

AL ANWAR HOLDINGS SAOG

Report on Corporate Governance for the year ended 31st March, 2019

1. Company philosophy

The principles of Corporate Governance mainly deals with the way companies are led and managed, the role of the Board of Directors and the framework of internal controls. At Al Anwar Holdings, the Board supports the highest standards of Corporate Governance. The Board of Directors is responsible for approving and monitoring the Company's overall strategy and policies, including risk management policies, control systems, business plan and annual budget. The Management is responsible to provide the Board with appropriate and timely information to monitor and maintain effective control over strategic, financial, operational and compliance issues. The Board confirms that Al Anwar Holdings applies the principles set out in the Capital Market Authority's (CMA) Code of Corporate Governance for Public Listed Companies (the "Code") and other rules and guidelines issued by the CMA from time to time. We follow "International Financial Reporting Standards (IFRS)" in the preparation of our financial statements.

2. Composition of the Board of Directors

During the year ended on 31st March 2019, the Board consisted of seven directors who have varied backgrounds and experience and who individually and collectively exercise independent and objective judgement. The composition and the independence of the board of directors is in accordance with the Code. The members were elected to the Board at the Annual General meeting held on 24th June 2018 for a term of 3 years. The Board consists of seven Directors as mentioned below:

Director	Position	Independent /Non-Independent	Mode of Representation
Rtd. Brig. Masoud Humaid Al Harthy	Chairman	Non-Independent	Himself – Shareholder
Mr. Qais Mohamed Moosa Al Yousef	Deputy Chairman	Non-Independent	Fincorp Investment Company LLC
Mr. Shabir Moosa Al Yousef	Director	Non-Independent	Himself – Shareholder
Mr. Abdulredha Mustafa Sultan	Director	Non-Independent	Himself – Shareholder
Mr. Qaboos Abdullah Al Khonji	Director	Non-Independent	Al Khonji Invest LLC
Sheikh Mohamed Abdullah Al Rawas	Director	Independent	Himself – Non-shareholder
Mr. Nasser Said Al Hadi	Director	Independent	Himself – Non-shareholder

3. Meetings of the Board

The Board met five times during the year. The meetings were held on 23rd May 2018, 24th June 2018, 13th August 2018, 12th November 2018 and 6th February 2019. In addition, the Board had strategy meeting on 11th December 2018. Full particulars of the dates of the meetings and attendance of directors are mentioned below:

	Name of the Director	Position	AGM held on 24 th June 2018	No of Meetings attended			Number of directorships in other listed companies
				Board	NR&EC	AC	
1	Rtd. Brig. Masoud Humaid Malik Al Harthy	Board Chairman	Yes	4	-	-	2
2	Mr. Qais Mohamed Moosa Al Yousef	Deputy Chairman and Chairman of NR&EC	Yes	5	6	-	2
3	Mr. Abdulredha Mustafa Sultan	Director and member of AC	Yes	5	-	4	3
4	Mr. Shabir Musa Abdullah Al Yousef	Director and member of NR&EC	Yes	5	5	1	3
5	Mr. Qaboos Abdullah Mohamed Al Khonji	Director and member of NR&EC	Yes	5	6	-	3
6	Sheikh Mohamed Abdullah Said Al Rawas	Director and member of NR&EC and AC	Yes	5	4	3	1
7	Mr. Nasser Said Al Hadi (*)	Director and Chairman of AC	-	4	-	3	0
8	Mr. Nabil Essa Al Hasani	Director and member of AC	Yes	1	-	1	-

(*) Elected on 24th June 2018

The Meeting attendance fees paid to the members for each meeting attended is as follows:

(i) Chairman – OMR 1000 (ii) Deputy Chairman – OMR 900 (iii) Other Members – OMR 800

4. Board Committees:

The Nomination, Remuneration & Executive Committee (NR & EC)

NR & EC is a sub-committee of the Board consists of following four directors (three directors till 24th June 2018), who are appointed by Board.

Mr. Qais Mohamed Moosa Al Yousef	Chairman
Mr. Shabir Moosa Abdullah Al Yousef	Member
Mr. Qaboos Abdullah Mohamed Al Khonji	Member
Sheikh. Mohamed Abdullah Said Al Rawas	Member

The NR&EC is delegated powers and authority to facilitate the smooth running of the operations of the Company and exercise all of the responsibilities of the Board which are beyond the authority of the management and within the limits set out in the Manual of Authority approved by the Board. The Committee also assist the general meeting in the nomination of proficient directors and the election of the fit for the purpose, assist the Board in selecting the appropriate and necessary executives, provide succession planning for the executive management and Board chairman and fixing the appropriate remuneration and incentives for the executive management.

