurance strategy and approving the investment management policy. Preparing the internal code of professional conduct, the anti-money laundering policy, setting the reference frames and the terms of reference of the subcommittees (Audit Committee, Nominations & Remuneration Committee and Executive Committee).
- D- Develop, review and update the necessary plans to implement the Company's strategy, establish the powers and responsibilities of management, set customer service standards; provide IT systems and supervise the implementation of policies, strategies and operational performance. All these are done within the rational policy towards the preservation of human cadres through the strategy of human resources and succession plan.
- E- Develop and adopt a disclosure policy and supervise its implementation to ensure the fair disclosure of essential information on time. Monitor the appropriateness of the advertising material disclosed in terms of fairness, validity and adequacy to form a view; prevent dealing on the company's shares on the basis of undisclosed or based on information disclosed by insiders or those who access them by virtue of their jobs.
- F- Forming the specialized committees, that will include monitoring the work of the executive management and ensuring the proper functioning of work to achieve the

objectives of the company and make sure that it does not contradict with the applicable laws and regulations.

- G- Reviewing deals and transactions of the related parties, appointing the following executive positions: Chief Executive Officer, General Manager, Head of the Internal Audit Unit, or Compliance Officer, as well as determine their rights and responsibilities. Measuring the performance of the specialized committees emanating from the board and the executive positions mentioned above at least annually.
- H- Approving the Company's annual and quarterly financial statements and the social responsibility plan.

### 3.1. Statement of the board directors' membership in the subcommittees of other public joint stock companies.

Director	Audit committee	Nomination & remuneration committee
Mr. Aimen bin Ahmed Al Hosni	-	-
Mr. Ranjit Singh	-	-
Dr. Loizos Mamas Christodoulides	1	1
Mr. Bipin Dharamsey Nensey	1	1
Dr. Sheikha Suliman Al Houqani	-	1
Mr. Anand Budhia	1	-
Mr. Qais bin Mahmoud Al Khonji	1	-
Mr. Pramod G. Karajgikar	1	-
Mr. Ahmed bin Humaid Al Hinaai	1	1
Mr. Kamesh Tata	1	-

## 4 Audit Committee

The Board of Directors has an Audit Committee comprising of the following members as at date.

- Mr. Qais bin Mahmoud Al Khonji, Chairman (*Till 4<sup>th</sup> March 2021*)
- Mr. Anand Budhia, Chairman (from 14<sup>th</sup> March 2021)
- Mr. Ahmed bin Humaid Al Hinaai (*till 28<sup>th</sup> Feb 2021*)
- Mr. Bipin Dharamsey Nensey (from 31<sup>st</sup> March 2021)
- Mr. Pramod G. Karajgikar (*Till 22<sup>nd</sup> Nov 2021*)
- Mr. Kamesh Tata (*from 31<sup>st</sup> March 2021 Till 22<sup>nd</sup> Nov 2021*)
- Dr Louis Christadoulides (*from 22<sup>nd</sup> Nov 2021*)

### 4.1. The Audit Committee meeting attendance during 2021:

Audit Committee Meeting Schedule Dates up to 31 <sup>st</sup> December 2021						
Audi Committee Members	1 <sup>st</sup> Mtg 18-Feb-21	2 <sup>nd</sup> Mtg 21-Feb-21	3 <sup>rd</sup> Mtg 28-Apr-21	4 <sup>th</sup> Mtg 29-Jul-21	5 <sup>th</sup> Mtg 27-Oct-21	Total attendance
Mr. Qais bin Mahmoud Al Khonji (till 4 <sup>th</sup> March 2021)	Yes	Yes	-----	----	----	2

Mr. Anand Budhia (from 31 <sup>st</sup> March 2021)	----	----	Yes	Yes	Yes	3
Mr. Bipin Dharamsey Nensey (from 31 <sup>st</sup> March 2021)	-----	-----	Proxy	Yes	Yes	2
Mr. Mr. Pramod G. Karajgikar (till 22 <sup>nd</sup> Nov 2021)	Yes	Yes	-----	Yes	-----	3
Mr. Kamesh Tata (from 31 <sup>st</sup> March 2021 till 22 <sup>nd</sup> Nov 2021)	---	---	Yes	Yes	Yes	3
Mr. Ahmed bin Humaid Al Hinaai (till 28 <sup>th</sup> Feb 2021)	Yes	Yes	---	---	---	2

