

Corporate Governance Report

We are pleased to present the Corporate Governance Report of the Company for the year ended 31st December 2015.

COMPANY'S PHILOSOPHY

The principles of Corporate Governance are the cornerstones of Oman Oil Marketing Company. We believe these principles distinguish a well-managed company from others. These principles ensure transparency, integrity and accountability which are vital for the long and sustained growth of the Company.

Oman Oil Marketing Company has been practising these principles long before these were made mandatory for listed companies and fully supports the guidelines on Corporate Governance issued in June 2002 by the Capital Market Authority (CMA). The Company has a representation of five independent directors on its Board to complement and supplement the other four directors, the Executive Management and providing optimum mix of professionalism, knowledge, expertise and experience.

Our endeavour has always been to engage persons of eminence as directors who can contribute to corporate strategy, provide an external perspective and be a source of challenge and evaluation wherever appropriate. We have the good fortune of having directors whose contributions to the trade and industry are well acknowledged.

BOARD OF DIRECTORS

(a) Composition of the Board

The Board of Directors comprises of nine members, which is the maximum number permitted by the Articles of Association of the Company. All the Directors are Non-Executive, Omani nationals and five of them are Independent directors. During the year 2015 CMA vide its **"Code of Corporate Governance for Public Joint Stock Companies - March 2015"** amended definition of 'Independent director' and 'related parties'. The company complies with the CMA amended definition of Independent Directors.

Subject to the overall superintendence and control of the Board, the day to day management of the Company now vests in the hands of the Executive Management team headed by Eng. Omar Ahmed Salim Qatan, Chief Executive Officer and includes Mr. Hussain Abdul Latif Al Balushi,, Mr. Hussain Jama Al Ishaqi, Mr. Faisal Abdulaziz Said Al Shanfari, Mr. Nabeel Salim Said Al Ruwaidhi and Mr. Amer Suhail Jaboob.

During the year, Mr.Hussain Abdul Latif Al Balushi, GM-Finance, Legal & Strategic Planning has submitted his resignation and 6th February was his last working day in the Company. The Company is in the process of recruiting his replacement.

The CEO is a permanent invitee to the Board meetings of the Company. The Company Secretary is the GM-Finance, Legal and Strategic planning.

(b) Process of nomination of Directors

Directors are appointed for three years and retire by rotation and, if eligible, can offer themselves for re-election at the Annual General Meeting (AGM). There are arrangements for the filling of vacancies by the Board itself on a temporary basis. Individuals wishing to nominate themselves for election to Directorship to the Company's Board are required to complete and submit a nomination form to the Company at least two working days before the Annual General Meeting (AGM) of the Company. Notice of the AGM is published in the leading English and Arabic dailies at least two weeks in advance.

The process as laid down in the Commercial Companies Law and by the Capital Market Authority (CMA) in conjunction with the Articles of Association of the Company is adhered to. The Company has an induction program for Directors, which covers the business environment of the Company's businesses as well as specific Corporate Governance elements (e.g. Confidentiality, Disclosure of Interest,,etc).

(c) Disclosures regarding appointment or re-appointment of Directors

There were no changes in the Board of Directors during the year.

(d) Number of Board meetings

The Company held five Board meetings during the year which ended on December 31st 2015. These were on January 28th 2015, 26th March 2015, April 29th 2015, July 15th, 2015 and October 27th 2015 with the maximum interval between any two meetings not exceeding the CMA required interval of maximum of four months.

(e) Directors' attendance record and directorships held

See Table 1 for details.

Table 1: Details about Oman Oil Marketing's Board of Directors

Name of Director	Position	Board meetings held during the year	Board meetings attended during the year	Whether attended last AGM	Directorships in other Public Listed companies incorporated in Oman
Salim Abdullah Al Rawas	Chairman- Non Executive and Non Independent Director	5	5	Yes	1
Mulham Bashir Al Jarf ^l	Deputy Chairman- Non Executive and Non Independent Director	5	3	No	-
Assilah Zaher Al Harthy	Non-Executive and Independent Director	5	5	Yes	-

Notes:

- Independent Director is as defined in Article 1 of the Code of Corporate Governance.

