CORPORATE GOVERNANCE REPORT FOR THE YEAR 2023

Company's Philosophy for Corporate Governance

A'Sharqiya Investment Holding Co. (SAOG) adheres strongly to the Code of Corporate Governance, laid down by the Capital Market Authority (CMA) with emphasis on legal protection of investors and stakeholders. Your Company spares no efforts to ensure integrity and transparency in its dealings.

The Board of Directors of the Company is made up of experienced personnel hailing from varied backgrounds such as: business administration, investments, finance, law, and other related areas. The Company benefits immensely from the rich and diverse experience and knowledge of the Board. None of the Company's directors plays an executive role in the management of the Company. The Board is responsible for achieving the business objectives of the Company in coordination with the executive management. For this purpose, the Board is assisted by various committees and the management. Asides from the Investment, Nomination & Remuneration Committee, and the Audit Committee, adhoc committees are constituted by the Board according to demands of the circumstances. In addition, there is a well-structured management whose duties and obligations are defined in the Manual of Authority approved by the Board.

The primary functions of the Board are summarized as follows:

Approval for the commercial and financial budget of the Company in a manner that helps realize its objectives and maximize shareholders' equity

Laying down the required plans and seeking periodic updates from management to ensure the objectives and goals of the Company are achieved

Adopting disclosure policies and ensure implementation is in accordance with the disclosure requirements of the CMA

Monitoring the performance of the executive management to ensure that its actions and initiatives are in line with the purpose for which the Company was established

Providing information to shareholders in an accurate and timely manner in accordance with the CMA guidelines

Appraising the performance of the employees and activities of the board committees

Reviewing internal controls of the Company periodically and updating them as and when required

The scope of authority of the Board of Directors, its functions, and limitations are mainly governed by Articles of Association of the Company and the CMA's Code of Corporate Governance for Public Listed Companies.

Board of Directors

The Board of Directors is composed of the Chairman and six other directors who are elected by the shareholders of the Company. The composition of the board meets the CMA requirement for the percentage of independent directors to the total number of board members to be not less than one third and at least two directors to be independent.

The current board of directors was elected on Mar 13, 2023 for a tenure of 3 years.

Composition of the Board of Directors and membership of affiliate committees:

Name	Designation	Category	Membership in Committees
Mr. Mohammed Ali Mohammed Al Fannah	Chairman	Independent, Non-executive	Investment and Nomination & Remuneration Committee
Sheikh Saleh Ahmed Mohamed Al Harthy	Vice-Chairman	Independent, Non-executive	Audit Committee
Mr. Bader Mohamed Rashid Al Fanna Al Araimi	Director	Non-Independent, Non-executive	Audit Committee
Mr. Subrata Mitra	Director	Independent, Non-executive	Investment and Nomination & Remuneration Committee
Ms. Fadwa Salim Said Al Fannah Al	Director	Independent,	--

Araimi		Non-executive	
Mr. Asim Salim Ali Al Ghailani	Director	Independent, Non-Executive	Audit Committee
Mr. Mubarak Juma Mubarak Al Habsi	Director	Independent, Non-executive	Investment and Nomination & Remuneration Committee

The Board held four meetings during the year 2023. Meetings were held on:

February 15, 2023

May 02, 2023

August 02, 2023

November 08, 2023

Details of the attendance of Directors, directorship in other listed companies and their positions in those companies are given below.

Name	Designation	No. of Board Meetings Attended	Attendance to the Last AGM	Directorship in Other Listed Companies	Position
Mr. Mohammed Ali Mohammed Al Fannah	Chairman	4	Attended	-	-
Sheikh Saleh Ahmed Mohamed Al Harthy	Vice-Chairman	4	Attended	-	-
Mr. Bader Mohamed Rashid Al Fanna Al Araimi	Director	4	Attended	1	Member of the Board of Directors
Mr. Subrata Mitra	Director	4	Attended	1	Member of the Board of Directors
Ms. Fadwa Salim Said Al Fannah Al Araimi	Director	4	Attended	1	Member of the Board of Directors
Mr. Asim Salim Ali Al Ghailani	Director	4	Attended	1	Member of the Board of Directors
Mr. Mubarak Juma	Director	4	Attended	-	Member of

Mubarak Al Habsii					the Board of Directors

No director is a member of the Board of Directors of more than four public companies listed in the MSM and no director is the Chairman of the Board of Directors of more than two such companies. None of the Directors of the Board is a member of the Board of Directors in another public or closed joint stock Company practicing similar or competing activities to your Company with its principal place of business located in the Sultanate of Oman.