#### 4.2. The Audit Committee Functions: -

The Audit Committee shall assume its functions in accordance with Principle (9) with respect to its responsibilities and obligations in accordance with the new Code of Corporate Governance of Public Joint-Stock Companies (SAOG) issued by the Capital Market Authority in accordance with Circular No. E/4/2015 issued on 22/7/2015 and its application of Corporate Governance practices in accordance with amendments to CMA Code of Corporate Governance issued under Circular No. E/10/2016 dated 1 December 2016. The Code of Corporate Governance of Companies Operating in the Insurance Sector issued pursuant to Circular No. 7/T/ 2005 of 1<sup>st</sup> August 2005 and the Commercial Companies Law No. 10/2019 and its amendments and any other relevant laws.

- A- To verify the principle of efficiency of executive management in general in the implementation of operational controls and guidelines, and to evaluate and follow up the adequacy and effectiveness of internal control systems.
- B- To create policies that preserve the Company's assets and its human, material and intellectual assets, provide the Board of Directors with an annual plan to implement its functions and responsibilities. It is based on the study and review of the internal control system and the submission of a written report on its opinion and recommendations on an annual basis.
- C- Examine the internal audit report and follow up the implementation of the corrective actions of the observations contained therein. Recommending to the Board of Directors the appointment of external auditors, the termination of their contracts and determination of their fees. Follow up the work of external auditors and approve any work outside the scope of audit work assigned to them while carrying out the audit and study the plan of the audit plan with the external auditors and make their comments thereon.
- D- Studying the observations of the external auditors on the financial statements and following up on what has been done in them. To review the quarterly and annual financial statements before presenting them to the Board of Directors and to express opinions and recommend them.
- E- To consider the accounting policies used and to express opinions and recommend to the Board of Directors thereon. Supervision of aspects related to the preparation of the financial statements, including, for example, review of the financial statements of the group prior to their issuance, review the internal auditors' remarks about the draft financial statements, if any, and discuss the accounting principles and study them in general, while focusing on any changes in accounting policies and principles. Determine their impact on the financial positions of the company.
- F- Ensuring compliance with disclosure requirements issued by the Capital Market Authority.

## 4.3. Audit Committee Meeting with Internal Auditor and External Auditor:

In accordance with paragraph (11) of Article 9 of Principle (10) of the Code of Corporate Governance, the Audit Committee met with external auditors and internal auditors separately on **18-Feb-21, 28-Apr-21, 29-Jul-21, and 27-Oct-21**

5. **Nomination & Remuneration Committee**

The Board of Directors has formed a Nomination & Remuneration Committee comprising of the following members as at date.

- Mr. Mr. Bipin Dharamsey Nensey - Chairman
- Dr. Loizos Mamas Christodoulides - Member (from 31<sup>st</sup> March 2021)
- Dr. Sheikha Suleiman Al Houqani - Member
- Mr. Ahmed bin Humaid Al Hinaai - Member (till 28<sup>th</sup> Feb 2021)

## 5.1. The Nomination &amp; Remuneration meeting attendance during 2021

Nomination & Remuneration Meeting held in 2021					
Members	1 <sup>st</sup> Mtg 24-Feb- 21	2 <sup>nd</sup> Mtg 30-May- 21	3 <sup>rd</sup> Mtg 25-Aug- 21	4 <sup>th</sup> Mtg 21-Oct-21	Total Attendance
Mr. Mr. Bipin Dharamsey Nensey	Yes	---	Yes	Yes	3
Dr. Loizos Mamas Christodoulides	----	Yes	Yes	Yes	3
Dr. Sheikha Suleiman Al Hoqani	Yes	Yes	Yes	Yes	4
Mr. Ahmed bin Humaid Al Hinaai (till 28 <sup>th</sup> Feb 2021)	Yes	----	----	---	1

## 5.2. The Nomination &amp; Remuneration Committee functions: -

The Nomination & Remuneration Committee undertakes its functions as per Eleventh Principle of the new CMA Code of Corporate Governance for Public Joint Stock Companies (SAOG) issued by CMA Circular No. E/4/2015 dated 22/7/2015 and as per the Commercial Companies Law amendment vide MD No. 201/2016 dated 31<sup>st</sup> August 2016, and any other pertinent Laws.

Functions as follows: -

Subject to the provisions of Administrative Decision No. 11/2005 on the rules of remuneration and sitting fees for directors

of public joint stock companies the committee shall exert its efforts to assist the company in formulating clear, credible and accessible policies to inform shareholders about directors and executives remuneration.