In order to facilitate proper governance, the following information amongst others was provided to the Board:

- 4

- Quarterly results of the Company and its operating divisions or business segments
- Key discussion points at the meeting of Audit Committee
- Materially important show cause, demand, prosecution and penalty notices
- Fatal or serious accidents or dangerous occurrences
- Any materially significant effluent or pollution problems
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company
- Any issue which involves possible public or product liability claims of a substantial nature
- Details of any joint venture or collaboration agreements
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions
- Significant development in the human resources and industrial relations fronts
- Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business
- Material details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement and
- Non-compliance with any regulatory, statutory or listing requirements or shareholder services such as non-payment of dividend

The Board members of Oman Oil Marketing Company (omanoil) are routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings or are tabled before the appropriate committees of the Board.

The Board has, as required under the Corporate Governance guidelines, adopted internal regulations – those include adoption of principles, policies and procedures and practices for doing business and conducting affairs.

(g) Materially significant related party transactions

There have been no materially significant related party transactions, pecuniary transaction or relationships between Oman Oil Marketing Company (omanoil) and its Directors for the year ended December 31st, 2015 that may have had a potential conflict with the interests of the Company at large. All the transactions with Related Parties were at arm's length.

(h) Remuneration of Directors: sitting fees, salary, remuneration and perquisites

The remuneration policy is decided by the Board and approved in the Annual General Meeting with the intent of attracting and retaining the highest quality of industrialists/ professionals to provide the Company with the right kind of strategic directions and improve operational efficiencies. Non-executive directors were paid RO 500/- for sitting at Board of directors meeting and RO 400/- for other sub committees as sitting fees for every meeting attended. Apart from the sitting fees, non-executive directors were paid as remuneration such that the aggregate of such remuneration for the full Board did not exceed 5% of net adjusted profits for the year before appropriating such remuneration subject to maximum amount of RO 200,000/-. The fixed remuneration is pro-rated for the period directorship is held, if less than one year. The regulations laid down in the Commercial Companies Law and as laid down by the CMA in this respect are also complied with. Executive directors, if any, apart from their contractual benefits and performance linked pay (see section below) were not eligible for any sitting fees or fixed remuneration.

Table 2 gives the details of the remuneration package of Directors

Table 2: Remuneration paid/payable to Directors during the year 2015

Omani Riyals

Name of Director	Sitting Fees	Remuneration*	Total
Salim Abdullah Al Rawas (2)	2500	19,300	21,800
Mulham Bashir Al Jarf (2) (3)	1900	19,300	21,200
Assilah Zaher Al Harthy (1)	4500	19,300	23,800
Amal Suhail Bahwan (3)	2900	19,300	22,200
Khamis Mohammed Al Amry	2500	19,300	21,800
Al Sayyida Rawan Ahmed Al-Said (1)&(2)	4000	19,300	23,300
Ahmed Abdullah Al Rawas	500	19,300	19,800
Abdul Kader Darwish Al Balushi (1)&(2)	4500	19,300	23,800
Saleem Pir Bakhsh Al Raisi (3)	2900	19,300	22,200
TOTAL	26,200	173,700	199,900

Note:

1. Includes sitting fees for Audit committee meetings
2. There was no Investment Committee meetings
3. Includes sitting fees for one Remuneration Committee meeting

* The remuneration for the year ended December 31st 2015 will be paid to the non-executive directors subject to Shareholder's approval at the Annual General Meeting which will be held on 28th March, 2016 at 5pm at Al Bustan Palace Hotel

(i) Directorships in other listed companies and memberships of other committees

Table 3 gives details of Board members' Directorships in other listed companies and memberships of other committees

Table 3: Particulars of Directorships in other Public Listed Companies & memberships of other committees

Name of the Director	Other Directorships		Other Committee memberships	
	Name of the company	Position	Committee	Position
A.				
Salim Abdullah Al Rawas	Galfar Engineering & Contracting Co SAOG	Vice Chairman	SAFCOM (Supervisory & Follow up Committee)	Member
Mulham Bashir Al Jarf	None	N/A	N/A	N/A
Assilah bint Zaher Al Harthy	None	N/A	N/A	N/A

