

REPORT ON CORPORATE GOVERNANCE

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1. Company Philosophy

The Company has adopted and implemented the principles of organizing and managing public joint-stock companies in line with the Companies Commercial Law and related regulations for the public joint-stock companies and for the companies listed on Muscat Stock Exchange (“MSX”) that is issued by the Financial Services Authority (“FSA”).

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 1st, 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 Four (4) months 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 01st January 2024 to 31st December 2024

Elected member to the Board of Directors	Name of Representative	Membership	Category	No. of BOD meetings Incl. AGM/EGM
Mr. Mohamed Amer Mohamed Elmettwaly Satur	Representing Himself	Chairman (Elected as member in AGM held on 31 March 2023)	Non- Independent (Non-Executive)	8
Mr. Bipin Dharamsey Nensey	Representing Himself	Vice Chairman	Independent (Non-Executive)	- 6
Dr. Shaikha Sulaiman Ahmed Saeed Alhouqani	Representing Himself	Director	Independent (Non-Executive)	- 6
Mr. Anand Budhia	Representing Himself	Director	Independent (Non-Executive)	- 8
Mr. Kamesh Tata	Representing Himself	Director	Independent (Non-Executive)	8

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

Mr. Mohamed Amer Mohamed Elmettwaly Satur, Chairman

Qualification: Master’s in marine insurance, 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 29 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 he was Acting Chief Executive Officer till resigned on 10th Oct 2022 .

Mr. Bipin Dharamsey Nensey, Director

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 Ahmed Saeed Alhouqani

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 Company SAOG since July 2020 and Chairman of Audit Committee.

A Chartered Accountant, Company Secretary, Chartered Financial Analyst and Cost Accountant from India having over 29 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 14 years.

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

Mr. Kamesh Tata, Director

He is a Director in Muscat Insurance Company SAOG since March 2022 and a member of the Audit Committee.

He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India as well as holding a Bachelor's Degree in Commerce. He is having over 24 years of work experience in the fields of Auditing, Risk Management, Evaluation of Internal Controls & Governance, Costing, Accounts & Finance.

2.2.2. Profile of the Executive Management

Mr. R. Krishnan Raghunathan, Deputy Chief Executive Officer

Holding a Masters degree in Fiance mangemnet from India, Fellowship from the Insurance Institute of India and Advanced Diploma in Insurance from ACII (London/UK) with 30+ years top leadership experience in insurance in mature, emerging and frontier markets of the Middle East and India.

Mr. Krishnan has nearly a 3 decades of extensive insurance industry experience, with significant expertise in commercial lines of insurance business and operational efficiency.

Mr. Mahfoudh Al Jafri, Chief Regional Manager

He holds a Bachelor's degree from Leeds University (UK), a Teaching Diploma from the Teachers Training College, a Technical Skills Certificate from the Bahrain Institute of Banking and Finance, and a certificate from the College of Banking and Finance. He worked with the Ministry of Education from 1995 to 2015, before joining Muscat Insurance Company in 2016

Mrs. Aleena Merin Uthup, Deputy Chief Financial Officer

A qualified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI), an Associate of the Insurance Institute of India (AIII), and a Master of Commerce (M.Com) graduate, with a total of 19 years of experience, including 12 years in the insurance sector. Previous work experience encompasses banking and auditing roles.

Mr. Abdullah Sudairi, Compliance Officer

Holding a Bachelor's degree in Law from Sultan Qaboos University he has a total of 9 years of experience in legal and compliance roles. He has been with MIC since 2016, initially serving as Legal Manager and transitioning to Compliance Manager in 2020.

2.2.3. Board of Directors meeting attendance during 2024

	Board of Directors Meeting Schedule							
Directors	1 st Mtg	2 nd AGM	3 rd Mtg	4 th Mtg	5 th Mtg	6 th OGM	7 th Mtg	8 th Mtg
	2/26/2024	3/28/2024	4/30/2024	7/29/2024	9/03/2024	9/30/2024	10/28/2024	12/22/2024
Mr. Mohamed Amer Mohamed Elmettwaly Satur	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Bipin Dharamsey Nensey	Yes	Yes	Yes	Proxy	Yes	Yes	Yes	Proxy
Dr. Shaikha Sulaiman Ahmed Saeed Alhouqani	Yes	-	Yes	-	Yes	Yes	Yes	Yes
Mr. Anand Budhia	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kamesh Tata	Yes	Yes	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. Mohamed Amer Mohamed Elmettwaly Satur	3	1
Mr. Bipin Dharamsey Nensey	3	-
Dr. Shaikha Sulaiman Ahmed Saeed Alhouqani	2	-
Mr. Anand Budhia	3	-
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 related regulations issued by FSA, as well as the Code of Corporate Governance of Companies Operating in the Insurance Sector issued pursuant to circular No. 7/T/2005 dated 1st 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. Bipin Dharamsey Nensey	1	1
Dr. Shaikha Sulaiman Ahmed Saeed Alhouqani	-	-
Mr. Anand Budhia	2	-
Mr. Mohamed Amer Mohamed Elmettwaly Satur	-	1
Mr. Kamesh Tata	-	-

4 Audit Committee

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

- Mr. Anand Budhia - Chairman
- Mr. Bipin Dharamsey Nensey - Member
- Mr. Kamesh Tata - Member

4.1. The Audit Committee meeting attendance during 2024:

Audit Committee Meeting Schedule Dates up to 31 st December 2024							
Audi Committee Members	1 st Mtg 25-Feb-24	2 nd Mtg 10-March-24	3 rd Mtg 27-March-24	4 th Mtg 29-April-24	5 th Mtg 28-July-24	Budget 2024 27-Oct-24	Total attendance
Mr. Anand Budhia	Yes	Yes	Yes	Yes	Yes	Yes	6
Mr. Bipin Dharamsey Nensey	Yes	Proxy	Proxy	Yes	Proxy	Yes	3
Mr. Kamesh Tata	Yes	Yes	Yes	Yes	Yes	Yes	6

4.2. The Audit Committee Functions

The Audit Committee shall assume its functions in accordance with responsibilities and obligations in accordance with the Commercial Companies Law No. 10/2019 and its amendments and any other relevant laws regulated regulations issued by the Financial Services Authority .

