

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST DECEMBER 2022**Our corporate governance philosophy:**

The company's corporate governance is a reflection of our value system includes our culture, policies, and relationships with our shareholders and stakeholders. Integrity and transparency are keys to our corporate governance practices to ensure that we gain and retain the trust of our shareholders, policyholders, reinsurance and stakeholders at all times.

The Company's corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financial performance, as well as disclosures of related party transactions. We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. The Company's Board of Directors is at the core of our corporate governance practice. The Board oversees the Management's functions and protects the long-term interests of our shareholders, policyholders and stakeholders. The Board comprises of Nine members, of which eight members are independent directors. Two Committees emanated from the Board of Directors, the Executive and Nomination & Remuneration Committee and the Audit Committee, both Committees have a written and published terms of reference and approved by the Board detailing names of the members, its competences, functions and responsibilities in addition to any other provisions relating to its work. The current board was elected in accordance with the requirements of the Commercial Companies Law and the executive regulations for public shareholding companies, at the annual ordinary general assembly meeting held on March 31, 2021

The General Philosophy of the Company

The management of Oman United Insurance Company SAOG (OUIC) complies with the principles of the Code of Corporate Governance that set out processes by which OUIC is controlled and directed to create efficient enterprises contributing to building a strong, transparent and competitive national economy. OUIC also complies with the principles of Corporate Governance of Insurance Companies issued by the Capital Market Authority (CMA).

The main pillars of corporate governance followed by the company are as following:

- **Transparency:** All directors and management exercise due diligence in providing information required by regulators, shareholders, investors and related parties in a timely and appropriate manner to enable such recipients to take decisions and discharge their duties appropriately. Company believes in the principle of transparency and the entitlement of shareholders and the stakeholders to be provided equally with all necessary information on time.
- **Accountability:** All directors are cognizant that they are accountable for their decisions and actions before the shareholders and those they subject themselves to assessment according to best practices.
- **Fairness:** All shareholders, employees and related parties are treated equally by the directors and the executive management without any partiality or concealed interests. Management is determined to promote corporate fairness in supplying information, compliance by all laws regulating the company's operations as we strive to achieve the highest standard of transparency and accountability in disclosure policy. Comprehensive information on the affairs of the company is made available to all directors with a view to enabling them to discharge their duties effectively.
- **Responsibility:** All directors perform their duties honestly with integrity and faithfulness towards the economy, society in general and the company in particular. They exercise prudence, due diligence and care in performing their duties placing the interests of the company before any personal interests and taking into consideration the social responsibility of the company. The General Management Framework (or standard operating procedures) of the company provides an appropriate environment and ways that allow shareholders to actively participate in the ANNUAL GENERAL ASSEMBLY MEETINGS; and obtain the information which enables them to exercise their rights, get an answer for their queries and participate in the election of appropriate directors.
- **Disclosure:** The Company adopted disclosure policy that ensures fair and timely release of material information about the company and, the information released about the company are correct, straightforward, and comprehensive. The company also abides with the code of ethics of insurance companies issued by Capital Market Authority

In order to achieve the above-mentioned objectives and to ensure that the information is accurate and reliable, therefore OUI has a full set of internal control system.

Executive Management:

The executive management executes the company's general policies in accordance with its strategy and plans; and implements the bylaws, resolutions and procedures adopted by the board of directors. The management also makes available sufficient information on the company affairs to all directors for the purposes of board meetings and consideration of the items listed in the agenda, which will enable them to perform their duties efficiently.

Roles and Responsibilities of Executive Management

- (a) To manage the daily business of the company efficiently and faithfully in accordance with the policies and procedures approved by the board.
- (b) To work relentlessly to deliver the purposes of the company and realize its objectives provided in the articles of association.
- (c) To inform the board of the risks and challenges in a timely manner, as directed in the approved policies and procedures. In case of risks that have not been addressed by any of the approved policies and procedures, the management has to inform the board as soon as possible and in an appropriate manner.
- (d) To bear in mind the protection of shareholders' rights and policyholders rights, company development, profits growth, and the safeguarding of the interests of stakeholders, the economy and community.

The management is held responsible before the board for all their acts and behavior. Members of the management are employed by contracts of which the company setting out their rights and obligations.

The management, as directed by the board, enhances the efficiency and skills of the executives to gain the confidence of the board and shareholders. The management exercises its responsibilities and authority according to an organizational structure that approved by the board specifying the hierarchy and responsibilities of each of the executives and their authorities. The management discloses to the board all financial and commercial transactions wherein the executives or any of their first degree relatives have personal interests. The management exerts its best efforts not just to attain its short-term profits and revenues, but to attaining company's sustainability too.