Amal bint Suhail Bahwan	Oman Ceramics Co. SAOG	Chairperson	N/A	N/A
	National Pharmaceutical Industries Co. SAOG	Director	Executive Committee	Member
Khamis bin Mohammed Al Amry	None	N/A	N/A	N/A
Al Sayyida Rawan Ahmed Al-Said	National Bank of Oman	Director	Audit Committee	Chairperson
			Executive Committee	Member
	Takaful Oman Insurance SAOG	Deputy Chairperson	Executive & Investment Committee	Member
			Remuneration & Human Resource Committee	Member

Ahmed Abdullah Al Rawas	Dhofar Cattle Feed Co SAOG	Vice Chairman	N/A	N/A
	Salalah Flour Mills Co SAOG	Chairman	N/A	N/A
Abdul Kader Darwish Al Balushi	Oman Ceramics Co SAOG	Director	Audit Committee	Chairman
Saleem Pir Bakhsh Al Raisi	Oman Flour Mill SAOG	Director	Executive & Investment Committee	Member

(j) Disclosures by the Board members

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

(k) Committees of the Board

1) Audit Committee

The Audit Committee comprises of three Non-Executive and two Directors are Independent. The members are as follows:

- a) Abdul Kader Darwish Al Balushi – Chairman
- b) Al Sayidda Rawan Ahmed Al Said –Member
- c) Assilah Zaher Al Harthy –Member

The Company continues to derive immense benefit from the deliberation of the Audit Committee comprising of 3 Non-Executive Directors – Mr. Abdul Kader Darwish Al Balushi (Chairman), Al Sayyida Rawan Ahmed Al Said and Ms. Assilah bint Zaher Al Harthy who are eminent professionals knowledgeable in finance, accounts and company law. The Chief Internal Auditor serves as the secretary to the Audit Committee. The CEO, the Chief Internal Auditor and the GM Finance, Legal and Strategic planning are permanent invitees to the meeting. The Chairman of the Audit Committee meeting, at the Board meeting, briefs the Board of the outcomes at the Audit Committee meeting, and those are discussed at the Board meeting.

Among the principal functions and duties of the Audit Committee are as follows:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment of any other services;
- Reviewing with management and external and internal auditors, the adequacy of internal control systems;
- Reviewing the Company's financial and risk management policies; and
- Examining reasons for substantial default in the payment to depositors, bond holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;

Table 4: Audit Committees' attendance record

Name of Director	Position	Audit Committee meetings held during the year	Audit Committee meetings attended during the year
Abdul Kader Darwish Al Balushi	Chairman of the Committee	5	5
Al Sayyida Rawan Ahmed Al Said	Member	5	5
Assilah Zaher Al Harthy	Member	5	5

Further details on the Audit Committee including its activities during the year under review are contained in the Audit Committee report of this Annual Report.

2) Board Investment Committee

The Investment Committee comprises of four (4) Non-Executive Directors (one of whom is Independent):

- Salim Abdullah Al Rawas – Chairman
- Al Sayidda Rawan Ahmed Al Said–Member
- Mulham Bashir Al Jarf --Member
- Abdul Kader Darwish Al Balushi –Member

The Board secretary also serves as the secretary to the Board Investment Committee and the Chief Executive Officer is a permanent invitee to the meeting.

The principle functions and duties of the Investment Committee are as follows:

- To deliberate, review and recommend for approval of the Board on the merits of any new businesses to be set up or acquired or any investment proposal submitted to the Company.

- To carry out any other functions as may be delegated and authorised by the Board.
- There was no investment committee meeting held during the year.

3) Board Remuneration Committee

The Company set up a Remuneration Committee in 2011 and it comprises of three (3) Non-Executive Directors (one of whom is Independent):

- a) Mulham Bashir Al Jarf – Chairman
- b) Amal bint Suhail Bahwan –Member
- c) Saleem Pir Bakhsh Al Raisi –Member

The SM-Human Resources & Administration serves as the secretary to the Remuneration Committee and the GM Human Resources, Corporate Affairs, Procurement & HSSE serves and the Chief Executive Officer are permanent invitees to the meeting.

