

## **CORPORATE GOVERNANCE REPORT**

**Year ended 31<sup>st</sup> March 2026**

### **I) CORPORATE GOVERNANCE**

National Biscuit Industries Limited SAOG remains committed to upholding high standards of corporate governance and to ensuring compliance with the applicable regulations and guidelines issued by the Financial Services Authority. The Company continues to adopt sound business practices and undertakes periodic reviews of its governance framework to ensure alignment with evolving regulatory requirements and emerging best practices. Stakeholder feedback is also taken into consideration as part of these reviews in order to enhance the effectiveness and continued relevance of the governance framework.

The Board confirms that the Company has complied with the principles and provisions of the Corporate Governance Code prescribed by the Financial Services Authority for companies listed on the Muscat Stock Exchange, including the requirements set out in FSA Circular No. E/4/2015 dated 22 July 2015. The Company further confirms its compliance with the Code in accordance with Annexure 3.

While the Board retains overall responsibility for the management of the Company and the determination of its strategic direction, executive management has been delegated authority for day-to-day operational matters. The Company maintains a robust internal control environment, supported by effective audit mechanisms and appropriate checks and balances, to safeguard the integrity of its operations. The Company also remains committed to compliance with the laws and regulations of the Sultanate of Oman and to ensuring transparent and accurate financial reporting in accordance with the applicable International Financial Reporting Standards (IFRS).

### **II) BOARD OF DIRECTORS**

#### **1. Appointment of Directors**

The Articles of Association of the Company provide for a Board comprising seven directors. The current directors except Mr. Faisal Mohammed Al

Yousef and Mr. Rizwanali Ashrafali Lakhani were elected by the shareholders at the Annual General Meeting held on 24<sup>th</sup> June 2024 for a term of three years. Mr. Faisal Mohammed Al Yousef and Mr. Rizwanali Ashrafali Lakhani were temporarily appointed by the board during the current year. All directors satisfy the minimum qualification requirements for directorship.

2. Role & Functions

The Board of Directors is responsible for determining the Company’s strategic direction and objectives and for overseeing the effectiveness of the internal control framework.

3. Process of Nomination of Directors

Members of the Board may be elected from among shareholders or non-shareholders. Where the nominated individual is a shareholder, such nomination must be made by a shareholder holding not less than 3,000 shares in the Company. The nomination process is governed by the Company’s Articles of Association, including Article 6.

4. Composition of the Board

The Board comprises executive and non-executive representation in accordance with the applicable governance requirements, with details of the directors set out below.

5. Number of Board Meetings and Details of Board Members

During the year ended 31 March 2026, the Board held five meetings on the following dates:

29<sup>th</sup> May 2025, 17<sup>th</sup> July 2025, 23<sup>rd</sup> October 2025, 22<sup>nd</sup> January 2026 and 9<sup>th</sup> March 2026.

|  | Category<br>under which<br>Directorship | Status of the | Independent | No of Board<br>Meetings | N o o f<br>Board<br>meeting | Whether<br>attended |
|--|-----------------------------------------|---------------|-------------|-------------------------|-----------------------------|---------------------|
|--|-----------------------------------------|---------------|-------------|-------------------------|-----------------------------|---------------------|

| Name of Director                                   | is held    | Director                                                 |     | held | Attended | last AGM |
|----------------------------------------------------|------------|----------------------------------------------------------|-----|------|----------|----------|
| Nooh Bin Mohammed Al Zidjaly ( till Feb’26)        | Individual | Chairman<br>Non-Executive<br>( till Feb’26)              | Yes | 4    | 3        | Yes      |
| Prerna Singh                                       | Individual | Chairman<br>Non-Executive<br>(Vice Chairman till Feb’26) | Yes | 5    | 4        | Yes      |
| Faisal Mohammed Al Yousef (from Mar 2026)          | Individual | Vice Chairman<br>(from Mar’26) Non-Executive             | No  | 1    | 1        | No       |
| Mohammed Azad Khan                                 | Individual | Non-Executive                                            | No  | 5    | 5        | Yes      |
| Moosa Juma Saif Al Hasni                           | Individual | Non- Executive                                           | Yes | 5    | 2        | Yes      |
| Khalid Al Eisri<br>(till Feb’26)                   | Individual | Non- Executive                                           | No  | 4    | 4        | Yes      |
| Rajamani Bhaskar                                   | Individual | Non-Executive                                            | Yes | 5    | 5        | Yes      |
| Mazin Zakariya Mubarak Al Zijali                   | Individual | Non-Executive                                            | Yes | 5    | 5        | Yes      |
| Rizwanali Ashrafali Lakhani<br><br>(from Mar 2026) | Individual | Non-Executive                                            | Yes | 1    | 1        | No       |