The NR&EC is governed by the terms of reference (Charter) approved by the Board. The working plan of the committee is approved by the Board.

The NR&EC met six times during the year on 21st May 2018, 20th June 2018, 30th August 2018, 8th November 2018, 26th December 2018 and 6th February 2019 and its continuation on 13th February 2019.

The Meeting attendance fees paid to the members for each meeting attended was OMR 500 for Chairman and OMR 400 for Members.

Audit Committee

The Audit Committee (AC) is a sub-committee of the Board, comprising of the following three non-executive directors, who are appointed by Board:

Mr. Nasser Said Al Hadi	Chairman
Mr. Abdulredha Mustafa Sultan	Member
Sheikh Mohamed Abdullah Al Rawas	Member

The Audit Committee is constituted in accordance with the provision of the Corporate Governance requirement. Audit Committee Chairman is an Independent Director and majority of the members are Independent Directors.

All the members are experienced and have good knowledge of accounts and finance. The terms of reference (Charter) of the Audit Committee are in accordance with the guidelines given by CMA. The working plan of the committee is approved by the Board.

Major areas covered by the Audit Committee are matters concerning (i) consideration and recommendations for appointment of Internal and External Auditors, (ii) reviewing of audit plans and audit reports; (iii) oversight of internal audit functions to comply with all the requirements of internal audit as per Code of Corporate Governance and oversight of adequacy of internal control systems and financial statements, (iv) checking financial frauds, (v) reviewing annual and quarterly statements and qualifications, if any, before issuing, (vi) critical review of non-compliance of IFRS and disclosure requirements prescribed by CMA, (vii) reviewing risk management policies and related party transactions and (viii) serving a channel between internal and external auditors and the Board.

The Audit Committee met four times during the year on 21st May 2018, 12th August 2018, 11th November 2018, and 5th February 2019.

The Meeting attendance fees paid to the members for each meeting attended was OMR 500 for Chairman and OMR 400 for Member.

5. Brief Profile of the Directors

(Rtd.) Brig. Masoud Humaid Malik Al Harthy

He is a retired brigadier from the Royal Guard of Oman and holds a Bachelor Certificate in Army Science Management with an experience of 37 years in military services. (Rtd.) Brig. Masoud is Chairman of Al Maha Ceramics SAOG in addition to being Board member in several other Companies including Oman Chlorine SAOG.

Mr. Qais Mohamed Al Yousef

He is post-graduate with Master's in Management (Business) from Stanford University's Graduate School of Business, USA. He is presently holding the position of Chairman of Oman Chamber of Commerce & Industry (OCCI) and CEO of Al Yousef Group LLC. He is also Chairman of Voltamp Energy SAOG, Chairman of Oman Chromite SAOG and Director in several other companies. He is also a board member of The Research Council and The Public Authority for SME Development.

Mr. Shabir Moosa Al Yousef

He holds a Masters of Research in Economics from University of Essex (UK), MBA in Finance from University of Lincolnshire & Humberside (U.K), Master of Science from Colorado School of Mines (U.S.A), and Bachelor's Degree in Electronics and Communications from Sultan Qaboos University.

He held positions of Chief Executive Officer of Oman Investment & Finance Co. SAOG, General Manager of Damac Holding U.A.E, Group General Manager of Premier Logistics Group LLC, General Manager of Truck Oman LLC, and a Petroleum Engineer post in Petroleum Development Oman (PDO).

Currently he is the deputy chairman of Arabia Falcon Insurance Company SAOG, Board member in Al Maha Ceramics Co. SAOG, Oman Chlorine SAOG and CACTUS Premier Drilling Services SAOC.

Previously, he was Board member of Bank Sohar SAOG, Financial Corporation Co. SAOG, Chairman of National Aluminum Products Company SAOG.

Mr. Abdulredha Mustafa Sultan

He holds a Bachelor's Degree in Commerce majoring in Finance from San Diego State University, USA. He is a Deputy Chairman of Al Jazeera Services Co. SAOG, Deputy Chairman of Al Maha Ceramics Co. SAOG and Board member of Voltamp Energy SAOG and Almondz Global Securities Limited (India). He is the Managing Director in Mustafa Sultan Enterprises LLC. He is a member of the Young Presidents' Organization. He is also the Honorary Council of Finland in Oman.

