

## Corporate Governance Report

We are pleased to present the Corporate Governance Report of the Company for the year ended 31<sup>st</sup> December 2018.

### 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 many of 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 four independent directors on its Board to complement and supplement the other five 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 business community 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 four 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 David M. Kalife, Chief Executive Officer and includes Mr. Mohammed Al Yahyai, Mr. Hussain Jama Al Ishaqi, Mr. Faisal Abdulaziz Said Al Shanfari (left the Company in Nov'2018), Mr. Nabeel Salim Said Al Ruwaidhi, Mr. Amer Suhail Jaboob and Mr. Ali Ahmed Abdullah Muqaibal.

The CEO is a permanent invitee to the Board meetings of the Company. Senior Manager - Financial Planning & Control is the Company Secretary.

### **(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 2 changes in the Board of Directors during the year. Mr. Ahmed Tufail Al Rahman and Mr. Talal Mohamed Jawad Hasan Al Lawati were appointed as Directors of the Board replacing Sh. Khamis Mohammed Al Amry and Sh. Ahmed Abdulla Al Rawas.

**(d) Number of Board meetings**

The Company held Six Board meetings during the year which ended on 31<sup>st</sup> December 2018. These were on 30<sup>th</sup> January 2018, 18<sup>th</sup> March 2018, 29<sup>th</sup> April, 2018, 10<sup>th</sup> May, 2018, 26<sup>th</sup> July 2018 and 29<sup>th</sup> October 2018 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
Mulham Bashir Al Jarf	Chairman- Non Executive and Independent Director	6	6	Yes	-
Al Sayyida Rawan Ahmed Al Said	Deputy Chairman- Non Executive and Non Independent Director	6	4	Yes	1
Assilah Zaher Al Harthy	Non-Executive and Independent Director	6	4	Yes	-
Amal Suhail Bahwan	Non-Executive and Independent Director	6	4	Yes	3

Ahmed Tufail Al Rahman@	Non-Executive and Non-Independent Director	6	5	No	-
Sultan Hamed Al Bartamani	Non-Executive and Non-Independent Director	6	4	Yes	-
Talal Mohamed Jawad Hasan Al Lawati@	Non-Executive and Non-Independent Director	6	4	No	
Abdul Kader Darwish Al Balushi	Non-Executive and Independent Director	6	6	Yes	2
Saleem Pir Bakhsh Al Raisi	Non-Executive and Non-Independent Director	6	6	Yes	
Khamis Mohammed Al Amry**	Non-Executive and Independent Director	6	1	Yes	
Ahmed Abdulla Al Rawas**	Non-Executive and Independent Director	6	1	No	

@ Appointed at the AGM dated 18<sup>th</sup> March, 2018

\*\* Term ended at the AGM dated 18<sup>th</sup> March, 2018

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

### Information supplied to the Board

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

- Review of annual operating plans of businesses, capital budgets, updates
- 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 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.

**(f) 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 31<sup>st</sup> December 2018 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.

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

The remuneration policy is recommended 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 board 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 and sitting fees 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: Remuneration paid/payable to Directors during the year 2018**

**Omani Riyals**

Name of Director	Sitting Fees	Remuneration*
Mulham Bashir Al Jarf	4200	18,256
Sayyida Al Rawan Al Said	5200	18,256
Assilah Al Harthi	4400	18,256
Amal Bint Suhail Bahwan	3200	18,256
Abdul Khader Darwish Al Balushi	5400	18,256
Ahmed Abdullah Rawas	500	4,564
Khamis Al Amry	500	4,564
Sultan Hamed Al Bartamani	3600	18,256
Saleem Al Raisi	4200	18,256
Talal Mohamed Jawad Hasan Al Lawati	2000	13,692
Ahmed Tufail Al Rahman	2500	13,692
<b>TOTAL</b>	<b>35,700</b>	<b>164,300</b>

**Note:**

1. Includes sitting fees for Audit committee meetings
  2. Includes sitting fees for Investment Committee meetings
  3. Includes sitting fees for Remuneration Committee meeting
- \* The remuneration for the year ended 31<sup>st</sup> December 2018 will be paid to the non-executive directors' subject to Shareholder's approval at the Annual General Meeting which will be held on 18<sup>th</sup> March, 2019 at 5pm at Crowne Plaza Muscat Al Mandaloan.