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## Director Profiles

### Mrs. Prerna Singh:

Mrs. Prerna Singh has over 20 years of experience in the FMCG sector, including confectionery, chocolates and food products. She has previously held positions with Revlon and Dabur across healthcare, personal care and confectionery segments, and holds a Post Graduate Diploma in Management from India.

### Mr. Faisal Mohamed Al-Yousef:

Faisal Al Yousef is the CEO of Al Yousef Group LLC (AYG). He joined the group after working with Ernst & Young (Chartered Accountants) in Oman and the UAE as an Audit specialist. He is a Fellow of Chartered Certified Accountant (ACCA, UK) and also holds an Executive MBA from Oxford university (Said Business School) a BSc in Economics from SOAS (University of London), UK. He also holds an Advance Diploma in insurance from the Bahrain Institute of Banking and Finance. Faisal Al Yousef represents AYG on the boards of various investee companies, including Chairman of Muscat Finance, Chairman of Al Ruwad International for Education Services and Deputy Chairman of Truck Oman Oil and a Board member of Al Anwar Investments. He is also the Managing Director of Muscat Electronics. Throughout Faisal Al Yousef's career he was involved with at least three green field projects. Two of these are today listed on the Muscat Stock Exchange. Faisal Al Yousef brings with him two decades of experience in banking and finance and insurance and investments through his participation as a past Board Member and investor representative of various companies. Faisal is also involved with a number of voluntary works including the Oman Tennis Association and Board of Governors of the Government Schools in Matrah.

### Mr. Mohammed Azad Khan:

Mr. Mohammed Azad Khan is an experienced finance and corporate governance professional with substantial expertise in strategic planning, financial transformation, audit, compliance and business process optimisation. A qualified Chartered Accountant, Cost and Management Accountant, and Company Secretary, he has led significant initiatives in finance shared services, ERP implementation, automation and operational efficiency across diverse sectors. He is recognised for supporting sustainable growth, strengthening governance frameworks and contributing to long-term organisational success.

### Mr. Rajamani Bhaskar:

Mr. Rajamani Bhaskar is a seasoned business leader with more than 35 years of global experience across the FMCG, dairy and information technology sectors. An alumnus of Birla Institute of Technology and Science, Pilani, and Jamnalal Bajaj Institute of Management Studies, he has held senior leadership positions in leading organisations in the paints, food and beverages, and technology sectors. His expertise includes global sales, strategic planning, operations management and business development across international markets.

### Mr. Moosa Juma Saif Al Hasni:

Mr. Moosa Juma Saif Al Hasni has more than 31 years of experience in investment management and executive leadership. He serves on the boards of

several companies, contributing to corporate governance, strategic direction and long-term value creation. During his career, he has held a number of senior leadership positions, including Acting COO of the FMCG Sector at The Zubair Corporation. He currently serves as Acting General Manager of OCS Infotech Oman and holds a Master of Business Administration from the University of Bedfordshire.

**Mr. Mazin Al Zidjali :**

Mr. Mazin Al Zidjali is the Lead Quality Engineer for the Infrastructure Portfolio within the Project Delivery organization at Petroleum Development Oman (PDO). In this role, he steers quality and risk management for critical infrastructure projects, including power stations, overhead lines (OHLs), pipelines, and tanks. A Certified Asset Management Assessor (CAMA) and ISO 9001:2015 Lead Auditor, Mazin leverages a decade of technical and regulatory expertise to ensure large-scale capital projects comply with international standards and regulatory requirements. He holds a Bachelor's degree in Electrical Engineering from the University of South Carolina.

