almadina investment holding (S.A.O.G) المدينة للإستثمار القابضة (ش.م.ع.ع)

Report of the Corporate Governance

For the financial year ending on March 31, 2023

The company's philosophy regarding corporate governance

The philosophy of Al-Madina Investment Holding Company SAOG "the Company" relies on the corporate governance principles within the Code of Corporate Governance issued to public shareholding companies in MSM. The Board of Directors is committed to applying the best standards of Corporate Governance and works to improve it on an ongoing basis to provide a model for commitment to the Corporate Governance of public shareholding companies that is set by the Capital Market Authority. Furthermore, it confirms its dedication to the responsibilities required for the management of the company and provides transparency about the company's strategy.

Board of Directors

The board of directors is responsible for directing and supervising the company, setting and approving the company's aims as well as the strategies and policies that must be adhered to in order to achieve the required goals. The board also reviews the company's performance in relation to the set goals.

Nomination of board members

The Board of Directors as of March 31, 2023 consists of nine non-executive members and more than one third of them are independent.

The members of the Council were elected in its current session on June 30, 2020 for a duration of three years. In the event that any seat of the Council becomes vacant, a new candidate is nominated to complete the term of the Council. The term of all current board members expires in 2023. Accordingly, the shareholders will elect a new board of directors in June 2023. The formation of the board complies with the requirements of the charter and includes in its membership a group of highly qualified and experienced individuals in the field of finance and investment.

All members of the company's board of directors are not members of the boards of directors of more than four public joint-stock companies whose activities are headquartered in the Sultanate of Oman. Furthermore, a chairman of the board of directors is not a chairman of the boards of more than two companies operating in the same field.

Election of board members

Shareholders are invited through announcements in newspapers and the electronic platform for the general assemblies of the Muscat Clearing and Depository Company website to submit their

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nominations for the membership of the Board of Directors. After conducting the necessary examination of the applications according to the requirements of the Capital Market Authority, the nominations are accepted and are subject to voting in the annual ordinary general assembly.

Information provided to Board members

Board members are provided with timely information so that they can maintain full and effective supervision over strategic, financial, operational, compliance, organizational and management matters.

Upon nomination, each board member receives information about the company and is informed of the legal, regulatory and other obligations of a board member of a public joint stock company.

Board meetings and a statement of attendance of meetings of the Board as well as the committees in addition to their participation in the management of other Omani public joint stock companies.

Name	Designation	Board Meetings (BOD)	Audit committee (AC)	Executive Committee Nominations and Remunerations	AGM
Mr. Said Salih Al- Jabri (Mohammed Al-Barwani Holding Co.)	Chairman of BOD and N&RC	3	-	2	Yes
H.E. Sheikh Abdul Rahman Mohd. Jabor Al Thani (Doha Bank)	Vice Chairman	3	-	-	Yes
Mr. Mohamed Ali Al Naki (independent)	Vice Chairman Member of AC and N&RC	4	4	2	Yes
Eng. Abdullah Ali Al Abdullah (independent)	BOD and N&RC member	4	-	2	Yes
Mr. Bader Sulieman Al-Namani (independent)	BOD, AC and N&RC member	4	4	2	Yes
Mr. Salim Saleem Al-Bosaidi (independent)	BOD and N&RC member	4	-	-	Yes
Mr. Said Yahya Al-Saqri (independent)	BOD, Chairman of AC	4	4	-	Yes
Dr. Khalid bin Hamza Ahmed Nahaas	BOD, Chairman of AC	2	-	-	No
Mr. Sami Said Al Nabhani (independent)	BOD	3	-	-	Yes

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The Board of Directors held four meetings during the financial year that ended on March 31, 2023, on June 6, 2022, on August 8, 2022, on November 10, 2022, and on February 8, 2023. Board meetings are held according to a previously prepared agenda with all documents sent to the members well in advance of the meeting dates. The Board of Directors and its committees are fully informed of all information regarding the company's affairs.