**(h) 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
Mulham Bashir Al Jarf				
Assilah bint Zaher Al Harthy	-	-	-	-
Amal bint Suhail Bahwan	Al JazeeraSteel Products Co.	Chairperson	-	-
	National Pharmaceutical Industries Co. SAOG	Director	Executive Committee	Member
	National Bank of Oman, SAOG	Director	Executive Nomination & Remuneration Committee Board Risk Committee	Member
			-	-

Khamis bin Mohammed Al Amry	-	-	-	-
Sayyidah Rawan Ahmed Al Said	National Bank of Oman, SAOG	Chairperson		
Ahmed Abdullah Al Rawas	Dhofar Cattle Feed Co SAOG	Vice Chairman	-	-
	Salalah Flour Mills Co SAOG	Chairman	-	-
Sultan Hamed Al Bartamani			-	-
Ahmed Tufail Al Rahman				
Talal Mohamed Jawad Hasan Al Lawati				
Abdul Kader Darwish Al Balushi	Oman Ceramics Co SAOG	Director	Audit Committee	Chairman
	Al Jazeera Steel Products	Director	Audit Committee	Chairman
Saleem Pir Bakhsh Al Raisi	Oman Flour Mill SAOG	Director	Executive & Investment Committee	Member

**(i) 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.



**(j) Committees of the Board**

**1) Audit Committee**

The Audit Committee comprises of three (3) Non-Executive Directors (2 of whom 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 and have sound knowledge 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 are permanent invitees to the meeting. The Chairman of the Audit Committee meeting briefs the Board on the outcomes of the Audit Committee meeting during 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, fixing 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	6	6
Al Sayyida Rawan Ahmed Al Said	Member	6	5
Assilah Zaher Al Harthy	Member	6	4

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 Executive Investment Committee - BEIC

The Investment Committee comprises of Four (4) Non-Executive Directors (Two of them are Independent):

- Mulham Bashir Al Jarf – Chairman
- Al Sayidda Rawan Ahmed Al Said–Member
- Assilah Zaher Al Harthy –Member
- Sultan Hamed Al Bartamani - 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.

Among the principal functions and duties of the BEIC 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 investments proposals submitted to the Company.
- To deliberate, review and recommend for approval of the Board on five years' business plan, annual budget and any amendments to the business plan.
- To Monitor and Evaluate Strategic and Corporate performances
- To carry out any other functions as may be delegated and authorized by the Board

**Table 5: Investment Committees' Attendance record**

Name of Director	Position	No of meetings held during the year	No of meetings attended during the year
Mulham Bashir Al Jarf	Chairman	3	3
Assilah Zaher Al Harthy	Member	3	2
Sultan Hamed Al Bartamani	Member	3	2
Al Sayidda Rawan Ahmed Al Said	Member	3	3

### 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):

- Sultan Hamed Al Bartamani – Chairman
- Amal bint Suhail Bahwan –Member
- 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 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 (excluding CEO) 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 6: Board Remuneration Committees' attendance record**

Name of Director	Position	No of meetings held during the year	No of meetings attended during the year
Sultan Hamed Al Bartamani	Chairman	3	2
Amal bint Suhail Bahwan	Member	3	3
Saleem Pir Bakhsh Al Raisi	Member	3	3

### 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 period under review, the Company had arranged a Training Programme.

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.

During the year 2018 the total remuneration of the top five executives of the Company was approximately RO. 837,963

(Bonus for 2017 paid in 2018 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](http://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](http://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 2018 in April 2019. The dividend pay-out would take into account major investment plans, working capital requirements or any other requirements

### (c) Details of non-compliance by the Company

The Company has been compliant with all matters relating to the capital market and the listing arrangements and no significant material penalties or strictures have been imposed on the Company by the CMA/MSM or any statutory authority during the period of this report except for a minor penalty.