Profile of the Directors

Mohammed Ali Mohammed Al Fannah- Chairman of the Board of Directors

Mr. Mohammed Ali Mohammed Al Fannah has a degree in International Affairs from the Webster University, United States. He served in the diplomatic corps of Oman for 32 years and represented
Oman in the United Nation. He also served as the deputy representative of Oman to the United Nations Office in Austria for more than 5 years.

He has served as board member, member of audit and investment committees, Managing Director and Chairman of several public joint stock companies for more than 20 years. He is now the Chairman of Gulf Plastic Industries SAOC, which is one of the leading manufacturers of petrochemical downstream products. He is also the Chairman of the Investment, Nomination & Remuneration Committee in A'Sharqiya Investment Holding Company SAOG. He has been on the Board since 2009. He has three sons and two daughters, all of whom hold master's degree. The students who were taught by him are at present holding the rank of senior officials in the State, including as ministers and judges.

Sheikh Saleh Ahmed Mohamed Al Harthy – Vice Chairman of the Board of Directors

Sheikh Saleh is a B.Sc. Computer Science graduate from American University, Washington D.C. He was the Director General in the General Secretariat to the Cabinet, a position he has held since 2009 until 2021. From 1991 to till date he has held various positions in the field of Information Technology. He has been on the Board since 2004.

Bader Mohammed Rashid Al Araimi

Mr. Bader Mohammed Rashid Al Araimi is the Managing Director of Al Siraj Holdings SAOC. He holds B.Sc. Honours Degree in Business Information Systems, Leeds Metropolitan University, United Kingdom. He has also completed Masters Degree MA Global Finance Management, Regents Business School, London, United Kingdom.

He started his career with HSBC on the Graduate Programme where he was selected as best performer and have been sent to United Kingdom on a Leadership Training

Programme in HSBC London HQ. After completing 2 years with the bank he went on to pursue his Masters Degree, thereon he started up new ventures Al Siraj Logistics in Sohar free Zone and Ajwan Salalah hotel apartments. He is currently Board Of Director of A'Sharqia Investment and Holding SAOG, TravelPoint LLC, Al Siraj Holdings SAOC, Al Siraj Hospitality LLC, ATPC LLC, Delta International Projects & Engineering LLC, Al Siraj Logistics LLC.

Subrata Mitra

Mr. Subrata Mitra has a Masters in Risk Management from the NYU Stern School of Business, an MBA in Finance from the IBA, the Dhaka University and a Masters in Accounting (with Honors) from the Dhaka University. He has a lot of experience of more than 25 years in multi asset portfolio management, traded securities (stock, bonds and commodities), derivatives, private credits, private equity/ alternative investments and fund management.

He had worked for major multi-lateral and multinational organizations that include International Financial Corporation (IFC), World Bank, Royal Dutch Shell, and Global Investment House, Kuwait.

Closed/ managed investment of over USD 1 billion and managed a USD 500 million private equity fund listed on the London Stock Exchange.

He held several senior management positions and board membership of listed and unlisted companies in financial (includes an Islamic bank of Malaysia promoted by Qatar Islamic Bank) and manufacturing sectors of several countries. He has been member of the Board since 2017.

Fadwa Salim Said Al Fannah Al Araimi

Ms. Fadwa has a degree in Accounting. She is a member of the Board of Directors of Gulf Plastics Industries Co (SAOC) and Al Fajar Al Alamia Co (SAOG). She also serves as a director in the National University of Science & Technology. She has been member of the Board since 2018.