Mr. Qaboos Abdullah Al Khonji

He holds a Diploma in Business Administration from US. He has previously held a position of General Manager in Moosa Abdul Rahman Hassan & Co. and at present he is the Deputy Chairman of Al Khonji Invest LLC and CEO of Al Binaa Construction and Al Khonji Real Estate (Better Homes). He also

holds Directorship in some of the prominent SAOG Companies in Oman including Al Maha Ceramics SAOG, Oman Hotel & Tourism Co. SAOG, and Financial Corporation SAOG.

Sheikh Mohamed Abdullah Said Al Rawas

He holds the honorary doctorate in business administration from the University of Luton since December 2005. He is the first person in Asia and the Middle East to get this doctorate from this prestigious University for his efforts in promoting higher education in the Sultanate of Oman, during his chairmanship of the Board of Majan College University. He holds Bachelor of business administration (finance and investment – Faculty of Commerce, Cairo University). He is also Board member in Dhofar Cattle Feed SAOG. Previously, he was Vice Chairman of Raysut Cement Co SAOG and Board member of several companies including Oman Aviation Services Company SAOC and Oman & Emirates Investment Holding Company SAOG..

Mr. Nasser Said Al Hadi

He has over 23 years of experience in business and finance. He has worked with different banks and many prestigious investment companies in senior management position. He is currently the CEO of the National Skill Company. He has co-founded several companies in Oman and is a board member at these companies. He had participated in many international conferences related to investment and capital markets.

6. Process of nomination of the Directors

The company follows the provisions of the Commercial Companies Law and Capital Market Authority Law & Regulations in respect of nomination of the members of the Board of Directors.

7. Management

The members of the management of the company are appointed with formal contracts clearly defining the terms of employment. Mr. Khalid M. Ansari, was appointed as Chief Executive Officer on 1st October 2018.

8. Brief profile of senior management personnel with executive powers

Khalid M Ansari, Chief Executive Officer

Khalid M Ansari, is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He started his career in KPMG in England in 1980. He moved to KPMG office in Oman in 1986 and left the firm on 30 September 2018. He was the Partner in Charge of the firm. Khalid has developed extensive business experience in Oman over the last 32 years. He has been advising and assisting public listed & private Companies and Government entities in implementing numerous projects, some of which are of national importance. He has also developed strategies for a large number of companies.

Sanjay Tiwari, Chief Financial Officer

Sanjay Tiwari is a Chartered Accountant from the Institute of Chartered Accountants of India and a graduate in Commerce. He has 30 years of experience in industries ranging from Textile, Cement, Tyre & Engineering to FMCG. He has in-depth knowledge of the Middle East, South East and South Asian

markets. His core expertise has been to monitor and manage operations of varied industries from financial and commercial viewpoints. He has worked in some of the leading companies in India, UAE and Oman.

Manish Palande, Investment Manager

Manish Palande is a Chartered Accountant from the Institute of Chartered Accountants of India. He has over 14 years of experience in the buy-side/independent research and funds management in Indian, US and GCC capital markets. Involved in end-to-end Private-Equity transactions involving acquisition / divestiture / refinance work flow from deal sourcing transaction structuring, valuations, financial modeling, deal diligence, fund raising, portfolio company management and timely exit. Before joining Al Anwar Holdings, Manish has worked with leading independent research houses and family offices in India managing the equity portfolios.

Dhiraj Chidwal, Manager – Internal Audit & Risk Management

Dhiraj Chidwal is a Chartered Accountant from the Institute of Chartered Accountants of India and Certified Public Accountant (CPA) from USA. He has more than fifteen years of experience in the field of Internal Audit, Finance and Accounting. Prior to Al Anwar, he worked for one of leading private bank in India as Chief Manager, Internal Audit. He has extensive experience in the Internal Audit of Banking and Finance sector.

Mubarak Al Ghazali, Manager - Administration & Compliance

Mubarak holds General Diploma certificate and in the process of obtaining BA in Administration and Human Resource. He has experience of more than a decade as Insurance Surveyor for Motor and Non-Motor Claims in different Local and International Insurance companies and Insurance consultants' companies. He has experience in management, administration, human resource and compliance.