Board of Directors fees

An amount of 21,500 Omani riyals was due as an allowance for attending sessions of the Board of Directors and the audit committees originating from it, for the financial year ending on March 31, 2023, according to the following table:

Name	Designation	Fees in RO
Mr. Said Salih Al- Jabri	Chairman	1,500
H.E. Sheikh Abdul Rahman Mohd. Jabor Al Thani	Vice Chairman	1,500
Mr. Mohamed Ali Al Naki	Vice Chairman	2,000
Mr. Bader Sulieman Al-Namani	BOD member	2,000
Eng. Abdullah Ali Al Abdullah	BOD member	2,000
Mr. Salim Saleem Al-Bosaidi	BOD member	2,000
Mr. Said Yahya Al-Saqri	BOD member	2,000
Dr. Khalid bin Hamza Ahmed Nahaas	BOD member	1,000
Mr. Sami Said Al Nabhani	BOD member	1,500
Total		**15,500**

Board Committees

As at the end of March 2023, there were two committees for the Board of Directors:

The Audit Committee and the Executive, Nominations and Remunerations Committee.

1) Audit Committee

The Audit Committee consists of three members (two of them are independent), and the committee is chaired by a member with expertise and knowledge in the financial fields. All members are fully aware and have a remarkable experience in the field of investment and the laws governing the listed public shareholding companies. The committee is considered a link between the board of directors, the internal auditor and the external auditor. The audit committee also performs its tasks and responsibilities as shown in Appendix No. (3) of the charter of corporate governance of public shareholding companies.

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The Audit Committee held four meetings during the financial year ending on March 31, 2023, on June 6, 2022, on August 8, 2022, on November 10, 2022, and on February 8, 2023 .

The Audit Committee received the reports of the internal and external auditors and discussed the scope and results of the audit. It also reviews the accounting policies of the Group and assists the Board of Directors in ensuring the suitability, adequacy and effectiveness of internal supervision systems. The Audit Committee also studies the quarterly financial statements and approves them according to the powers granted by the Board of Directors in this regard. The balance sheet and profit and loss account for each quarter have been published in the local newspapers and on the Muscat Stock Exchange website according to the governing regulations. It also studies the annual financial statements and submits recommendations to the Board before its approval.

Name of Committee member	Designation	Fees in RO
Mr. Said Yahya Al-Saqri	Committee Chairman	2,000
Mr. Mohamed Ali Al Naki	Committee member	2,000
Mr. Bader Sulieman Al-Namani	Committee member	2,000
Total		**6,000**

The committee has the overall responsibility for nominating the external auditor, evaluating the results of the internal audit reports, guiding the implementation of audit recommendations and monitoring the work of the internal audit within the framework of the internal monitoring environment and the regulatory compliance framework of the company.

Committee powers and responsibilities

- Submitting a recommendation to the Board of Directors, which in turn presents it to the General Assembly, regarding the nomination and remuneration of the external auditor who performs the annual audit of the company.
- The Audit Committee is responsible for evaluating the internal audit process, continuing to supervise and monitor the work of the external auditor, and approving all audit and other non-audit services that are allowed and performed.
- The Committee shall have access to the members of the Board of Directors, external auditors and the legal advisor, in addition to having access to all relevant information, necessary to carry out its work, taking into account the relevant regulations / laws.
- The Audit Committee reports to the Board of Directors the results of the audit and the escalation of material issues.

2) Executive, nominations and remuneration Committee

The committee consists of five members and is chaired by an independent member nominated by the board. The committee is responsible for reviewing the company's general performance to

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enable it to take the necessary steps to carry out its work smoothly and to assist the board in taking appropriate decisions that are outside the powers of the executive management. The committee also assists the company's general assembly in terms of nominating members of the board of directors, submitting proposals to the Board regarding the appointment of the executive management and determining appropriate incentives and rewards that help the company obtain and maintain the best skills. The board of directors decided that the committee's meetings are to be held without fees at the time being due to the financial condition of the company.

The committee holds a meeting at least twice during the year, and the meeting is called at the request of the management or by the executive, nominations and remunerations committee. The tasks entrusted to the committee are within the framework of the powers granted to it. The Committee distributes the minutes of its meetings to the Board members and they are discussed on the Board.