Among the principle functions and duties of the Board Remuneration Committee are as follows:

- In the case of the CEO, recommending to the Board the appointment, remuneration, reward framework, KPI as well as assessment thereof.
- In the case of the Executive Management and based on the recommendation of the CEO, approving the appointment, remuneration, reward framework, and key performance indicators (KPI) as well as assessment thereof
- Ensuring an appropriate succession plan is in place at all times for the CEO and Executive Management.
- Reviewing the qualifications and work experience of any individual being nominated to be appointed to the Executive Management.
- Reviewing and overseeing Human Resource policies and Omanisation plans.
- Reviewing and ensuring the existence of a remuneration framework that adequately addresses the Company needs in attracting and retaining competent employees taking into account market trends and practices.
- Interviewing any member of the Executive Management upon resignation or termination from the Company.

Table 5: Board Remuneration Committees' attendance record

Name of Director	Position	Board Remuneration Committee meetings held during the year	Board Remuneration Committee meetings attended during the year
Mulham Bashir Al Jarf	Chairman of the Committee	1	1
Amal bint Suhail Bahwan	Member	1	1
Saleem Pir Bakhsh Al Raisi	Member	1	1

Director's Training

The Board recognises the importance of training as a continuous education process for the Directors in order to ensure that the Directors stay abreast of the latest developments in corporate governance practices, business environment and new challenges, and to equip the Directors with the necessary knowledge and skills to enable them to fulfil their responsibilities and effectively discharge their duties.

The Board also strives to enhance the culture and practices of good corporate governance. During the year under review, Miss Assilah Al Harthy had successfully completed the requirements to be awarded the Certificate in Corporate Governance from INSEAD business school and the Company had arranged a training known as International Directors Programme which was attended by the following board members:

1. Sheikh Salim Al Rawas
2. Sayida Rawan Al Said
3. Miss Assilah Al Harthy

MANAGEMENT & REMUNERATION

Recruitment and remuneration of the CEO is finalised by the Board or a sub-committee of the Board.

With respect to the selection of the key executives (other than contractors), a selection process applied within the Company is used. The job of each executive and each other salaried employee of the Company is assigned an internal “Job Level” designation, based on the person’s duties and responsibilities, the degree of special skill and knowledge required and other similar factors. Each job level is assigned a job rate. This job rate is determined with reference to surveys and other conditions. This system is in widespread use within the industry and adjusted from time to time. The same applies for evaluation of staff where a comprehensive performance appraisal system is implemented.

The Remuneration Package of Executives, other than those recruited as contractors, is made up of basic salary, annual bonus, contributions to Provident Fund/PASI or end of service benefit and additional allowances and perquisites.

The annual bonus is determined with reference to the extent of achievements against challenging performance targets. The targets taken into account include financial, operational, social and environmental objectives. Table 4 lists the names of the current senior management team.

Table 6: Senior Management Team

Name	Designation	Age	Qualification	Date of Joining the Company
Omar Ahmed Salim Qatan	Chief Executive Officer	60	MSc (Engineering) , MBA	1-Apr-2006
Hussain Abdul Latif Al Balushi	General Manager – Finance, Legal and Strategic Planning.	40	FCCA & HND Business Administration	23 –Feb-2008

Faisal Abdulaziz Said Al Shanfari	General Manager – Corporate Affairs, HR & Administration, Procurement and HSSE	44	B.Eng (Mechanical)	11-Feb-2008
Nabeel Salim Said Al Ruwaidhi	General Manager - Commercial, Lubricants, Marine, Aviation & Business Development	43	B.Eng (Civil), MSc.Eng (Industrial)	6-Oct-2008
Hussain Jama Al Ishaqi	General Manager – Retail, Fuel Card and Regional Offices	47	MBA & MSc in Geographic Information for Development (GID)	1-Oct-2007
Amer Suhail Jaboob	General Manager – Operation, Engineering, Logistics and IT	37	MSc (Engineering)	05-SEP-2011

During the year 2015 the total cost of the top five executives of the Company was approximately RO.710, 646 (Bonus for 2014 paid in 2015 is included in this amount).

SHAREHOLDERS

(a) Means of communication with shareholders and investors

The Company has its own website and all vital information relating to the Company, its business and performance, including quarterly results and official press releases are posted for all interested parties. The Company's website address is **www.oomco.com**. The detailed and full set of quarterly results is also posted on the Muscat Securities Market (MSM) website **www.msm.gov.om** or is made available to any shareholder requesting the same to the Company or the MSM.

