

CORPORATE GOVERNANCE REPORT

Year ended 31st March 2025

I) CORPORATE GOVERNANCE

The National Biscuit Industries Limited SAOG follows the principles of good Corporate Governance and has implemented all guidelines issued by the Financial Services Authority of Sultanate of Oman. The Company has long been practicing best business practices in its industry, which are subject to continuous review to ensure that they continue to reflect the recent developments in order to conform to the best corporate governance practices. It takes feedback into account in its periodic reviews of the guidelines to ensure their continuing relevance and effectiveness to the needs of all the stakeholders.

The Board confirms that the Company applies the principles set out in the Financial Services Authority's (FSA) Code of Corporate Governance code for MSX listed companies and FSA Circular no. E/4/2015 on 22/7/2015. In this report, National Biscuit Industries Limited SAOG confirms its compliance with the code as required by Annexure -3. The Board has empowered the executive management on day-to-day operations matters, subject to the overall authority vested with the Board. The Company lays a strong emphasis on internal controls and audit and a suitable system of checks and balances is in place to ensure integrity of operations. The Company also lays high emphasis on compliance with the various laws and regulations of the country and transparency in its financial statements as lay down under the International Financial Reporting Standards.

II) BOARD OF DIRECTORS

1. Appointment of Directors

The Article of Association of the Company provides for 7 directors. The individual directors of Company were elected by the shareholders at the AGM

held on 24th June 2024 for a period of three years. All directors meet the minimum qualification requirement to be eligible for directorship.

2. Role & Functions

The Board of Directors play a significant role in developing the Company’s strategies and objectives, while ensuring and monitoring the effectiveness of internal controls.

3. Process of Nomination of Directors

The member of the Board of Directors shall be chosen from shareholders or non-shareholders provided that, if the elected person is a shareholder, should be nominated by a shareholder possessing minimum number of 3,000 shares in the company. The nomination process is governed by the company’s Articles of Association viz., Articles 6.

4. Composition of the Board

The Board of Directors is responsible for the overall direction, supervision and control of the Company. During the financial year 2024-25, the Board consisted of 7 Directors who have come from varied disciplines like finance, legal, manufacturing and marketing. The Board has been constituted in an appropriate manner comprising of non-executive and independent directors.

5. Number of Board Meetings and Details of Board Members

During the year ended March 2025, Five Board Meetings were held on the following dates:

27th May 2024, 29th July 2024, 28th October 2024, 23rd January 2025 and 6th March 2025.

	Category under which Directorship	Status of the	Independent	No of Board Meetings	No of Board meeting	Whether attended last
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Name of Director	is held	Director		held	Attended	AGM
Nooh Bin Mohammed Al Zidjaly	Individual	Chairman	Yes	5	5	Yes
		Non-Executive				
Prerna Singh	Individual	Vice-Chairman	Yes	5	5	Yes
		Non-Executive				
Mohammed Azad Khan	Individual	Non-Executive	No	5	5	Yes
Moosa Juma Saif Al Hasni	Individual	Non- Executive	Yes	5	5	Yes
Khalid Al Eisri	Individual	Non- Executive	No	5	5	Yes
Rajamani Bhaskar	Individual	Non-Executive	Yes	5	5	Yes
Mazin Zakariya Mubarak Al Zijali (From June 2024)	Individual	Non-Executive	Yes	4	4	No
Khalid Ansari (Up to June 2024)	Individual	Non-Executive	Yes	1	1	Yes

III) COMMITTEES OF THE BOARD

Two Sub-committees are formed by the Board of Directors which is Audit Committee, and Nomination and Remuneration Committee to advise and help

Board of Directors to monitor & supervise the operations of the Company. Details of these two committees are given below:

Audit Committee

Set up in October 2001, the Audit Committee of Company originally consists of four members, all are non-executive and independent directors. All members of the Audit Committee are knowledgeable in finance, industry and laws and regulations governing SAOG companies.

Role of the Audit Committee

The role of the Audit Committee covers the matters specified under the Code of Corporate Governance, which includes:

Overseeing the financial reporting process and disclosure of financial information in general and with particular reference to review of annual and quarterly financial statements before submission to the Board.

Reviewing any change in accounting policy and practices and any departure from International Financial Reporting Standards (IFRS).

Reviewing the adequacy of the internal control system through the reports of the internal and external auditors.

Reviewing risk management policies of the company and ensuring its adequacy.

Considering the name of the external auditors, determining their fees and terms of engagement and recommending their appointment.