Recruitment of the executive management:

Under the Board supervision and approval, the Nomination and Remuneration Committee is responsible for appointing the Chief Management Executive, the Chief Executive Officer (CEO), the Chief Investment Officer (CIO), the Deputy Chief Executive Officer (DCEO), general managers and other senior managers in all departments thereby ensuring their necessary integrity, qualifications, technical knowhow and experience etc. in accordance to the required efficiency measurements for each job taking into account that they satisfy the 'fit and proper' criteria as per the Insurance Companies Law and its executive regulations. The executive management of the company has the required qualifications, experience and high practical skills. The management of the company is composed of highly competent and professional staff members with a high level of specialization both in its field and carefully chosen by the Executive & Nomination and Remuneration Committee formed by the Board of Directors and taking into consideration the selection criteria according to the requirements of each job.

The Company is managed by :

1- Chief Management Executive

- Name: Sayyid Nassir Salim Al Busaidi
- Nationality: Omani
- Academic Qualifications: MBA (Master in Business Administration) in 1995 from University of Carnegie Mellon in United States of America. He received many professional specialized courses in the insurance sector.
- Period of Experience: 31 years

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- From 1992 to 1997 (six years) he was occupying the post of Manager of Directorate of Employment in the Ministry of Civil Service.
 - He joined OUIC in 1997 as Deputy General Manager
 - In 1998 he was appointed as General Manager of Oman United Insurance Company S.A.O.G, head of working team of general insurance operations.
 - From 2008 to the beginning of 2010 he was occupying the position of CEO
 - In 2010, Sayyid Nassir Al Busaidi was promoted to the position of Managing Director of the Company. Thereafter in 2018 he was appointed as Chief Management Executive.

2- Chief Executive Officer

- Name: Mr. R. Muthu Kumar
- Nationality : Indian
- Academic Qualifications: Master of Commerce (M. Com) from India in 1987 and also Member of Chartered Accountants of India since 1990
- Period of Experience: 33 years
- Experience: He has been with the company since 1991 in various capacities/ positions.

3- Deputy Chief Executive Officer

- Name: Mr. N. Sivakumar
- Nationality: Indian
- Academic Qualifications: He is a Chartered Insurer of CII (UK), Fellow of Insurance Institute of India, MBA and ACMA.
- Period of experience: 34 years
- Experience: He has experience in the insurance industry with successful roles as Profit center head and Chief Underwriter with insurance companies of repute. He has been with OUIC since 2011.

4- Senior General Manager Branches & Agents

- Name: Sayyid Ibrahim Salim Nassir Al Busaidi
- Nationality: Omani
- Academic Qualifications: Professional Diploma in Insurance from Arab Institute for Banking & Financial Studies – Amman – Jordan
- Period of Experience: 31 years
- Experience: He has been with the company since 1991 in various capacities/ positions

5- General Manager Medical & Life

- Name: Sanjay Kumar Jha
 - Nationality: Indian
 - Period of Experience: 31 years
 - Academic Qualifications: He holds Master’s Degree in Physics (Specialization in Electronics) from Delhi University and Post Graduate
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Diploma in Management from IGNOU, Delhi. He is a Fellow Member of Insurance Institute of India having qualifications both in Life and Non-Life streams. He is also fellow of premier global insurance institutes namely CII (UK) & LOMA (USA). He has earned Chartered Insurer designation from CII (UK).

- Experience: During his 30 years of career, Sanjay had held many important positions in both local insurance companies and MNCs. He had worked with Government of India owned Life Insurance Company (LIC), Bajaj Allianz Life Insurance Company and Future General Life Insurance Company. He has been OUI since August 2012.

6- General Manager Administration and Human Resources

- Name: Sayyida Maisura Abdullah Al Busaidi
- Period of experience: 27 years
- Nationality: Oman
- Academic Qualifications: She holds Master of Business Administration, University of Central England in Birmingham, 21 November 2003.
- Licentiate in Art, Journalism and Information, Sultan Qaboos University, November 1995.
- Professional Certificate in Training and development, approved by NEWMAN University, London UK, Organize by Gulf Innovation, 2008.
- Postgraduate Diploma in Business Administration, the University of Birmingham, 19 September 2002.

7- Claims General Manager

- Name: Yahya Khamis Muftah Al Kharousi
- Nationality: Oman
- Academic Qualifications: Holder of Diploma in Insurance 1995, Muscat Technical Industrial College
- Period of experience: 28 years

Internal Control Systems

As it has been followed in yearly basis and in accordance with the directives of regulatory authorities, the Audit Committee and the Board of Directors have been reviewing the Internal Control Systems (ICS) of the Company regularly from time to time and found them to be effective and sufficient. Nevertheless, the Management continues to update procedures as required and react immediately to any threat that may impact our integrity and performance, whether it is internal or external.

Related Party Transactions

The company adopts the highest degree of transparency and clarity when it comes to related party transactions. All such transactions are subject to review of the audit committee and approved by the board of directors and the shareholders in the ANNUAL GENERAL ASSEMBLY MEETINGS. The details of transactions which are not under the normal course of business are sent to every shareholder along with the notice to the ANNUAL GENERAL ASSEMBLY MEETING, covering the related party transactions (RPT) details as well as a statement signed by Board of Directors. The said transactions are disclosed in details in the company’s annual report.