9. Means of communication with the Shareholders and investors

- (a) The notice to the Shareholders for the Annual General Meeting containing the details of the related party transactions is filed with CMA and mailed to shareholders along with Directors' Report and audited accounts.
- (b) The Quarterly results of the company as per CMA format, are prepared by the management for every quarter, reviewed by the Audit Committee, approved by the Board, are forwarded to CMA and also published in the Newspapers as per the directives of CMA. Copies are made available to shareholders on request. Results are also uploaded on the website of Muscat Securities Market (MSM).
- (c) Pursuant to the Executive Regulations of the Capital Market Law, AAH has started disclosing the initial quarterly and annual un-audited management results within 15 days from the end of the period.
- (d) Important Board decisions are disclosed to the investors through MSM from time to time. The company has its official website, www.alanwarholdings.com for its investors. The website is updated from time to time.

(e) The CEO made a presentation to investor and analyst at CMA hall on 25th February 2019.

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

10. Remuneration matters

(a) The meeting attendance fee was paid at the rate approved and ratified by the AGM. A total of OMR 42,700 (2017-18: OMR 46,900) was paid to Directors for meetings attended during the year ended on 31st March 2019.

(b) A sum of OMR 3,153 (2017-18: OMR NIL) was reimbursed to Directors towards travelling expenses for attending the meetings in addition to above mentioned sitting fees.

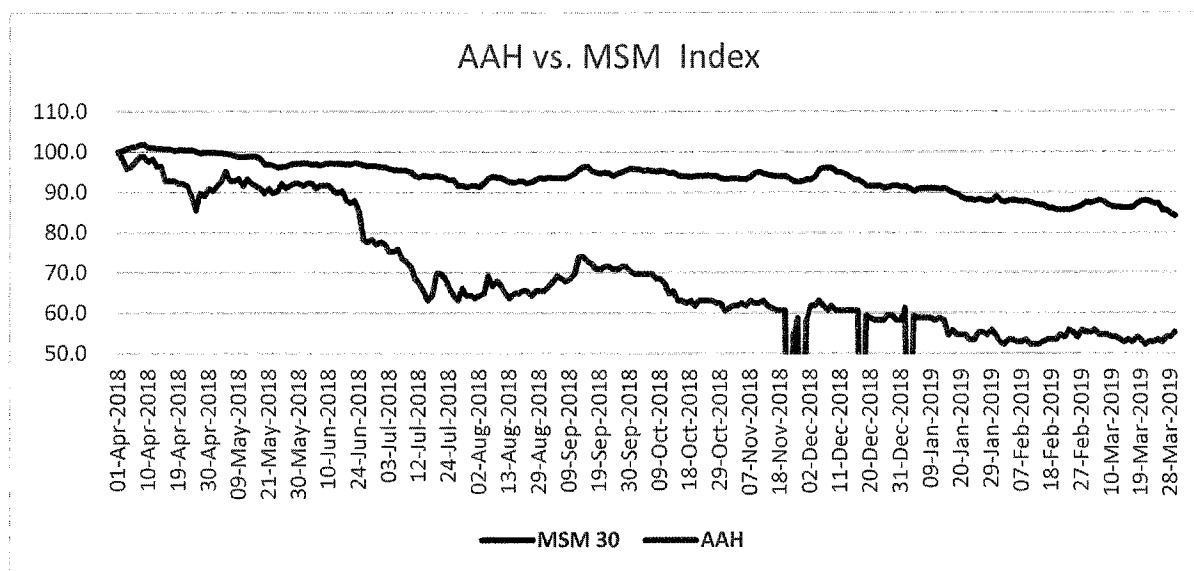
(c) The remuneration for the employees is fixed by the Board, based on qualification, expertise and efficiency of the employee. The total remuneration of the top five employees for year ended 31st March 2019 was OMR 252,000 (2017-2018: OMR 186,000).