- 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 Financial Services Authority.

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

In accordance with paragraph (11) of Article 9 of Tenth Principle of the Code of Corporate Governance, the Audit Committee met with external auditors and internal auditors separately on 25/2/2024, and 27/10/2024.

5. Nomination & Remuneration Committee

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

Mr. Bipin Dharamsey Nensey	Chairman
Mr. Mohamed Amer Mohamed Elmettwaly Satur	Member
Dr. Shaikha Sulaiman Ahmed Saeed Alhouqani	Member

5.1. The Nomination & Remuneration meeting attendance during 2024

Nomination & Remuneration Meeting held in 2024			
Members	1 st Mtg 30-Jan-24	2 nd Mtg 29-May-23	3 rd Mtg 04-Dec-24
Mr. Bipin Dharamsey Nensey	Yes	Yes	Yes
Dr. Shaikha Sulaiman Ahmed Saeed Alhouqani	Yes	Yes	Yes
Mr. Mohamed Amer Mohamed Elmettwaly Satur	Yes	Yes	Yes

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5.2. The Nomination & Remuneration Committee functions:

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

Functions as follows:

- a) 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 2025. 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 Financial Services 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.

the Company should file the elected Directors nomination forms together with the Minutes of the Annual General Meeting with FSA 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 28th March 2024 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 for the Directors during 2024 amounted to **OMR 18,000** /= (Rial Omani Eighteen Thousand Only) in accordance with the following table:

<u>Name of Director</u>	<u>Sitting Fees OMR</u>
Mr. Mohamed Amer Mohamed Elmettwaly Satur	3,300
Mr. Bipin Dharamsey Nensey	3,400
Dr. Shaikha Sulaiman Ahmed Saeed Alhouqani	2,900
Mr. Anand Budhia	4,200
Mr. Kamesh Tata	4,200
Total	18,000

- 7.4. The total remuneration paid during 2024 to the senior members of the Executive Management team including salary, benefits, bonuses, gratuity, travel etc. amounted to OMR. 203,396/-.
- 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 FSA or MSM or any other administrative supervisory or regulatory authority during the last three years.
- 8.2. The Company is committed to all the FSA and MSX 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).

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 Financial Services Authority and Muscat Stock

Exchange.

- 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 MSX 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

10. **Market Data**

10.1. **Company Share Price Movement:**

Month	High	Low	Avg. Index MSM (Financial Sector)
Jan-24	0.500	0.350	7,415.755
Feb-24	0.500	0.350	7,083.926
Mar-24	0.500	0.350	7,333.508
Apr-24	0.500	0.330	7,753.223
May-24	0.500	0.330	7,982.426
Jun-24	0.500	0.330	7,714.830
Jul-24	0.500	0.300	7,593.044
Aug-24	0.500	0.300	7,676.925
Sep-24	0.500	0.300	7,761.296
Oct-24	0.500	0.300	7,909.604
Nov-24	0.500	0.300	7,668.085
Dec-24	0.500	0.300	7,671.414

10.2.**Distribution of Shareholding as of December 31, 2024**

% Shareholding	No of Shareholders
Up to 5%	420
> 5 % up to 10%	4
> 10% up to 25%	1
> 25%	0
TOTAL	425

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

Not applicable.

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

BDO LLC, the statutory auditors of the Company, have been operating in the Sultanate of Oman since 1976. BDO LLC is an independent and legally distinct member firm of BDO International Limited. BDO, one of the leading professional services firm, providing industry focused Assurance, Tax and Advisory services, has over 119,000 employees working in a global network of 1,800 offices situated in 166 countries and territories

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

The Company appointed Grant Thornton as the external auditor at the AGM held on 28 March 2024. However, following Decision No. 8/2024 issued by the Financial Services Authority, which suspended Abu Timam Grant Thornton Chartered Accountants, an AGM was convened to appoint BDO LLC as the external auditors for the year ending 2024. During the year, the Company paid RO 4,000 to Grant Thornton for the fees related to the first and second-quarter reviews and the amount billed by the external auditors (BDO LLC) towards professional services was **OMR 23,000/=** (Rial Omani: Twenty Three Thousand). RO 18,000 Annual Audit fee & Ministerial Return RO 1,000, RO 3,000 Quarterly Review Report and related to non-audit services Report on Corporate Governance RO 1,000.

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 10,000 in the Social Responsibility Program and it was implemented as follows:

S.No	Date	Receiving Body	Amount
1	2024	Omani Charitable Organization	5,000
2	2024	Omani Ministry of Endowments (Al Awqaf)	5,000
		Total	10,000

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.

Mr. Mohamed Amer Mohamed Elmettwaly Satur
Chairman