The Executive, Nominations and Remunerations Committee convened twice during the financial year ending March 31, 2023, on November 10, 2022, and on March 30, 2023.

Name of Audit Member	Designation	Fees
Mr. Said Salih Al- Jabri	N&RC Committee Chairman	-
Mr. Mohamed Ali Al Naki	N&RC Committee member	-
Mr. Bader Sulieman Al-Namani	N&RC Committee member	-
Eng. Abdullah Ali Al Abdullah	N&RC Committee member	-
Mr. Salim Saleem Al-Bosaidi	N&RC Committee member	-
Total		-

Committee powers and responsibilities

- Proposing a policy or the succession plan for the board or at least the board chairman.
- Providing the succession plan for the executive management
- Preparing a detailed job description of the role of a board member, including the chairman of the board, in order to facilitate the process of introducing members to their tasks and roles and measuring their performance.
- Search for qualified persons to join the Board as temporary members and nominate them when a seat on the Board of Directors becomes vacant.
- Searching for qualified persons to assume executive positions and nominating them in accordance with the request and directives of the Board in a manner that does not contradict the company's Articles of Association.
- Preparing a policy for granting bonuses and incentives to the executive management.
- Reviewing these policies periodically, taking into account the market conditions and the company's performance.

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- Seeking help from any other party to obtain consultations in order to perform its tasks.
- Any other tasks that the Board of Directors deems to be added.

Board discussions

The company's portfolio is currently balanced, as the process of portfolio allocation and distribution is a dynamic process and external factors are constantly evaluated based on the company's criteria and strategy.

During its meetings, the Board of Directors approved the reports of the committees originating from the Board.

All transactions with related parties are within the framework of the normal activity, on terms similar to those that can be dealt with other unrelated parties, and are carried out after the approval of the Board of Directors and the Audit Committee, bearing in mind that the related party does not participate in voting on the decision on that transaction.

Affirmations

The Board of Directors assures that the current presentation of the consolidated financial statements is in accordance with International Financial Reporting Standards and is in accordance with the requirements of the Capital Market Authority, as per its circulars issued in this regard, and there are no transferable financial instruments that affected or could affect the company's capital as on March 31, 2023. The Board also monitors and reviews the systems, procedures and internal control periodically and in coordination with the Audit Committee to ensure that the mentioned systems are effective. Furthermore, the Board confirms that there are no foreseeable obstacles to the company's continuity during the coming year.

Expenses related to the company's senior employees during the period amounted to 46,500 Omani Riyals which is consistent with the role assigned to them, the responsibility placed upon them and the skills required to perform the job according to the company's policy that links their performance to what they get.

Employment contracts for foreign employees are renewed every two years and a paid 3-month notice period is given. There are no clauses for immediate termination of the contract.

A brief profile of the members of the Board of Directors and the Executive Management

1) Mr. Saeed bin Saleh Al Jabri - Board Chairman

Mr. Saeed Al Jabri holds the position of Executive Director of Corporate Operations in Mohammed Al Barwani Holding Company and he is a Board member in a number of the group companies.

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Mr. Saeed Al Jabri supervises the progress of the business of the subsidiaries and the strategies they put in place, following up with them the Human Resources Department, the Legal Affairs Department, the Medical Clinic and Communications.

Mr. Saeed Al Jabri, in cooperation with the management team, provides strategic directions to develop the company's profitability and return on investment, and among his other duties is the representation of the company at external events and negotiations.

2) His Excellency Sheikh Abdul Rahman bin Muhammad Jabor Al Thani - Board Vice Chairman

His Excellency Sheikh Abdul Rahman holds a Bachelor's degree in Industrial Sciences from Imisonn University, USA. He has more than 35 years of experience in the field of industrial investments and the private sector. In addition, he is the Chairman of the Board of Directors of Qatar and Oman Investment Company, the Qatar Transfer Industries Company and the Managing Director of Doha Bank.