Overseeing the internal audit function in general with particular reference to reviewing the scope of the internal audit plan for every year.

Reviewing proposed transactions with related parties for making suitable recommendations to the Board.

The Committee also holds discussion with the external and internal auditors independent of the management wherever necessary apart from serving as a channel of communication between the auditors and the Board.

The Audit Committee met four times during the financial year 2024-25 on 27th May 2024, 29th July 2024, 28th October 2024 and 23rd January 2025. The attendance record is tabled below.

Name of the Committee Member	Position	Meetings held during the year	Meetings attended during the year
Rajamani Bhaskar (From June 2024)	Chairman/Member	3	3
Nooh Bin Mohammed Al Zidjaly	Member	4	4
Mohammed Azad Khan	Member	4	4
Mazin Zakariya Mubarak Al-Zidjali (Upto June 2024)	Member	3	3
Khalid Ansari (Upto June 2024)	Member	1	1

Nomination and Remuneration Committee

Set up in April 2016, the Nomination and Remuneration Committee of Company consists of three Directors and all of them are non-executive & independent directors. All members of the Nomination and Remuneration Committee are knowledgeable in finance, industry and laws and regulations governing SAOG companies.

Role of the Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee covers the matters specified under the Code of Corporate Governance, which includes:

- a) Provide opinion on the most suitable candidate for Board of Directors election.
- b) Prepare annual plan, including succession planning for the executive management.
- c) Develop a succession plan for Board / Chairman.
- d) Prepare detailed job descriptions of the roles and responsibilities of Directors including the chairman.
- e) Prepare Bonus, Allowance and Incentive policy for the executive management..

The Nomination and Remuneration Committee has met once during the year 2024-25 on 27th May 2024. Nomination and Remuneration Committee has been discharging various functions under the Corporate Governance Code 2015 and below table depicts the attendance records of the Nomination and Remuneration Committee.

Name of the Committee Member	Position	Meetings held during the year	Meetings attended during the year
Khalid Al Eisri	Chairman/ Member	1	1
Prerna Singh	Member	1	1
Moosa Juma Saif Al Hasni (From June 2024)	Member	1	1
Rajamani Bhaskar (Upto June 2024)	Member	1	1

IV) REMUNERATION OF DIRECTORS

The Directors were not paid any remuneration during the financial year 2024-25.

The Directors were paid RO 11,000/- as sitting fees for Board Meetings. Directors who are members of the Audit Committee were paid additional RO 4,800/- as sitting fees for Audit Committee meetings. Directors who are members of Nomination and Remuneration Committee (NRC) were paid additional RO 900/- as sitting fee of NRC meetings.

There were no other forms of remuneration paid by the Company to any of the Directors.

V) MANAGEMENT

1. Management Discussion and Analysis

Management Discussion and Analysis report forms part of the annual report.

2. Management Remuneration

The company does not provide stock options to any of the officers of the Company. However, the full-time employees of the Company are paid bonuses, at the discretion of the Board, based on their performance during the year.

The Top management consists of 6 senior managers. The remuneration expense incurred in the financial year 2024-25 relating to the top management of the Company was RO 362,725/-.

Details	RO
Salaries	185,400
Allowances and Perquisites	158,726
Terminal Benefits/ GOSI -	18,599
	362,725

The above remuneration includes salary, allowances, perquisites, terminal benefits/ GOSI.

The annual performance bonus is determined by taking into account the market condition, the employee's individual performance and company's overall performance against agreed targets, which take into account financial, HSSE and operational parameters.

All employees have employment contracts that are in line with the regulations specified by the ministry of labour. The minimum notice period for termination of employment contract is

1-month.

3. Company Management

The names, designations, description of responsibilities of Senior Management in Company in brief are as follows:

- Rahul Shinde – Chief Executive Officer, Graduate in Commerce with a Masters in Business Administration in Marketing & Finance, with 33 years of experience in various capacities in the FMCG –Food industry and working for Company for the last 14 years.
- Vasudev SD - GM Consumer Operations, MBA with 28 years of work experience. He has worked for 9 years in India and for more than 16 years in the GCC/Middle east
- Harkamal Kumar- Financial Controller, M.com and Chartered Accountant qualified from Institute of Chartered Accountants of India in May 2002, having more than 22 years of experience in reputed Manufacturing as well as Service Industries and working for Company for the last 10 years.
- Santosh Kumar – Head of Manufacturing Operations, Post Graduate in Food Technology having a total of 26 Years of experience in different Food Industries.