The details of related party transactions for the year 2022 are included with the notes incorporated with financial statements and other related party transactions which are not under the normal course of the company’s business for the year 2022 are attached (individually) to the annual report. All these transactions have been fulfilled in accordance to governing regulations and fall under the normal course of business at arms-length. We also have assigned an independent item for related party transactions that are not classified under normal course of business in the agenda of ANNUAL GENERAL ASSEMBLY MEETING for discussion and approval by shareholders.

Board of Directors: (composition, Roles and Responsibilities)

The company is headed by an effective Board of Directors who are responsible for leading the company, monitoring its business and controlling its operations. The Board has been collectively responsible for the success of the company in achieving its long term objectives. The Board works with the Executive Management, without interfering in their day-to-day duties, to achieve the company’s objectives. In all cases, the executive management is responsible before and accountable to the Board.

The directors are severally and jointly liable before shareholders in achieving the company’s goals and objectives. They are primarily concerned with the company’s interests and give them precedence over other interests including the interests of the shareholders they represent.

The board of directors are not interfering in the daily routine and direct operational matters of the company.

Following are the Board Characteristics:

- All directors are non-executive.
- The number of independent directors exceeds one third of the Board of Directors.
- The Board contains experienced and independent persons that have the ability to look after the company’s operational issues wisely and impartiality, taking into account the full independence from major shareholders and management. It is not allowed for any group of people to dominate the board decisions.

Induction Programme to introduce new directors to the company’s business

In compliance with the provisions of the Code of Corporate Governance issued by the Capital Market Authority, the company by way of presentation conducted an induction programme to introduce new directors to the business of the company included the financial and operation aspects.

The annual report

The Board has included in its annual report to the ANNUAL GENERAL ASSEMBLY MEETING, a statement outlining the company’s ability to continue its activities in line with the general framework of the company.

The board also ensured the efficiency and adequacy of the internal control systems in all units and divisions of the company including financial management, and its related operations, obligations management, and risk management. The board emphasizes the same in its report to the shareholders, taking into consideration that, under all circumstances, the board’s responsibility for preparing accounts and financial statements and assuring their accuracy is not undermined by the external auditors’ responsibility for preparing their reports.

Board’s meetings

The Company complies with commercial companies’ law No. 18/2019, and the Code of Corporate Governance with regard to the Board’s meetings and its convening conditions.

During the year 2022, the board held eight meetings the term between any two meetings didn’t exceed 120 days.

Roles and Responsibilities of the Board:

The company conducted an induction programmes whereby introduced new directors to the business and operations of the company, especially the financial and legal aspects and training them, if necessary. The board adopts transparency in matters pertaining to the external auditors of the company, especially when engaging them for consultancy. The board is motivated in this regard by safeguarding total independence, in addition to respecting investors’ understanding and perspective vis-à-vis the meaning of independence.

The Board approved the delegation of authority that covers the full range of functions such as underwriting authority, claim settlement authority, financial and administrative authority etc. The Board has also approved proper `Delegation of Authorities' to the managers at different levels of managerial hierarchy, which in its opinion is best suited considering the nature and scale of the operations. The Board has put in place the succession plan for executive management and endeavoring to reduce dependent on specific persons taking compliance with Omanization percentage into account.

The board uses the ANNUAL GENERAL ASSEMBLY MEETINGS to effectively communicate with the shareholders, especially minority shareholders. The purpose is to ensure their participation in ANNUAL GENERAL ASSEMBLY MEETINGS attendance and discussion.

The board of directors established and enforced written policies, procedures and systems of supervision related to disclosure of material information reasonably. An independent third party appraised the performance of the board impartially and independently. The third party was appointed by the ANNUAL GENERAL ASSEMBLY MEETING in accordance with a benchmark and standards set by the board and approved by the annual general meeting held on 29th March 2018. The Board appraisal process shall also continue for the next term.

The Board of Directors also complies with the functions and responsibilities of the Commercial Companies Law No. 18/2019, the Code of Corporate Governance of Public Joint Stock Companies, and the Code of Corporate Governance for the companies operating in the Insurance Sector issued by the Capital Market Authority.

The Board has effected duties and responsibilities of the Executive Management and established decision making processes according to the company’s organizational manual that specifies a full range of roles and responsibilities of Executive Management.

The Board has set up a system of responsibilities that ensure a balance of power and authority and that no one individual has unlimited power of decision making.

The Board has also formed an Audit Committee and set up its Charter and related programs and plans, Internal Audit Charter, Disclosure and Insider Trading Policy, as well as formation of the Executive and Nomination & Remuneration Committee and set up its expected annual action plan, roles and responsibilities, all duly approved by the Board and which and are all based on the regulations of the competent authorities and the CMA.

Company Secretary:

The Board of Directors appointed a company secretary with expertise and qualifications that enables him to assist the Board to comply with the provisions of the Code of Corporate Governance, the laws and regulations in force in the Sultanate, and the controls issued by other competent supervisory authorities, as he has a background of knowledge of the legislative environment that governs the organization of operations of public joint-stock companies and has the knowhow in the field of accounting, auditing, corporate secretariat, business administration and executive management for a suitable period.