3) Mr. / Muhammad bin Ali Al-Naqi - Board Vice Chairman

Mr. Muhammad Al-Naqi holds a Bachelor's degree in Industrial Management and is one of the leading businessmen in the State of Kuwait. He is a member of the Board of Directors for a number of companies in Kuwait, the Sultanate of Oman and the Kingdom of Saudi Arabia.

4) Mr. Salem bin Saleem Al Busaidi - Board Member

Mr. Salem Al Busaidi holds the position of legal advisor for the Mohammed Al Barwani Holding Group of companies, and a is Board member in a number of the group companies.

Mr. Salem Al Busaidi supervises the progress of the subsidiaries' businesses and the strategies they place, in addition to his responsibility for following up on legal and commercial developments.

Mr. Salem Al Busaidi, in cooperation with the management team, provides strategic directions to develop the group companies' performance, profits and return on investment. Among his other duties is representing the company at external events and negotiations in coordination with government agencies.

5) Engineer / Abdullah Ali Al-Abdullah - Board Member

Board member and holds a Bachelor's degree in Industrial Engineering from the University of Bradley, USA and has held several positions in the State of Qatar, including Assistant Secretary-General in the Gulf Organization for Industrial Consulting and a member of the Board of Directors in the Doha Securities Market.

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Engo Abdullah has great experience in the field of investment and holds the position of a member of the Board of Directors in several Gulf companies.

6) Mr. Badr bin Suleiman Al-Nomani - Board Member

Mr. Bader Al-Noamani holds a Bachelor's degree in Military Sciences, a Master's in Political Science and Civil Administration, and a Diploma in Business Administration. He has been a retired officer in the Royal Air Force of Oman for 10 years. He has served in the Armed Forces for 23 years and has participated in many conferences, seminars and workshops.

Mr. Bader Al-Noamani has accumulated experiences in several fields, such as operations management, communications, information technology and project management, and he has worked in the field of real estate development, asset management and investment.

7) Mr. Saeed bin Yahya Al-Saqri - Board Member

Mr. Saeed Al-Saqri holds an MBA from King's College, UK, and has 6 years of experience in business administration, as well as extensive experience in corporate management.

8) Dr. Khalid bin Hamza bin Ahmed Nahaas - Board Member

Bachelor`s Degree in Engineering, University of Washington (Seattle) 1971, Master Degree Engineering Oregon State University 1972, And PhD. in Engineering Economic Systems, Stanford University (California) 1977.

He also holds several positions, Chairman of the boards of Directors of Bin Laden International Co, Vice Chairman of the Board, Clariant Co (a Swiss joint stock CO), Member of the boards of Directors of Arsh Capital, And Methaq Investment Holding CO, and Saudi Basics Industry Corporation (SABIC) , and Member of the Supervisory Committee of the Saudi Bin Laden Group CO.

He has many Experiences in field of Real Estate investment and financial investment.

9) Mr. Sami Said Al Nabhani - Board Member

Bachelor's Degree of Accounting in Commerce and Economics from Sultan Qaboos University.

He has many courses and training in the field of Business administration and Economics and has experience in finance, Marketing, Sales, Real Estate investment and financial investment.

He is currently the Business Development Manager (BDM) at Al Madina Real Estate Company SAOC and has experiences and skills in this field. He also holds several positions on the boards of directors of Al Madina Hotels and Resorts SAOC, Al Basateen Development SAOC, and Al Ansab Development SAOC, and Edara Real Estate L.L.C.

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A brief overview of the executive management

Mr. Khaled Mohamed Ebeid - Acting CEO

Mr. Khaled Ebeid holds a Bachelor's degree in Accounting and Management. He is a member of the Arab Society of Certified Accountants, a member of the British Society of Professional Accountants and he holds an ACPA certificate accredited by the University of Cambridge, Britain.

He previously held the position of Executive Director of Financial and Administrative Affairs of the company for 20 years and was responsible for all financial and administrative affairs. He was assigned the task of preparing the accounting policies and procedures manual and was part of the company's founding team.