Asim Salim Ali Al Ghailani

Mr. Asim Al Ghailani the Managing Director of Salim International Investment Holding Co. LLC. He holds an MSc in Investment Management (With Honor) from Bangor University, UK 2015 and a Bachelor degree in Finance from Oman in 2008. Asim is a well-qualified, detail oriented and results focused professional with rich experience of more than 20 years in strategic planning and managing investment portfolios across asset classes including Real Estate. Currently, Asim is a non-executive director and audit committee member of National Finance S.A.O.G.

He has also served as a non-executive director of listed companies as well as LLC companies in Oman and GCC. He has been member of the Board since 2020.

7. Mubarak Juma Mubarak Al Habsi

Mr. Mubarak Juma Mubarak Al-Habsi is currently the Section Head of Follow up and Settlement at the Investment Department in PASI with over 20 years of experience in finance and investment operations management. He represents PASI on the Board of Advisory at Rakiza Fund and holds a Master of Science degree in Investment Management from Coventry University, United Kingdom. He has been member of the Board since September 2022.

Profile of Key Management Personnel

Mr. Venkiteswaran Rajesh is the General Manager of the Company since July 20, 2022. He has extensive experience in the GCC Equity markets as well as Private Equity Investments over two decades. In his earlier roles, Rajesh was acting CEO of Vision Asset Management Company and in charge of managing Mutual Fund schemes at the Company. Prior to this, he was an Investment Advisor to Diwan of Royal Court Pension Fund for 9 years. He has also served in advisory capacity to regulatory agencies and as board member of a listed mutual fund. He holds an MBA from India

Mr. Pandidurai Marimuthu is the AVP Investments. He is a Chartered Financial Analyst (CFA), MBA (Finance) and a Graduate in Commerce. He has over 14 years of experience in the Investment field

and has worked with institutions in India and the United Arab Emirates, before his current role with the Company.

Mr. Srinivaasrajagopal is the Finance Manager. He is a Chartered Accountant (FCA) and a Graduate in Statistics. He has over 25 years of experience in various institutions in India and United Arab Emirates before his current role with the Company.

Committees

Audit Committee

The Audit Committee (AC) is entrusted with the responsibility of overseeing compliance with the CMA's Code of Corporate Governance for Public Listed Companies. This mainly involves review of financial statements before submission to the Board, review of internal audit plans and reports, assessment of internal controls, assessment of risk

management policies, evaluation of related party transactions, and acting as the medium of communication between the Board and the internal and statutory auditors of the Company. The AC is responsible for preparing an annual report on the Internal Audit framework and function for the Board's review. The AC is also responsible for recommending the appointment or re-appointment of statutory auditor, to the Board during the year 2023, the committee held four meetings during the year. The meetings were held on:

February 15, 2023

May 02, 2023

August 02, 2023

November 07, 2023

Details of the composition of the committee and the attendance of the members are given below:

Name of the Director	Meetings attended
Sheikh Saleh Ahmed Mohamed Al Harthy (Chairman)	4
Mr. Bader Mohamed Rashid Al Fanna Al Araimi	4
Mr. Asim Salim Ali Al Ghailani	4

Investment and Nomination & Remuneration Committee (INARC)

The INARC which comprises of certain members of the board has been set up to oversee adherence to the investment policies and guidelines set out in the Investment Policy manual. The investment recommendations of the management are approved by the INARC as per its financial limits set forth in the Company's Manual of Authorities. The INARC refers investment commitments beyond its financial authority to the Board for its approval. In addition, the committee shall exert its efforts to assist the Company in formulating clear and transparent policies to inform shareholders about directors' and executives' remuneration. Moreover, the committee assists the board in selecting appropriately qualified personnel for executive management roles. During the year 2023 the committee held 3 meetings. The meetings were held on:

- April 11, 2023
- June 13, 2023
- October 31, 2023

Details of the composition of the committee and the attendance of the members are given below:

Name of the Director	Meetings attended
Mr. Mohammed Ali Mohammed Al Fannah (Chairman)	3
Mr. Subrata Mitra	3
Mr. Mubarak Juma Mubarak Al Habsi	3

Remuneration

The Board of Directors is entitled to a sitting fee for attendance at meetings. The remuneration is governed by the prevailing laws, the recommendation of the Board of Directors, and the decision of the shareholders at the Annual General Meeting. All the Board members are non-executive and no fixed remuneration or incentive is payable to them. They were paid fees for attending the meetings of the Board and other committees which amounted to RO 30,100 during the year 2023 (RO 40,300 in 2022).