Election of Board of Directors:

Nomination and election process of the existing Board of Directors of the Company has been carried out by the AGM of the company on 31/3/2021 as per the prevailing rules and conditions prescribed in the Commercial Companies Law, Capital Market Authority and the Company’s Articles of Association. The existing Board term expires on March 2024. The Board of Directors consists of competent individuals and their details are as follows:

Board of Directors

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			Directorship
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S. N	Director Name	Position			Profile of Board of Directors of Oman United Insurance Company SAOG
			Shareholder/ Non shareholder	Independent / Non Independent	
1.	Sayyid Salim Nassir Al Busaidi	Chairman	Shareholder	Non-Independent	-
2.	Mr. Saud Ahmed Al-Nahari	Dy. Chairman	Non shareholder	Independent	
3.	Mr. Nassir Khamis Al Hashar	Member	Non shareholder	Independent	
4.	Sayyid Khalid Mahfoudh Al Busaidi	Member	Non shareholder	Independent	
5.	Mr. Mohamed Noor Al Zadjali	Member	Non shareholder	Independent	
6.	Sayyid Salim Ahmed Al Busaidi	Member	Non shareholder	Independent	
7.	Mr. Mustafa Ahmed Salman	Member	Non shareholder	Independent	
8.	Mr. Rahul Kar	Member	Non shareholder	Independent	
9.	Mr. Hamed Amour Al Hatmi	Member	Non shareholder	Independent	
		Name		Brief Summary of Board Members’ Profile	
		1. Sayyid Salim Nassir Al Busaidi – The Board Chairman and the Chairman of Executive Nomination & Remuneration Committee.		The Chairman is the main prompter and the major shareholder of Oman United Insurance Company SAOG. He holds 33,453,366 shares constitute 34.5% of the overall shares. He is a certificate holder in Civil Aviation from British Government Technical Assistance – 1971. Certificate holder in Civil Aviation Safety, Lebanon – 1972. Honorary Ambassador to State of Louisiana, U.S.A – 1977. He was a holder of Light Aircraft Pilot License. He is a retired Former Minister and previously occupied many positions such as:- Director General of Civil Aviation, Under Secretary of the Ministry of Communications and 12 years as a Minister of Communications. President of State Consultative Council for 4 years. State Advisor for 5 years. Chairman of Gulf Air, Chairman of Oman Arab Bank (S.A.O.C.), Board Director in Oman Investment & Finance Co. (SAOG), Board Director in Gulf Hotels Company Limited (SAOG). Chairman of Saad Establishment for General Trading , and Chairman of Oman Trading for Oil Products L.L.C.	
		2. Mr. Saud Ahmed Al Nahari Deputy Chairman and Nomination & Remuneration Committee Member.		He is postgraduate Diploma in Port and Shipping Management from UWIST UK. He worked at the Central Bank of Oman, Salalah Branch until 1980 and then joined the Port Services Corporation and occupied different positions such as CEO of Port Services Corporation. He is the deputy Chairman in Omantel SAOG and was Board member in various companies locally and abroad namely Al Hassan Engineering Company and Deputy Chairman of Oman Investment & Finance Company. He was also a Board Member of Ubar GCC fund, Arab Sea Federation and International Association of Ports & Harbors.	
		3. Mr. Nassir Khamis Al Hashar Board Member and Chairman of the Audit Committee		He worked for 6 years in the field of police in UAE. Thereafter he worked in the financial and administrative affairs in public sector and in the private sector in the Sultanate of Oman. Currently he is the Chairman of Al-Hajri Company LLC.	