### (d) General body meetings

The Company's Annual Report together with the Notice and 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 8

**Table 8: Date, time and venue of the last three AGMs**

Financial year (ended)	Date	Time	Venue
31 <sup>st</sup> December 2015	28 <sup>th</sup> March 2016	5.00 PM	Al Bustan Palace Hotel
31 <sup>st</sup> December 2016	23rd March, 2017	3.00 PM	Crowne Plaza Hotel
31 <sup>st</sup> December 2017	18th March, 2018	5.00 PM	Crowne Plaza Hotel

The Annual General Meeting for the financial year ended December 31<sup>st</sup> 2018 is scheduled to be held as per details below:

**Date** : 18<sup>th</sup>, March 2019  
**Venue** : Crowne Plaza Hotel  
**Time** : 5.00 PM

## (e) Stock Data

Table 9 gives the monthly high and low prices and volumes of Oman Oil Marketing Company shares in the Muscat Securities Market (MSM) for the year ended 31<sup>st</sup> December 2018.

**Table 9: Monthly share price data and volumes at MSM**

Month 2018	High	Low	Volume
January	1.480	1.420	129,112
February	1.460	1.450	2,414
March	1.400	1.400	204
April	1.400	1.290	22,667
May	1.290	1.150	1,496,539
June	1.145	1.140	51,200
July	1.145	1.140	4,025
August	1.100	1.100	14,118
September	1.130	1.050	3,276,746
October	1.200	1.100	404,392
November	1.130	1.130	13,948
December	1.130	1.130	796

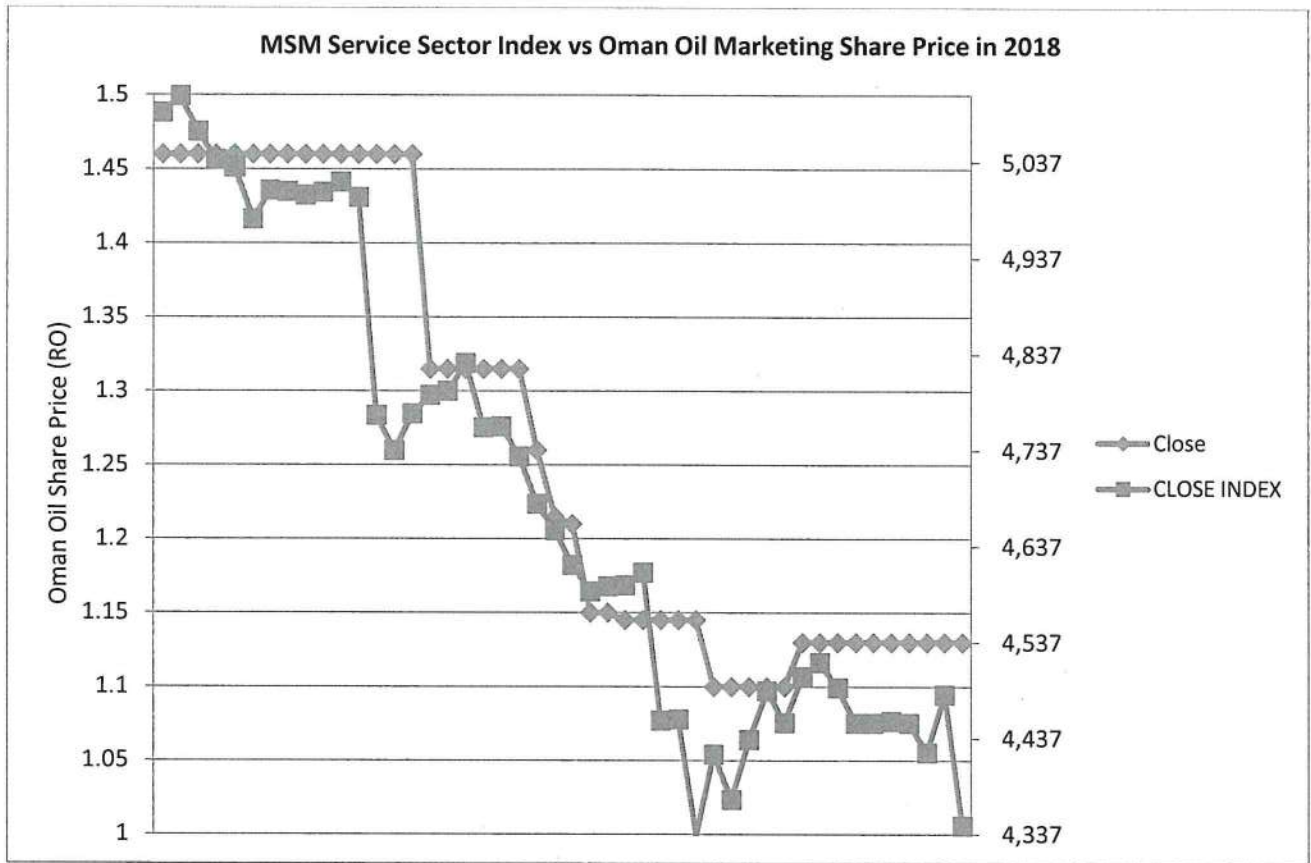
**Note:** High and low are in Riyal Omani per traded share. Volume is the total monthly volume of trade (in numbers) in Oman Oil Marketing shares on the MSM.