The aggregate salaries and other benefits of the top five executives stood at RO 251,230 during the year 2023 (RO 193,813 in 2022). All employees have employment contracts as per the Omani Labour Law which stipulates the notice period for each party in the case of termination or resignation.

Compliance

There have been no strictures, penalties, fines or any other restrictive orders imposed on the Company by the CMA, MSM or any other statutory body on any matter related to compliance during the financial year 2023.

Means of Communication with the shareholders and investors

The Company maintains good communication relations with its shareholders by responding promptly to their enquiries and furnishing them the required information. A responsive, multilingual corporate website is monitored, updated, and maintained by the management. The Company publishes its quarterly unaudited financial results in the daily newspapers, while the audited financial statements are being published on annual basis. Detailed financial statements are sent to the shareholders upon their request. Details of financial statements of the Company are manually synchronized with the MSM website and the website of your Company.

Management discussion and analysis report

The Management Discussion & Analysis (MDA) is enclosed as a part of the Annual Report for the financial year 2023.

Market price data and distribution of shareholders

The movement of the Company's share price during the financial year 2023 in the Muscat Stock Exchange (MSX) can be compared with the movement in the index of the market's financial sector. The following table shows the monthly open, high, low, and closing prices of the shares. The table also displays the comparative movement in the financial index of the MSX.

Month of FY 2023	Open	High	Low	Close	Financial Index
January	0.080	0.082	0.072	0.072	7,550.171
February	0.073	0.080	0.071	0.078	7,671.763
March	0.080	0.083	0.073	0.075	7,778.184
April	0.076	0.081	0.073	0.076	7,601.300
May	0.073	0.077	0.073	0.075	7,558.744
June	0.076	0.076	0.073	0.075	7,830.133
July	0.076	0.078	0.073	0.071	7,827.348
August	0.072	0.073	0.070	0.071	7,831.429
September	0.070	0.070	0.067	0.068	7,650.211
October	0.069	0.072	0.068	0.068	7,411.369
November	0.067	0.069	0.066	0.069	7,583.917
December	0.07	0.071	0.067	0.068	7,392.673

Distribution of Shareholding

Distribution pattern of shareholders owning shares that have voting rights in the Company is presented below:

No. of Shares	No. of Shareholders	Total No. of shares	% of share in the Capital
10% and above	2	30,526,688	33.92 **

5% to 9.99%	3	15,292,942	16.99
1 to 4.99%	9	13,173,307	14.64
Below 1%	1,009	31,007,063	34.45
Grand Total	**1,023**	**90,000,000**	**100.00**

** 22.63% is owned by Sheikh Salem bin Said bin Hamad Al Fannah Al Araimi and 11.29% is owned by Al Siraj Holdings.

Outstanding Securities or instruments

The Company has not issued any instrument or security that will have an impact on the capital structure of the Company.

Compliance of Corporate Social Responsibility

We follow industry best practices and are involved in initiatives that benefit the society in geographies we operate. Our community engagement strategy includes setting aside a certain sum of money from our profits for *charitable donations. There is no instance of non-compliance by the Company with respect to its Corporate Social responsibility.*

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 115,000 employees working in a global network of 1,776 offices situated in 166 countries and territories.

BDO LLC is accredited by the Capital Market Authority to audit publicly listed joint stock companies (SAOGs) in Oman. BDO LLC billed an amount of RO 5,775 towards professional services rendered to the Company for the year 2023 (RO 3,990 for audit and RO 1,785 for other services).

Acknowledgment

The board of directors confirm their liability for the preparation of financial statement in accordance with the applicable standards and rules. During the year, the board of directors have reviewed the efficacy and adequacy of the internal controls and there are no material factors that affect the continuity of your Company and its ability to continue its business during the ensuing financial year.

Mohamed Ali Mohammed Al Fannah

Chairman

February 21, 2024