4. Engineer Sayyid Khalid Mahfoudh Al Busaidi Board Member & Audit Committee Member	He holds a master's degree in Engineering - Hydrology. He served as a manager in the Ministry of Regional Municipalities and Water Resources and currently he is the Administrative Advisor to the Minister of Housing and Urban Planning.
5. Engineer Sayyid Salim Ahmed Al Busaidi Board Member& Audit Committee Member	He holds a Bachelor of Civil Engineering from Sultan Qaboos University, with 23 years of experience in the management of major road projects in Muscat. Now he is in the position of Director General of Boshar Municipality.
6. Mr. Mustafa Ahmed Salman Board Member & Audit Committee Member	He holds a BA in Accounting and a certificate of Global Financial Markets. He also acts as an intermediary authorized and licensed broker in MSX. He worked in accounting domain in the government and also worked as a Financial & Administration Manager in Oman Portfolio Company and currently works as CEO and Chairman of United Securities Company LLC. He is a board member in Al Sharqiya Desalination Co. SAOC .
7. Mr. Mohammed Noor Al Zadjali Director. Nomination & Remuneration Committee Member.	Education: Caledonian Collage -De Montfort University - 1998-2001 Computer Engineering Board of director/ Audit committee The Financial Corporation Co. SAOG FINCORP 2006-2008 Partner & Manager in Al Majd Global Developments- 2012-present Partner & Manager at Able Logistics - 2008- till present Chairman Mohammed Noor United LLC - 2006- till present Managing director Rasmia Enterprises- 2001-2005
8. Mr. Rahul Kar Board Member and Nomination & Remuneration Committee Member.	Mr. Rahul Kar has been a Director of the Company since 2012. Mr. Kar is a Chartered Accountant, currently working as the Financial Advisor to the Chairman of Suhail Bahwan Group Holding LLC. Mr. Kar is also a Director and an Audit Committee & Business Risk Compliance Committee member of National Bank of Oman and Director and Audit committee member of Al Jazeera Steel Products Co. SAOG, and Director in National Pharmaceutical Company SAOC
9. Mr. Hamed Amour Al Hatmi - Board Member and Nomination & Remuneration Committee Member.	He holds Master of Business Administration (MBA) Strathclyde University, College of Banking and Financial Studies May 2015, and also hold a Bachelor of Science, College of Commerce & Economics Sultan Qaboos University, May 2005. He has an experience of About 14 years of Financial Service industry and equity markets. He is Senior Investments Analyst in Oman Investment Authority from January 2021 up-to-date. He was working Senior Investments Analyst: Public Authority for Social Insurance (PASI) from November 2013 – February 2019 and he was Head of Brokerage in Al Madina Financial & Investment Services from June 2005 – April 2012.

Attendance of Directors for Board Meetings

Details of board meetings held during the year 2022 and the directors’ attendance for those meetings are as follows:

S.N	Board of Directors	Date of Meetings								
		1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	AGM
		9/2	20/2	27/4	25/5	27/7	20/8	26/10	28/12	31/3
1.	Sayyid Salim Nassir Al Busaidi	P	P	P	P	P	P	O	P	O
2.	Mr. Saud Ahmed Al-Nahari	P	P	P	P	P	P	P	P	P
3.	Mr. Nassir Khamis Al Hashar	P	P	P	P	P	P	P	P	P
4.	Sayyid Khalid Mahfoudh Al Busaidi	P	P	P	P	P	P	P	P	P
5.	Sayyid Salim Ahmed Al Busaidi	P	P	P	P	P	P	P	P	P
6.	Mr. Mustafa Ahmed Salman	P	P	P	P	P	P	P	P	P
7.	Mr. Rahul Kar	P	P	O	P	P	PP	P	P	P
8.	Mr. Mohammed Noor Al Zadjali	P	P	P	P	P	P	P	P	P
9.	Mr. Hamed Amour Al Hatmai	P	P	P	P	P	P	P	P	P

Details of Directorship held by the Directors in other Joint Stock Companies:

S.N	Name	Details of directorship in other Joint Stock companies	Position
1.	Sayyid Salim Bin Nassir Al Busaidi	None	None
2.	Mr. Saud Bin Ahmed Al-Nahari	Oman Telecommunication Company SAOG	Deputy Chairman
3.	Mr. Nassir bin Khamis Al Hashar	None	None
4.	Mr. Mohamed Bin Noor Al Zadjali	None	None
5.	Sayyid Khalid Bin Mahfoudh Al Busaidi	None	None
6.	Sayyid Salim Bin Ahmed Al Busaidi	None	None
7.	Mr. Mustafa Ahmed Salman	Al Sharqia Desalination Company SAOC	Director
8.	Mr. Ahmed Bin Alawi Abdullah Al Ibrahim	None	None
9.	Mr. Rahul Kar	1. National Pharmaceutical Company SAOC	Director
		2. National Bank of Oman SAOG	Director
		3. Al Jazeera Steel Products Company SAOG	Director

Board and its Sub-Committee Meeting Attendance Fees

Based on the approval of the AGM dated 31 March 2022, it has been resolved to fix the sitting fees for the Board meetings (including sub-committee meetings) at RO. 500/- per meeting.

Board Sub-committees

I. Audit Committee

The board of directors established an audit committee and set out its terms of reference and written framework. The Audit Committee comprises of four independent members to oversee the Company’s financial reporting process, their duties include overseeing the system of internal control and functions as per the guidelines of Code of Corporate Governance issued by the Capital Market Authority (CMA). All committee members have finance and accounting expertise that enables them to fulfill their role.

The Committee has regular interactions and communication with senior management, internal audit team and the external auditors to review, amongst other things the accuracy of the annual and interim financial statements, management reports and internal audit reports and the effectiveness of the Company’s system of internal control. There is a “Charter” of audit committee that has been prepared and approved by the Board. The committee also evaluates and monitors the adequacy of internal control systems and their efficiency and creates policies for safeguarding the company’s assets. The chairperson of the committee is an independent director and not member in any of other committees. The Audit Committee submitted its annual audit plan to the Board based on which it can achieve and discharge its tasks and competencies.