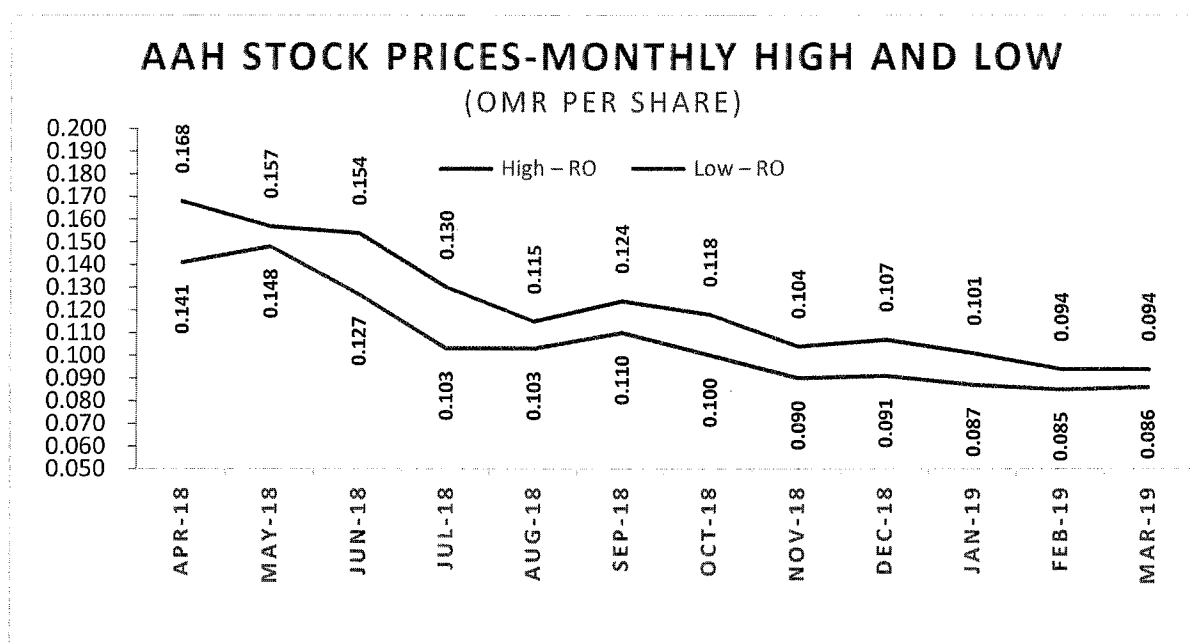
11. Details of non-compliance by the company

No penalties have been imposed by CMA or MSM or any other statutory bodies on the company.

12. Market price data

The monthly high and low share price of the company during the financial year ended 31st March 2019 was as under:





13. Distribution of Shares

The share holding pattern as on 31st March 2019 is as given below:

Distribution	No of Shareholders	% age of Shareholders	No of Shares	%age of No. of Shares
1 to 50,000	1,592	84%	13,390,773	7%
50,001 to 100,000	123	7%	9,194,065	5%
100,001 to 200,000	80	4%	11,531,081	6%
200,001 to 500,000	59	3%	18,423,633	9%
500,001 & Above	45	2%	147,460,448	74%
Grand Total	1,899	100%	200,000,000	100%

The Company does not have any foreign Global Depository Receipts (GDR) / American Depository Receipts (ADR) / Warrants or any other instrument of any type issued to public or institutional investors or any other class of investors.

14. Corporate Social Responsibility (CSR)

Al Anwar Holdings committed to support the society and environment. Over the years, AAH has extended its support to a broad range of charitable organizations as well as charitable programs and events that have helped improve the lives of the disabled, orphans and the underprivileged across the Sultanate. During the year AAH has distributed OMR 25,000 to charitable organization as approved by the shareholders in the AGM dated 24th June 2018.

15. Professional profile of the statutory auditor

EY is a global leader in assurance, tax, transaction and advisory services. EY is committed to doing its part in building a better working world. The insights and quality services which EY delivers help build trust and confidence in the capital markets and in economies the world over.

The MENA practice of EY has been operating in the region since 1923 and employs over 6,700 professionals. EY has been operating in Oman since 1974 and is a leading professional services firm in the country. EY MENA forms part of EY's EMEA practice, with over 4,500 partners and approximately 1,06,079 professionals. Globally, EY operates in more than 150 countries and employs 256,500 professionals in 728 offices.

Fees for Audit of financial statements for the year ended 31 March 2019 and report on compliance with Code of Corporate Governance was OMR 9,500.

16. Specific areas of non-compliance with the provisions of corporate governance and reasons


This report is prepared in compliance with the Code of Corporate Governance and covers all the items specified in Annexures 3 of code of Corporate Governance issued in July, 2015 and updated in December, 2016.

17. Acknowledgement by Board of Directors

The Board of Directors is responsible for the preparation of the financial statements in accordance with the applicable International Financial Reporting Standards (IFRS).

There are no material item that effect the continuation of the Company and its ability to continue its operations during the next financial year.

The Board of Directors, through the Audit Committee's consideration of the results of the internal audit work and discussions with the external auditors, together with their examination of periodic management information and discussions with the management, have reviewed the operation of internal controls during the year ended 31st March 2019. The Board of Directors has concluded based on this that internal controls operated effectively throughout the year.


Masoud Humaid Al Harthy
Chairman




Nasser Said Al Hadi
Chairman Audit Committee