- Aiman Hamed Khalfan Al Hadhrami – Head of Human Resources & Administration, Possess Degree of Masters in Business Administration in Human Resource and Marketing, has worked with Ministry of higher education for 5 years and working for Company for the last 12 Years.
- Shaji Abraham – Head of Supply chain, Graduate in Commerce with Executive MBA in Management. Having overall 25 years of work experience in Food Manufacturing companies and working for Company for the last 13 years.

4. Disclosures by management to the Board

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters. All such matters are also discussed in detail with the Audit Committee.

5. Employment Contract

Company enters into formal Contract of Employment with each employee and such contracts are in compliance with the regulation of Ministry of Manpower and Omani Labor Law.

VI) DISCLOSURE POLICIES

A formal policy document covering systems, procedures and responsibilities has been made and approved by the Board in October 2020.

VII) SHAREHOLDERS

1) Communication to shareholders and investors

The Company has its own web site, www.nationalbiscuits.com.om, where information relating to the company is posted. Communication to shareholders and investors is regularly posted / updated on the MSX web site.

The quarterly, half-yearly and annual results of the company are published in leading Arabic and English newspapers in the Sultanate of Oman.

In accordance with Decision No. E/109/2022 issued on 17th July, 2022 on Rules for interaction between Public Joint stock companies, the media, Investors and Analyst, the company held its investor relations session where it presented to the investor community the unaudited financial results for the period ended 31st December, 2024 outlining its key strategic and business performance highlights, as well as key points discussing the company’s goals and values.

2) Distribution of Shareholding

The shareholding pattern as on 31st March 2025 was:

Number of Shares	N u m b e r o f Shareholders	Total Shares	% Share Capital
Above 100,000 (10%)	2	841,563	84.156
50,000 (5%) to 99,999	1	52,999	5.300
10,000 (1%) to 49,999	3	60,196	6.020
Below 10,000	72	45,242	4.524
GRAND TOTAL	78	1,000,000	100.000

VIII) 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 228 independent firms with 522 offices and more than 34,000 people across 110 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 90, most of whom are qualified Chartered Accountants, internal auditors and information systems auditors.

The total Audit fees including Income Tax Return validation and submission for the financial year 2024-25 to the statutory auditors is RO 5,000/- excluding VAT.

IX) THE INTERNAL AUDITOR

The Board of the Directors has reviewed the proposal of various Audit Firms appraised by the Audit Committee and outsourced the work of Internal Audit for the period with a detailed Audit plan to M/s Abu Timam chartered certified accountants.

X) MARKET PRICE DATA

A tabular comparison of monthly high-low traded prices of the Company’s share versus the monthly closing MSX index for the industrial Sector is presented below.

Month & Year	Company High	Company Low	MSX Index – Month end
	(R.O.)	(R.O.)	(Industrial Sector)

Apr 24	4.240	4.240	5856.463
May 24	4.240	4.240	5915.110
Jun 24	4.240	4.240	6066.293
Jul 24	4.240	4.240	5938.852
Aug 24	4.240	4.240	5881.445
Sep 24	4.240	4.240	5686.683
Oct 24	4.240	4.240	5403.732
Nov 24	4.240	4.240	5200.898
Dec 24	4.240	4.240	5270.702
Jan 25	4.240	4.240	5409.320
Feb 25	4.240	4.240	5832.219
Mar 25	4.240	4.240	5547.974

XI) DETAILS OF NON-COMPLIANCE

The Company has complied in all aspects with the regulations of FSA / MSX and there are no penalties or warning imposed on the Company on any matters by the relevant Authorities during the year ended 31st March 2025.

XII) COMPLIANCE WITH INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has been constantly monitoring and upgrading its internal controls procedures and systems in compliance with the local laws and regulations. As part of this process, the internal controls, procedures, manuals and guidelines as recommended by the Financial Services Authority have been implemented since 2003 as amended from time to time. The Board through a process of internal audits, audit committees’ regular involvement in the review process, has reviewed the internal controls and procedures adopted by the company.

XIII) ANY OTHER ASPECTS

Board of Directors Acknowledge that:

1. The internal control systems are regularly reviewed and comply with internal rules and regulations.
2. The Board of Directors are responsible to ensure that the financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting interpretations Committee (IFRIC) and the requirements of the Commercial Companies Law of the Sultanate of Oman 1974 (as amended) and the rules for disclosure requirements prescribed by the Financial Services Authority

There are no material events affecting the continuation of Company and its ability to continue its operations during the next financial year.