Meetings of Audit committee with External and internal Auditor:

In accordance with the provisions of the code of corporate governance, the audit committee had two meetings with external and internal auditors separately, on 20th February 2023 and heard their views and to consult them vis-à-vis enhancing the level of corporate governance and compliance. The committee also listens to external auditors and the internal auditor every quarter when discussing the unaudited financial statements.

Roles & Responsibilities of the Audit Committee

- (a) Consideration and review of the internal audit system in annual basis.
- (b) Consideration of the internal audit reports and follows up remedial action with regard to the comments therein.
- (c) Provided recommendations to the board of director’s vis-à-vis the appointment and removal of external auditors as well as specifying their fees. The recommendation must bear in mind the independence of such auditors.
- (d) Following up the work of the external auditors and approving any non- audit services which they are assigned during the audit process.
- (e) Consideration of the audit plan in conjunction with the external auditor and comment thereon.
- (f) Consideration and follow up of the comments of the external auditor on the financial statements.
- (g) Consideration of quarterly and annual financial statements prior to their presentation to the board, providing opinion and recommendations.
- (h) Consideration of the adopted accounting policy, providing opinion and recommendations thereon to the board.
- (i) Ascertaining the adequacy and sufficiency of the internal control systems, either through examining the regular reports of internal and external auditors or appointment of external consultants.

- (j) Overseeing the preparation of financial statements including but not limited to the following: Review the reservations and qualifications of external auditors in the draft financial statements (if any). Discuss accounting principles in general; focusing on any changes in accounting policies and principles that had taken place and their impact on the financial position of the company. Ensure compliance with disclosure requirements prescribed by CMA.
- (k) Reviewing the details of all proposed Related Party Transactions RPTs, and providing appropriate recommendations to the board.
- (l) Devising a risk management plan, obtaining approval by the board and following up its implementation.
- (m) Setting and reviewing regularly the company policies pertaining to risk management, taking into account the company business, changes in market conditions and the company’s investment and expansion tendencies and approach.
- (n) Setting up an executive programme for risk management in the company.
- (o) The Audit committee meets with external and internal auditors separately, at least once every quarter, to hear their views and to consult them vis-à-vis enhancing the level of corporate governance and compliance.

Firstly, the composition of the Audit Committee and its meetings in 2022:

On their meeting held on 31/3/2021, the Board resolved to form the audit committee in order to execute the Board directives according to the Board authorities. The Board also prepared and approved the Audit committee’s charter, The Committee consists of the following members:-

No.	Director Name	Position in the board	Position in the Committee
1.	Mr. Nassir bin Khamis Al Hashar	Director	Chairman
2.	Sayyid Khalid Bin Mahfoudh Al Busaidi	Director	Member
3.	Mr. Mustafa Ahmed Salman	Director	Member
4.	Sayyid Salim Bin Ahmed Al Busaidi	Director	Member

Secondly, Audit Committee meetings in 2022:

NO.	Name of Directors	Date of Meetings			
		1 st	2 nd	3 rd	4 th
		17/2	24/4	24/7	23/10
1.	Mr. Nassir bin Khamis Al Hashar	P	P	P	P
2.	Sayyid Khalid Mahfoudh Al Busaidi	P	P	P	P
3.	Mr. Mustafa Ahmed Salman	P	P	P	P
4.	Sayyid Salim Bin Ahmed Al Busaidi	P	P	P	P

2. Executive & Nomination and Remuneration Committee

The board of Directors established an Executive & Nomination and Remuneration committee with the aim of assisting the ANNUAL GENERAL ASSEMBLY MEETING in the nomination of proficient directors and the election the most fit for purpose. Moreover, the committee aims to assist the board in selecting the appropriate and necessary executives for the executive management. The company adopts a transparent method nominate the directors of high competence and caliber, without prejudice to the right of any of the shareholders to stand for election or to nominate whoever they see fit. In the meeting of the Board of

Directors held on December 29th, 2021, the name of the committee was changed to the Executive and Nominations and Remunerations Committee.

Firstly, the composition of the Executive and Nomination and Remuneration Committee and its meetings in 2022:

The Executive and Nomination and Remuneration Committee has been formed by the Board of Directors in their meeting held on 13/3/2021 to act according to the directives of the Board of Directors and in line with the authority assigned to them. There is a “Charter” of Executive and Nomination and Remuneration Committee that has been prepared and approved by the Board. The Committee consists of the following members:-

No.	Director Name	Position in the board	Position in the Committee
1.	Sayyid Salim Nassir Al Busaidi	Chairman	Chairman
2.	Mr. Saud Ahmed Al-Nahari	Dy. Chairman	Member
3.	Mr. Mohammed Noor Al Zadjali	Director	Member
4.	Mr. Rahul Kar	Director	Member
5.	Mr. Hamed Amour Al Hatmi	Director	Member

Secondly, the Executive and Nomination & Remuneration Committee meetings during the year 2022:

NO.	Name	Meetings Date		
		1 st	2 nd	3 rd
		19/1	13/6	27/12
1.	Sayyid Salim Nassir Al Busaidi	P	P	O
2.	Mr. Saud Ahmed Al-Nahari	P	P	P
3.	Mr. Rahul Kar	P	P	P
4.	Mr. Mohammed Noor Al Zadjali	P	P	P
5.	Mr. Hamed Amour Al Hatmi	P	P	P

Sitting Fees and Remuneration to Board of Directors

Below are the details of sitting fees and the Directors remuneration for the year 2022:-

Name of Director	Sitting fees			Sub-Total	Remuneration paid for the year 2021	Total
	Board	Audit	Ex&NRC			
Sayyid Salim Nassir Al Busaidi	3,500	NA	1,000	4,500	15,789.472	20,289.472
Mr. Saud Ahmed Al-Nahari	4,000	NA	1,500	5,500	23,684.210	29,184.210
Mr. Nassir Khamis Al Hashar	4,000	2000	NA	6,000	15,789.474	21,789.474
Sayyid Khalid Mahfoudh Al Busaidi	4,000	2000	NA	6,000	15,789.474	21,789.474
Sayyid Salim Ahmed Al Busaidi	4,000	2000	NA	6,000	15,789.474	21,789.474
Mr. Mustafa Ahmed Salman	4,000	2000	NA	6,000	15,789.474	21,789.474
Mr. Rahul Kar	3,500	NA	1,500	5,000	15,789.474	21,789.474
Mr. Mohamed Noor Al Zadjali	4,000	NA	1,500	5,500	15,789.474	21,789.474
Mr. Hamed Amour Al Hatmi	4,000	NA	1,500	5,500	15,789.474	21,789.474
Total	35,000	8,000	7,000	50,000	150,000	200,000

The proposed Remuneration to Board of Directors for the financial year ended 31st December 2022, is RO 150,000. The same is subject to the approval of Annual Ordinary General Meeting scheduled on 30th March 2023.

Salaries, allowances and perquisites, bonus for the five senior Managers in 2022:

Basic salaries, allowances & perquisites, performance bonus and the installment of the gratuity that calculated in accordance with article (39) of Omani labor law, in addition to social insurance paid/accrued during the year 2022, to the top 5 executives of the Company were in the aggregate RO. 651,723 as against (RO 755,311 in 2021). The Company does not provide stock options to any of its Directors or employees. Bonus is paid to employees based on their achievements and contributions made to the Company. The term of labor contract for expatriates is two years and renewable for same period.

Means of communication with shareholders and investors

OUIIC has an effective means of communicating with its shareholders and investors. Such means are represented in all readable and visible media as following: -

Local newspapers and specialist magazines: In addition to publication of financials at local newspapers (quarterly and annually) in post Arabic & English, the management usually makes press releases and interviews with special media when required.

Post: OUIIC posts a Full set of annual financials along with all relating report to the shareholders and we also used to announce to the shareholders the following note in our quarterly accounts” For additional information required please contact the management who in return shall reply immediately.

Company’s website:

[“https://www.omanutd.com/”](https://www.omanutd.com/) .

The web site also hosts official news releases, if any. The Management Discussion and Analysis Report, which forms part of the Annual Report, also provides meaningful information to the shareholders regarding the Company. Quarterly results of OUIIC are published through the Muscat Securities Market (MSX) and company website.

Share Market Price Data 2022

The statement below shows the movement of the highest and lowest share price of the Company during the year 2022 and its performance compared to the MSX index:

Month2022 –	OUIIC’S Market Price (RO)		MSX Index (points)	
	High	Low	High	Low
January	0.370	0.360	4,277.585	4,116.004
February	0.388	0.350	4,142.643	4,033.372
March	0.398	0.380	4,354.503	4,051.809
April	0.376	0.350	4,284.477	4,120.569
May	0.360	0.338	4,175.129	4,104.779
June	0.340	0.297	4,149.040	4,098.724
July	0.328	0.300	4,553.796	4,096.713
August	0.308	0.285	4,692.480	4,530.316
September	0.290	0.275	4,629.270	4,424.266
October	0.284	0.273	4,603.327	4,338.378
November	0.286	0.270	4,622.133	4,368.830
December	0.310	0.265	4,907.901	4,599.176

Performance of OUIIC’s share Market Price Versus MSX Index for the year 2022

Distribution of shareholding

The statement below details the distribution of company’s shares as at 31st December 2022.

Category	Minimum	Maximum	Number of shares	Number of shareholder	Holing percentage of each category	Percentage of shareholder for each category
1	1	1,000	42,674	108	0.04%	20.26%
2	1,001	5,000	379,459	141	0.38%	26.45%
3	5,001	10,000	456,338	62	0.46%	11.63%
4	10,001	20,000	992,899	65	0.99%	12.20%
5	20,001	50,000	2,272,490	62	2.27%	11.63%
6	50,001	100,000	2,826,048	40	2.83%	7.50%
7	100,001	200,000	4,863,334	13	1.84%	2.44%
8	200,001	500,000	5,793,667	16	4.86%	3.00%
9	500,001	1,000,000	7,979,003	11	7.98%	2.06%
10	1,000,001	2,000,000	5,926,129	4	5.93%	0.75%
11	2,000,001	5,000,000	22,824,430	7	22.82%	1.31%
12	5,000,001	10,000,000	16,142,309	3	16.14%	0.56%
13	10,000,001	and above	33,453,366	1	33.45%	0.19%
TOTAL			100,000,000	533	100.00%	100.00%

Non-Compliance, if any by the Company

It gives us pleasure to state that the Company has no violation regarding the requirements of any Supervisory Authority during the year 2022 in accordance with the Code of Corporate Governance, and that there have been no penalties imposed on OUIIC by Muscat Securities Market or any other Supervisory Authority during the past three years.