- b) Provide succession planning for the executive management.
- c) Develop a succession policy or plan for the Board and Chairperson
- d) Prepare detailed job description of the role and responsibilities for directors including the Chairperson.
- e) Nominate qualified persons to act as interim directors on the board in the event of a seat becoming vacant.
- f) Notwithstanding the articles of association of the company, nominate qualified persons to assume senior executive positions, as required or directed by the board.

- g) Prepare a bonus, allowances and incentive policy for the executive management.
- h) Review such policies periodically, taking into account market conditions and company performance.
- i) Taking into consideration by avoiding conflict of interests, the committee may upon obtaining the approval of the board seek the assistance and advice of any other external party in order to better deliver its tasks.

## 6. Process of Nomination of Directors

The Company's Board of Directors comes up for election once in three years. Accordingly, the present Board will come up for election in 2022. In case of a vacancy arising due to resignation of any one of its members, the same to be filled up temporarily by the Board, and subject to re-election at the Annual General Meeting.

The shareholder who wishes to be nominated shall collect the nomination forms either from the Company's office or the Capital Market Authority and complete the same and deposit it with the Company five (5) days before the date of the Annual General Meeting. The candidate shall ensure that all information required in the form is provided in an accurate and clear manner.

The Company's Legal Advisor shall review the candidates form to ensure that all the required information is recorded as well as ensuring the candidates satisfy all the terms and conditions of the election process, which is carried out in accordance with the applicable laws and regulations.

In accordance with Ministerial Decision no. 137/2002 dated 22<sup>nd</sup> October 2002, amended by Decision No. E/53/2008 the Company should file the elected Directors nomination forms together with the Minutes of the Annual General Meeting with CMA and within the period specified by law for filing the minutes.

## 7. Remuneration to Directors

7.1. As approved by the Annual General Meeting of 31<sup>st</sup> March 2021 the Directors are entitled to receive sitting fees for attendance at the Board meeting and Sub-Committee(s) in the following amounts namely:

- OMR 400 as a sitting fee payable for every Board of Directors meeting.
- OMR 300 as a sitting fee for every Audit Committee meeting.
- OMR 300 as a sitting fee for every Nomination & Remuneration Committee.

7.2. As all members of the Board are non-executive Directors, no fixed remuneration or performance linked incentive are applicable.

7.3. The total sitting fees paid to the Directors during 2021 amounted to **OMR 35,800/=** (Rial Omani Thirty-Five Thousand and Eight Hundred Only) in accordance with the following table:

<u>Name of Director</u>	<u>Sitting Fees OMR</u>	<u>Total</u>
Mr. Aimen bin Ahmed Al Hosni	1,200	1,200
Dr. Loizos Mamas Christodoulides	4,100	4,100
Mr. Ranjit Singh	3,200	3,200
Mr. Bipin Dharamsey Nensey	5,500	5,500
Dr. Sheikha Suliman Al Houqani	5,200	5,200
Muscat Contract Cleaning & Services LLC Mr. Kamesh Tata	3,700	5,400
Mr. Ahmed bin Humaid Al Hinaai	1,700	
Ryam Investment and Engineering LLC Mr. Anand Budhia	5,300	5,300

Mr. Pramod G. Karajikar	4,100	4,100
Mr. Qais bin Mahmoud Al Khonji	1,800	1,800
<b>Total</b>	<b>35,800</b>	<b>35,800</b>

7.4. The total remuneration paid during 2021 to the senior members of the Executive Management team including salary, benefits, bonuses, gratuity, travel etc. amounted to OMR. 300,697/-.

7.4.1. There are no contractual incentives payable to the above based on performance criteria. There is performance assessment linked to the objective realization. The performance indicatives are categorized as (excellent, very good, good, fair).

7.4.2. Service contracts are valid for two years, with a notice period of 6 month or salary in lieu of notice in case of the executive management. The notice period for senior management is 3 months or salary in lieu of notice.

7.4.3. There is no severance fees included in the employment contracts.

#### 8. Details of Non-Compliance by the Company

8.1. There are no penalties, fines, restrictions enforced by the CMA or MSM or any other administrative supervisory or regulatory authority during the last three years.

8.2. The Company is committed to all the CMA and MSM regulations. There are no penalties, fines, restrictions against the Company regarding any matter relevant to the Code of Corporate Governance for the Public Joint Stock Companies (SAOG).