**Mr. Rizwan Ali Lakhani:**

Mr. Rizwan Ali Lakhani is a senior procurement and supply chain leader with more than 30 years of FMCG experience. He has held key leadership roles across procurement, supply chain and commercial functions, with expertise in global sourcing, vendor management and cost optimisation for the food and consumer goods industries. He holds a Bachelor of Engineering from the University of Mumbai and a Diploma in Business Management from Narsee Monjee Institute of Management Studies, together with professional certifications in procurement and supply chain management.

### III) COMMITTEES OF THE BOARD

The Board of Directors has constituted two sub-committees, namely the Audit Committee and the Nomination and Remuneration Committee, to support the Board in the oversight, supervision and monitoring of the Company's operations. Details of these committees are set out below:

**Audit Committee**

Established in October 2001, the Audit Committee comprises four members, all of whom are non-executive directors and majority are independent directors. The members of the Committee possess appropriate knowledge of finance, industry practices, and the laws and regulations applicable to SAOG companies.

Role of the Audit Committee

The responsibilities of the Audit Committee include those prescribed under the Code of Corporate Governance and, in particular, the following:

- Overseeing the financial reporting process and reviewing the disclosure of financial information, particularly the annual and quarterly financial statements, prior to their submission to the Board.
- Reviewing any changes in accounting policies and practices, including any deviations from the applicable International Financial Reporting Standards (IFRS).
- Assessing the adequacy and effectiveness of the internal control systems through reports submitted by the internal and external auditors.
- Reviewing the Company’s risk management framework and evaluating the adequacy of related policies and procedures.
- Recommending the appointment of external auditors, including reviewing their scope of work, terms of engagement, and remuneration.
- Supervising the internal audit function, including reviewing and approving the annual internal audit plan and its scope.
- Reviewing related party transactions and providing appropriate recommendations to the Board.

The Committee also meets independently with the internal and external auditors, whenever considered necessary, and serves as an effective channel of communication between the auditors and the Board of Directors.

The Audit Committee met four times during the financial year 2025–26 on 29 May 2025, 17 July 2025, 23 October 2025 and 22 January 2026. The attendance record is set out below.

| Name of the Committee Member      | Position        | Meetings held during the year | Meetings attended during the year |
|-----------------------------------|-----------------|-------------------------------|-----------------------------------|
| Rajamani Bhaskar                  | Chairman/Member | 4                             | 4                                 |
| Nooh Bin Mohammed Al Zidjaly      | Member          | 4                             | 3                                 |
| Mohammed Azad Khan                | Member          | 4                             | 4                                 |
| Mazin Zakariya Mubarak Al-Zidjali | Member          | 4                             | 4                                 |

Nomination and Remuneration Committee

Established in April 2016, the Nomination and Remuneration Committee comprises three directors, all of whom are non-executive and

independent directors. The members of the Committee possess appropriate knowledge of finance, industry practices, and the laws and regulations applicable to SAOG companies.

**Role of the Nomination and Remuneration Committee**

The responsibilities of the Nomination and Remuneration Committee include those prescribed under the Code of Corporate Governance and broadly comprise the following:

- a) Evaluating and recommending suitable candidates for election to the Board of Directors.
- b) Preparing the annual human resource and succession planning framework for the executive management.
- c) Developing succession plans for the Board of Directors and the Chairman.
- d) Formulating detailed role descriptions and responsibilities for the Directors, including the Chairman.
- e) Reviewing and recommending policies relating to bonuses, allowances, and incentives for the executive management.