The summary of quarterly, half-yearly and annual results of the Company's performance together with the Director's Report outlining the business performance, current issues and concerns as also other communication to shareholders (notice of general meetings, dividend payment) are published in leading newspapers both Arabic and English. The Directors scrutinise these announcements at their Board meetings prior to publication to ensure that they are accurate and present a clear assessment of the Company's affairs.

Furthermore, the Company entertains specific meetings with analysts and shareholders, upon request and as appropriate.

(b) Dividend policy

The Company's dividend policy is to remit the optimum amount of profit, in any operating year to Shareholders. If, in accordance with the business plans, funds and profits were likely to be available, the Company would like to pay a dividend. In line with this policy, the Company is expected to pay a dividend for the year 2015 in April 2016. The dividend pay-out would take into account major investment plans, working capital requirements or other constraints.

(c) Details of non-compliance by the Company

The Company has been fully compliant with all matters relating to the capital market and the listing arrangements and no penalties or strictures have been imposed on the Company by the CMA/MSM or any statutory authority during the period of this report. The Company is also in full compliance with the Corporate Governance Code.

(d) General body meetings

The Company's Annual Report together with the Notice cum Agenda for the Annual General Meeting (AGM) contains sufficient written clarifications on each item on the agenda of the AGM so that Shareholders are suitably briefed on matters that are to be discussed to enable their effective participation there at. The Directors encourage Shareholders to attend and participate in the Annual General Meeting.

Questions posed-(where possible) are answered in detail either at the General Meeting itself or thereafter. Shareholders are welcomed to raise queries by contacting the Company at any time throughout the year and not just at the General Meetings

Details of the last three Annual General Meetings are given in Table 7

Table 7: Date, time and venue of the last three AGMs

Financial year (ended)	Date	Time	Venue
31 st December 2012	27 th March 2013	3.00 PM	Sindbad Ballroom at Crowne Plaza Hotel, Qurum
31 st December 2013	27 th March 2014	3.00 PM	Muscat Intercontinental
31 st December 2014	26 th March 2015	4.00 PM	Crowne Plaza

The Annual General Meeting for the financial year ended December 31st 2015 is scheduled to be held as per details below:

Date : March 28th, 2016
Venue : Al Bustan Palace Hotel
Time : 5.00 PM

(e) Stock Data

Table 8 gives the monthly high and low prices and volumes of Oman Oil Marketing company (omanoil) shares at the Muscat Securities Market (MSM) for the year ended December 31st 2015.

Table 8: Monthly share price data and volumes at the Muscat Securities Market (MSM)