8.3. A fine of OMR. 1,625 was imposed for delay in processing immediate disclosure about resignation of Board of Director.

#### 9. Means of Communication with the Shareholders

9.1. Quarterly results are published in two local Newspapers and the Shareholders are notified that the detailed accounts will be sent to any shareholder who requests the same. Also, the full set of financial statements and the Report of the Board of Directors are filed with the Capital Markets Authority and Muscat Securities Market.

9.2. Annual Reports containing the audited financial statements together with the Board of Directors Report, Corporate Governance Report, Related Party Transactions and invitation to attend the AGM are sent by post to all shareholders. The Financial Reports and its attachments are uploaded and available at the MSM website on the Internet.

9.3. Management Discussion and Analysis Report is a part of this Annual Report.

9.4. Company's website – address: [www.muscatinsurance.com](http://www.muscatinsurance.com)

#### 10. Market Data

##### 10.1. Company Share Price Movement:

MONTH	HIGH	LOW	AVG. INDEX MSM (Financial Sector)
January' 21	0.3500	0.3500	5497

<b>February' 21</b>	0.3500	0.3500	5420
<b>March '21</b>	0.3500	0.3500	5687
<b>April' 21</b>	0.3500	0.3500	5813
<b>May' 21</b>	0.3840	0.3840	5957
<b>June' 21</b>	0.4700	0.4700	6480
<b>July' 21</b>	0.4700	0.4700	6458
<b>August' 21</b>	0.4700	0.4700	6319
<b>September' 21</b>	0.4700	0.4700	6223
<b>October' 21</b>	0.4700	0.4700	6413
<b>November' 21</b>	0.4700	0.4700	6459
<b>December' 21</b>	0.4700	0.4700	6598

**10.2. Distribution of Shareholding as of December 31, 2021**

<b>% Shareholding</b>	<b>No of Shareholders</b>
Up to 5%	435
> 5 % up to 10%	3
> 10% up to 25%	1
> 25%	0
<b>TOTAL</b>	<b>439</b>

**10.3. Outstanding GDRs /ADRs /Warrants / Convertible instrument:**

**Not applicable.**

**11. Professional profile of the statutory auditor**

Moore Stephens LLC, Oman is part of the Moore Global network, which is regarded as one of the world's major accounting and consulting networks, with its headquarters in London, consisting of more than 260 independent firms with 609 offices and more than 30,000 people across 112 countries.

The Oman office commenced practice in the Sultanate of Oman in 1988. Over the years, the practice has developed considerably and now services a number of clients, including major listed companies, Groups, government organisations and Ministries providing either audit, tax or management consultancy services. The local staff strength is around 55, most of whom are qualified Chartered Accountants, internal auditors and information systems auditors.

**12. Audit fees of the Company, and Fees for any Other Services**

During the year the amount billed by the external auditors (Moore Oman) towards professional services was **OMR 16,000/=** (Rial Omani: Sixteen Thousand Only). RO 9,000 Annual Audit fee & Ministerial Return, RO 5,750 Quarterly Review Report and related to non-audit services Report on Corporate Governance RO 1,250

**13. Company's Initiative Towards Social Responsibility Works:**

The Company's activities are closely related to social services. The Company increased its contribution to support the community. We have decided initiatives as a national facility to reduce the harmful effects of accidents of various kinds, such as traffic accidents, fire or other accidents that affect economic activity and the consequent damage and victims.

The management has developed an annual strategy in which it adopted the above objectives as part of the company's philosophy to deepen social responsibility and its principles towards the community and to determine the means of support according to the approved budget after achieving the merger plan.

The company contributed by RO 37,808 in the Social Responsibility Program and it was implemented as follows:

s.	Date	Receiving Body	Amount	Remarks
1	26/08/2021	Al Noor Association	900	Contribution to Al Noor association for the blind
2	30/11/2021	CMA	36,908	Contribution to Shaheen Cyclone
		Total	37,808	

**14. Acknowledgment by the Board of Directors:**

The Board of Directors confirms to the best of their knowledge and ability the following:

- Its liability for the preparation of financial statements in accordance with the applicable standards and rules
- Review of the efficiency and adequacy of Internal Control Systems of the Company and that it complies with internal rules and regulations.
- That there is no material things that affect the continuation of the Company and its ability to continue its productive operations during the next financial year.

**For and on behalf of the Board of Directors,**

\_\_\_\_\_  
Ranjit Singh  
Chairman