#### **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 2018.

#### **Chart A: MSM Service Sector Index vs. Oman Oil Marketing in 2018**





### 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 10 gives the distribution pattern of shareholding of Oman Oil Marketing Company (omanoil) as on December 31<sup>st</sup>, 2018 and Table 11 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 10: Distribution of shareholding by size class as on 31<sup>st</sup> December 2018**

Holdings	Shareholders		Shares	
	Number	% of Total	Number	% to Total
Up to 5000	727	79.80%	1,112,577	1.83%
5,001 - 10,000	79	8.67%	568,477	0.93%
10,001 - 20,000	33	3.62%	457,411	0.75%
20,001 - 30,000	11	1.21%	281,769	0.46%
30,001 - 40,000	11	1.21%	355,773	0.58%
40,001 - 50,000	6	0.66%	276,880	0.45%
50,001 - 100,000	19	2.09%	1,448,233	2.38%
100,001 - 200,000	6	0.66%	879,030	1.44%
200,001 - 300,000	6	0.66%	1,517,640	2.49%
300,001 - 500,000	4	0.44%	1,279,485	2.10%
500,001 - 1,000,000	2	0.22%	1,686,526	2.77%
1,000,001 - 2,000,000	1	0.11%	1,930,466	3.17%
2,000,001 and above	6	0.66%	49,105,387	80.63%
	<b>911</b>	<b>100%</b>	<b>60,899,654</b>	<b>100%</b>

**Table 11: Top 10 shareholders as on 31<sup>st</sup> December 2018**

Holdings	Shares	
	Number	% of no. of shares
Oman Oil Company SAOC	<b>31,605,000</b>	<b>49%</b>
Civil Service Employees Pension Funds ( CSEPF)	<b>8,352,027</b>	<b>13.63%</b>
Public Authority for Social Insurance	<b>4631390</b>	<b>7.55%</b>
Sh Suhail Salim Abdullah Mukhaini Bahwan	<b>2,717,800</b>	<b>4.44%</b>
HSBC A/C Ministry of Defense Pension Fund	<b>2,631,869</b>	<b>4.30%</b>
State General Reserve Fund	<b>2,392,001</b>	<b>3.90%</b>
Middle East Investment SAE	<b>1,930,466</b>	<b>3.15%</b>
BANK MUSCAT / Oman Growth Fund / UNITED SECURITIES	<b>910,716</b>	<b>1.49%</b>
Diwan of the Social Court-Pension Fund	<b>775,810</b>	<b>1.27%</b>
Bank Deposit Insurance System Fund	<b>450,000</b>	<b>0.73%</b>
<b>Total including Preference Share</b>	<b>5,639,7379</b>	<b>87%</b>

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

Not applicable for Oman Oil Marketing Company (Oman oil)

### 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 12* gives the details of dividend payment since 2001 and the corresponding months when such unclaimed dividends were transferred to the stated Fund. All claims subsequent to the date of transfer for dividends not received need to be referred to the Muscat Clearing and Depository Company.

**Table 12: Details of unclaimed dividend transferred to the Investor Trust Fund**

Year	Dividend				Month of transfer
	%	Total Amount	Amount Claimed	Amount transferred	
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
2015	60.0	3,870,000	3,802,963	67,037	October -16
2016	60.0	3,870,000	3,855,007	14,992	October-17
2017	60.0	3,870,000	3,778,764	91,236	October -18
<b>Total</b>		<b>51,600,000</b>	<b>51,155,039</b>	<b>444,960</b>	

## 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 item that effect the continuation of the company and its ability to continue its operations during the next financial year.



Mulham Bashir Al Jarf  
**Chairman**



David M. Kalife  
**CEO**