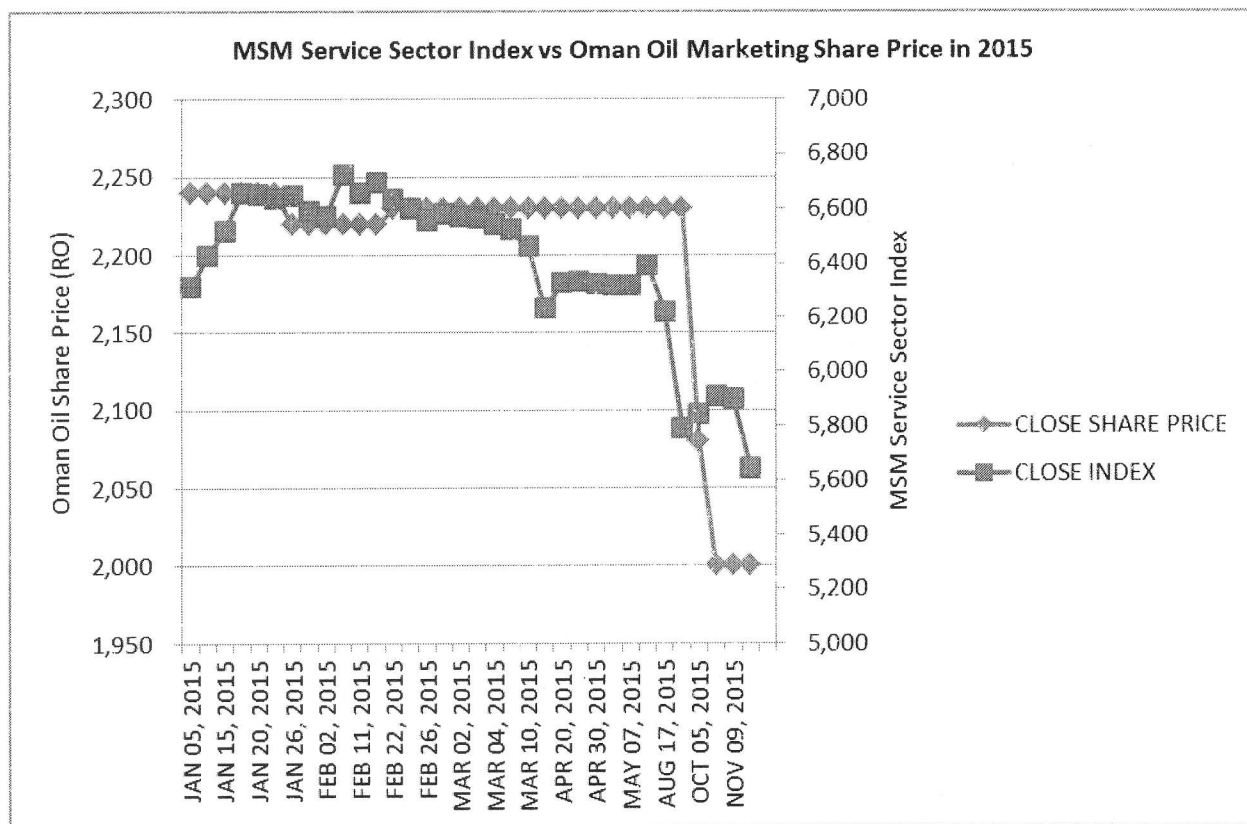
Month 2015	High	Low	Volume
January	2.200	2.200	85,036
February	2.230	2.230	44,966
March	2.230	2.230	46,746
April	2.230	2.230	82,489
May	2.230	2.230	7,220
June	-	-	-
July	-	-	-
August	2.160	2.160	2,000
September	-	-	-
October	2.000	2.000	64,174
November	1.95	1.95	5,800
December	-	-	-

Note: High and low are in Rial Omani per traded share. Volume is the total monthly volume of trade (in numbers) in Oman Oil Marketing shares on the MSM.

Performance in comparison to broad based service sector index of Muscat Securities Market

Chart A plots the performance of the Company's shares against the broad based Services sector index of the Muscat Securities Market (MSM) for the year 2015.

Chart A: MSM Service Sector Index vs. Oman Oil Marketing in 2015



Distribution of shareholding - Review

Oman Oil Company SAOC holds 49% of the shares, whereas 51% of the shares are held by investors or traded at the Muscat Securities Market. In line with the Commercial Companies Law and the Company's Articles of Association, 3,225,000 shares of the Company have a preferential characteristic, in that they are multi-vote shares. Oman Oil Company owning these multi-vote shares thereby is able to cast 34,830,000 votes (51.4%) at the General Meetings of the Company. However, this will not itself enable them to control an Extraordinary General Meeting of the Company.

Table 9 gives the distribution pattern of shareholding of Oman Oil Marketing Company (omanoil) as on December 31st, 2015 and Table 10 lists the names of the top ten shareholders in the Company on the same date with the number of shares owned and percentage of holding (*the top ten shareholders are determined based on holdings in single account and not multiple accounts*).

Table 9: Distribution of shareholding by size class as on December 31st 2015

Holdings	Shareholders		Shares	
	Number	% of Total	Number	% to Total
Up to 5000	749	78.18	1,153,278	1.79
5,001 - 10,000	84	8.77	607,780	0.94
10,001 - 20,000	33	3.44	461,232	0.72
20,001 - 30,000	15	1.57	389,037	0.60
30,001 - 40,000	12	1.25	388,303	0.60
40,001 - 50,000	5	0.52	235,165	0.36
50,001 - 100,000	25	2.61	1,966,103	3.05
100,001 - 200,000	6	0.63	748,471	1.16
200,001 - 300,000	13	1.36	3,384,298	5.25
300,001 - 500,000	7	0.73	3,031,717	4.70
500,001 - 1,000,000	3	0.31	2,196,230	3.41
1,000,001 - 2,000,000	1	0.10	1,406,690	2.18
2,000,001 and above	5	0.51	48,531,696	75.24
Total	958	100	64,500,000	100