The Nomination and Remuneration Committee met once during the financial year 2025–26, on 29 May 2025. The Committee continued to discharge its responsibilities in accordance with the Corporate Governance Code 2015. The attendance details of the members at the Committee meeting are presented in the table below.

| Name of the Committee Member | Position | Meetings held during the year | Meetings attended during the year in person / (Proxy) |
|------------------------------|----------|-------------------------------|-------------------------------------------------------|
| Khalid Al Eisri              | Chairman | 1                             | 1                                                     |
| Prerna Singh                 | Member   | 1                             | 1                                                     |
| Moosa Juma Saif Al Hasni     | Member   | 1                             | 1                                                     |

**IV) REMUNERATION OF DIRECTORS**

No remuneration was paid to the Directors during the financial year 2025–26.

The Directors were paid RO 9,400 as sitting fees for Board meetings. Directors serving on the Audit Committee received additional sitting fees of RO 4,500 for Audit Committee meetings, while Directors serving on the Nomination and Remuneration Committee received additional sitting fees of RO 900 for NRC meetings.

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

**V) MANAGEMENT**

**1. Management Discussion and Analysis**

The Management Discussion and Analysis Report forms part of the Annual Report.

**2. Management Remuneration**

The Company does not provide stock options to any of its officers. Full-time employees may, however, receive performance bonuses at the discretion of the Board, based on their performance during the year.

Top management comprises six senior managers. The remuneration expense incurred in relation to top management during the financial year 2025–26 amounted to RO 382,360.

| Details                    | RO             |
|----------------------------|----------------|
| Salaries                   | 195,864        |
| Allowances and Perquisites | 166,899        |
| Terminal Benefits/ GOSI -  | 19,597         |
|                            | <b>382,360</b> |

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

The annual performance bonus is determined with reference to the individual employee's performance, and the Company's overall performance against agreed targets, taking into account financial, people and operational parameters.

All employees are engaged under employment contracts that are compliant with the regulations issued by the Ministry of Labour. The minimum notice period for termination of an employment contract is one month.

### ***3. Company Management***

The names, designations and brief responsibilities of the Company's senior management are set out below:

- Rahul Shinde – Chief Executive Officer; graduate in Commerce with a Master of Business Administration in Marketing and Finance, with 34 years of experience in the FMCG food industry, including 15 years with the Company.
- Vasudev SD – GM Consumer Operations; MBA with 29 years of professional experience, including 9 years in India and more than 17 years in the GCC/Middle East.
- Harkamal Kumar – Chief Financial Officer; M.Com and Chartered Accountant qualified through the Institute of Chartered Accountants of India in May 2002, with more than 23 years of experience in reputable manufacturing and service industries, including 11 years with the Company.
- Santosh Kumar – Head of Manufacturing Operations; postgraduate in Food Technology with 27 years of experience across the food industry, including 4 years with the Company.
- Aiman Hamed Khalfan Al Hadhrami – Head of Human Resources and Administration; holder of a Master of Business Administration in Human Resources and Marketing, with 5 years of service at the Ministry of Higher Education and 13 years with the Company.
- Shaji Abraham – Head of Supply Chain; graduate in Commerce with an Executive MBA in Management, with 26 years of experience in food manufacturing companies, including 14 years with the Company.

#### ***4. Disclosures by management to the Board***

All details relating to financial and commercial transactions in which Directors may have a potential interest are submitted to the Board. Interested Directors do not participate in discussions on such matters and do not vote thereon. All such matters are also reviewed in detail by the Audit Committee.

#### ***5. Employment Contract***

The Company enters into formal contracts of employment with each employee, and such contracts are in compliance with the regulations of the Ministry of Manpower and Omani Labour Law.

### **VI) DISCLOSURE POLICIES**

A formal policy document setting out systems, procedures and responsibilities was prepared and approved by the Board in May 2024.

### **VII) SHAREHOLDERS**

#### **1) Communication to shareholders and investors**

The Company maintains its own website, [www.nationalbiscuits.com.om](http://www.nationalbiscuits.com.om), on which information relating to the Company is published. Communications to shareholders and investors are also regularly posted and updated on the MSX website.

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

In accordance with Decision No. E/109/2022 issued on 17 July 2022 regarding the rules for interaction between public joint stock companies, the media, investors and analysts, the Company held an investor relations session during which it presented to the investor community its unaudited financial results for the period ended 31 December 2024, together with key strategic and business performance highlights and an overview of the Company’s goals and values.