Risk Management

The Company’s risk management processes are adequate in light of the global and local conditions and management do not envisage any significant impact in the company’s operations and financial, positions to arise as a result of these global and local development. Management regularly monitor industry sources of information for any indications of liquidity issues with reinsurers and are confident that reinsurers will continue to be willing and able to meet their obligations to the company. The company has complied with the terms and conditions of its reinsurance covers during 2022 and to date.

Board Declaration

The Board of Directors Confirm that the risk management is adequate to tackle with the global conditions and management does not see any substantial effect on the continuity of the company the Directors also confirm the following:

- They are responsible for presentation of the financial statements of the company in accordance with IFRS and CMA disclosure rules and the commercial companies’ law No. 18/ 2019 and its amendments.
- They have reviewed the efficiency and adequacy of internal control system and ensure it comply with internal rules and declarations
- They are not aware of any material matters that could affect the company's ability to continue its operation during the year 2022.

Corporate Social Responsibility

Corporate Social Responsibility (“CSR”) is linked to the company purposes and activities. The company seeks to exercise its role as good citizen and to mitigate any adverse impact of its activities on the national economy, community or environment at large. The company (represented by the board of directors) has to develop a CSR charter or code. The board tasked the executive management to provide a policy proposal for approval by the board.

The executive management developed an annual plan, through which it will deliver the company’s CSR philosophy, policies, and community-based principles. The strategy outlined the allocated budget, available support and participation means, the values and principles which the company seeks to disseminate through the different CSR activities and the Community segments or social fields targeted by the company.

An amount of RO 58,072.891 was disbursed to support community services and social responsibility, as the Annual Ordinary General Assembly, in its meeting held on March 31, 2022, approved an amount of R.O 50,000 for this item, the company also donated an amount of R.O 30,000 to Al-Seeb Sports Club in appreciation for winning the AFC Cup for the first time in the history of the club and the clubs of the Sultanate , which is presented before the AGM for ratification.

The table below shows the amounts spent within the approved plan to support community services and social responsibility for the financial year ended 31 December 2022, as follows:-

NARRATION		AMOUNT (R.O)
1-	AL NOOR ASSOCITION FOR BLIND	1,221.321
2-	OMANI ASSOCITION FOR HEARING IMPAIRMENT	219.910
3-	OMAN CHARITY ORGANIZATION	10,000
4-	DAR ALATTA	275
5-	2ND QADEROON FORUM & EXHIBIATION FOR PEPOLE WITH DISABILITES	5,000
6-	HAMAD HAMOOD AL AMRI & SONS TRAD CO LLC - RAMADAN ITEMS	2,041.697
7-	JAMAIYAT IHSAN	4,309.963

8-	A'SEEB SUPOORT CLUB	30,000
9-	OMAN ASSOCIATION FRO DISABLE	5,000
		58,072.891

- The Board proposes to reserve RO. 50,000 for the initiative Corporate Social Responsibility to be spent for the year 2023.

Professional Profile of the statutory auditors PwC

PwC is a network of firms with more than 327,947 people operating from 152 countries in 688 cities across the globe, making us the largest professional services provider in the world. We are committed to delivering quality services in Assurance, Tax and Advisory (which includes our Consulting, Deals and Strategy & practices). In doing so we help to build trust in society, enable our clients to make the most of opportunities and solve important business problems.

PwC has operated in the Middle East region for more than 40 years. Collectively, our Middle East network employs in the region of almost 8,000 people including over 367 partners and 549 directors working from 24 offices (in 23 locations) across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates and 40% of our Middle East workforce is female. We are one of the fastest growing PwC member firms worldwide and the largest professional services firm in the Middle East. (www.pwc.com/me).

PwC is strongly committed to Oman where it is recognised as one of the leading providers of quality business advisory services. We have had a local practice in Oman since 1971 and now have 8 partners, 1 of whom is Omani and 7 directors, 1 of whom is Omani and approximately 166 other members of staff operating from our office in the Sultanate.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

Professional Fees and terms of the statutory auditors

As per the approval of Annual General Meeting dated 31 March 2021, PWC has been appointed as auditors against the Audit Fees amounted to RO. 30,000 , (Thirty Thousand) for auditing the annual Financial Statements, Quarterly review, Auditing of Annual Return and review of Corporate Governance Report for the year 2022.