Table 10: Top 10 shareholders as on 31st December 2015

Holdings	Shares	
	Number	% of Total no. of shares
Oman Oil Company SAOC	31,605,000	49.00
Civil service Pension Fund	8,352,027	12.95
Dhofar International Development and Investment Holding Company SAOG	3,225,000	5.00
Suhail Salim Abdullah Mukhaini Bahwan	2,717,800	4.21
HSBC A/C Ministry of Defense Pension Fund	2,658,869	4.12
Public Authority for Social Insurance	1,406,690	2.18
Diwan of Royal Court - the pension fund	775,810	1.20
Oman Cement Company SAOG	737,190	1.14
Dhofar Insurance Company SAOG	683,230	1.06
General Reserved Fund	490,706	0.76
Total of Top 10 shareholders incl. Preference Share	52,652,322	81.62

Outstanding GDRs/ADRs/Warrants/Convertible instruments and their impact on equity

Not applicable for Oman Oil Marketing Company (omanoil)

Unclaimed Dividends

Under the Commercial Companies Law and CMA guidelines, dividends that are unclaimed for a period of more than six months from the date of payment statutorily get transferred to the Investor Trust Fund administered by the Capital Market Authority. *Table 11* gives the details of dividend payment since 2001 and the corresponding months when such unclaimed dividends were transferred to the stated Fund. The Company has no unclaimed dividends. All claims subsequent to the date of transfer for dividends not received need to be referred to the Muscat Clearing and Depository Company.

Table 11: Details of unclaimed dividend transferred to the Investor Trust Fund

Rial Omani

Year	Dividend				Month of transfer
	%	Total Amount	Amount Claimed	Unclaimed & transferred Amount	
2001	25.0	1,612,500	1,601,071	11,429	March-04
2002	25.0	1,612,500	1,604,414	8,086	March-04
2003	26.0	1,677,000	1,662,844	14,156	January-05
2004	30.0	1,935,000	1,925,685	9,315	October-05
2005	45.0	2,902,500	2,893,469	9,031	October-06
2006	47.5	3,063,750	3,040,022	23,728	October-07
2007	47.5	3,063,750	3,039,924	23,826	October-08
2008	35.0	2,257,500	2,251,143	6,357	October-09
2009	35.0	2,257,500	2,250,813	6,687	October-10
2010	42.0	2,709,000	2,700,964	8,036	October-11
2011	62.0	3,999,000	3,972,962	26,038	October-12
2012	70.0	4,515,000	4,503,847	11,153	October-13
2013	70.0	4,515,000	4,445,445	69,555	October-14
2014	60.0	3,870,000	3,825,702	44,298	October -15
Total		39,990,000	39,718,305	271,695	

AUDITOR'S REPORT ON FACTUAL FINDINGS ON CORPORATE GOVERNANCE

As required, the Auditors' have issued a separate report on Factual Findings on the Company's Corporate Governance Report and the application of Corporate Governance practices, which is annexed to this report.

ACKNOWLEDGEMENT BY THE BOARD

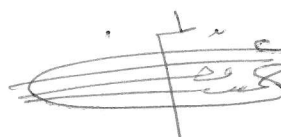
As required by the Code of Corporate Governance the Board of Directors hereby confirms the following:

- That it is the responsibility of the Board to ensure that the Financial Statements are in accordance with applicable standards and rules.
- That the internal control systems are adequate and efficient and that it has complied with all internal rules and regulations.
- That there is no material items that effect the continuation of the company and its ability to continue its operations during the next financial year.



Salim Abdullah Al Rawas

Chairman



Omar Ahmed Salim Qatan

CEO

ACKNOWLEDGEMENT BY THE BOARD

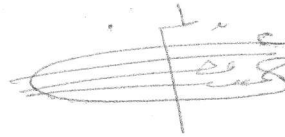
As required by the Code of Corporate Governance the Board of Directors hereby confirms the following:

- That it is the responsibility of the Board to ensure that the Financial Statements are in accordance with applicable standards and rules.
- That the internal control systems are adequate and efficient and that it has complied with all internal rules and regulations.
- That there is no material items that effect the continuation of the company and its ability to continue its operations during the next financial year.



Salim Abdullah Al Rawas

Chairman



Omar Ahmed Salim Qatan

CEO