**2) Distribution of Shareholding**

The shareholding pattern as at 31 March 2026 was as follows:

| Number of Shares      | Number of 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          | 74                     | 45,242           | 4.524           |
| <b>GRAND TOTAL</b>    | <b>80</b>              | <b>1,000,000</b> | <b>100.000</b>  |

**VIII) PROFESSIONAL PROFILE OF THE STATUTORY AUDITOR**

Moore Stephens LLC, Oman forms part of the Moore Global network, one of the world’s major accounting and consulting networks, headquartered in London and comprising more than 228 independent firms, 522 offices and over 34,000 people across 110 countries.

The Oman office commenced practice in the Sultanate of Oman in 1988. Over the years, the practice has expanded significantly and now serves a wide range of clients, including major listed companies, groups, government organisations and ministries, providing audit, tax and management consultancy services. The local office employs approximately 90 personnel, the majority of whom are qualified Chartered Accountants, internal auditors and information systems auditors.

The total audit fees, including income tax return validation and submission, payable to the statutory auditors for the financial year 2025–26 amounted to RO 5,000, excluding VAT.

**IX) THE INTERNAL AUDITOR**

The Board of Directors, having reviewed proposals from various audit firms as appraised by the Audit Committee, outsourced the internal audit function for the period, together with a detailed audit plan, to M/s Abu Timam Chartered Certified Accountants.

**X) MARKET PRICE DATA**

A tabular comparison of the monthly high and low traded prices of the Company’s shares against the monthly closing MSX Industrial Sector Index is presented below.

| Month & Year | Company High<br>(R.O.) | Company Low<br>(R.O.) | MSX Index – Month<br>end<br>(Industrial Sector) |
|--------------|------------------------|-----------------------|-------------------------------------------------|
| Apr 25       | 4.240                  | 4.240                 | 5960.845                                        |
| May 25       | 4.240                  | 4.240                 | 6565.174                                        |
| Jun 25       | 4.840                  | 4.840                 | 6468.926                                        |
| Jul 25       | 4.500                  | 4.500                 | 6905.246                                        |
| Aug 25       | 4.500                  | 4.500                 | 7009.744                                        |
| Sep 25       | 4.500                  | 4.500                 | 7031.006                                        |
| Oct 25       | 4.950                  | 4.950                 | 7233.477                                        |
| Nov 25       | 4.950                  | 4.950                 | 7272.838                                        |
| Dec 25       | 4.950                  | 4.950                 | 7846.450                                        |
| Jan 26       | 4.950                  | 4.950                 | 9009.394                                        |

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|        |       |       |          |
|--------|-------|-------|----------|
| Feb 26 | 5.445 | 5.445 | 9645.577 |
| Mar 26 | 5.445 | 5.445 | 9876.831 |

**XI) DETAILS OF NON-COMPLIANCE**

The Company has complied in all material respects with the regulations of the FSA and MSX, and no penalties or warnings were imposed on the Company by the relevant authorities during the year ended 31 March 2026.

**XII) COMPLIANCE WITH INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company continuously monitors and enhances its internal control procedures and systems to ensure compliance with applicable local laws and regulations. As part of this process, the internal controls, procedures, manuals and guidelines recommended by the Financial Services Authority have been implemented since 2003, as amended from time to time. Through the internal audit process and the regular involvement of the Audit Committee in the review process, the Board has reviewed the internal controls and procedures adopted by the Company.

**XIII) ANY OTHER ASPECTS**

The Board of Directors acknowledges that:

- The internal control systems are reviewed regularly and comply with the applicable internal rules and regulations.
- The Board of Directors is responsible for ensuring that the financial statements are 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), the requirements of the Commercial Companies Law of the Sultanate of Oman 1974 (as amended), and the disclosure requirements prescribed by the Financial Services Authority.

There are no material events affecting the Company's continued operations or its ability to continue as a going concern during the next financial year.