Mr. Khaled Ebeid was appointed to the company during the month of February 2022 as an Acting CEO and has more than 26 years of experience in finance, investment and management.

Related Party Transactions

Details of all related party transactions are submitted to the Board of Directors while they are in the normal course of business for study and approval. Details of related party transactions are submitted to the Board of Directors on a quarterly basis for consideration and approval as part of the bank's quarterly financial statements approval.

In addition, details of all related party operations are reported to shareholders as part of the financial statements submitted for approval at the annual general assembly.

Internal control review

The Board of Directors grants great importance to maintaining a strong control environment. For this reason, it monitors and adheres to all controls, including the financial and operational controls.

Moreover, the Board of Directors has established an administrative structure that clearly defines the tasks, responsibilities, reporting systems and approved policies.

The financial information is prepared based on the international accounting standards and is used in full harmony. Also, the operational procedures and controls have been developed to facilitate the processing of business operations in a controlled, complete and timely manner in order to protect the company's assets and investments, which contain the policies and procedures that should be followed in addition to the instructions related to office performance.

Shareholders

Means of contacting shareholders and investors

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The quarterly and annual financial statements are published in the local newspapers, with reference to the possibility of sending copies to shareholders upon their request. The company is also preparing a new website through which the quarterly, semi-annual and annual financial statements are to be published.

The company's annual report also includes the Board's analysis and discussion of the company's financial position, which gives a clear picture of the results for the shareholders.

Capital structure

The distribution of the capital as on March 31, 2023 was as follows:

Number of Shares	Number of shareholders	Total stock	The percentage of the capital
From 1000.001 and above	15	47,652,849	56%
From 500.001 to 1000.000	17	11,587,009	14%
From 100.001 to 500.000	52	12,543,193	15%
From 50.001 to 100.000	58	4,301,599	05%
From 10.001 to 50.000	250	6,130,864	07%
1 to 10.000	1556	2,784,486	03%
Total	1,948	85,000,000	100%

Professional background of auditors

The company's shareholders have appointed Ibn Hayyan Chartered Accountants office as the company's auditors for the year March 2023.

Ibn Hayyan was established in 1990 and is an institution licensed to practice the profession of auditing, accounting and related business services at the Ministry of Commerce and Industry in the Sultanate of Oman. Ibn Hayyan Chartered Accountants, an independent member of DFK International, provides auditing and accounting services, in addition to supporting ongoing business development, to meet the demands of a growing business environment.

During the financial year ending March 2023, Ibn Hayyan submitted audit fee invoices of RO 2,850 payable to external auditors in regard to the audit and related services they provided to the Company.

Stock price data in the market

The following table shows the high, low and average prices of the company's shares and compares the company's performance against the general index of investment companies during the year ending on March 31, 2023.

The index of Al-Madina Investment Holding Company SAOG and the index of banks and investment companies in the Muscat Stock Exchange - March 2023

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	Highest Price	Lowest Price	Closing price
April 22	0.075	0.044	0.072
May 22	0.074	0.055	0.063
June 22	0.060	0.050	0.051
July 22	0.053	0.047	0.051
August 22	0.050	0.040	0.051
September 22	0.051	0.036	0.051
October 22	0.049	0.030	0.030
November 22	0.038	0.024	0.034
December 22	0.026	0.025	0.025
January 23	0.031	0.025	0.025
February 23	0.028	0.020	0.025
March 23	0.030	0.025	0.030

	Highest indicator	Lowest indicator	Closing indicator
April 22	6796.872	6593.718	6600.616
May 22	6633.558	6525.392	6557.927
June 22	6687.655	6534.051	6614.988
July 22	7284.777	6560.485	7274.027
August 22	7481.697	7233.372	7351.075
September 22	7404.847	7054.565	7216.931
October 22	7319.335	6933.273	6989.515
November 22	7512.609	6994.306	7489.974
December 22	7961.757	7488.013	7903.369
January 23	7967.014	7539.528	7550.171
February 23	7671.763	7440.125	7671.763
March 23	7958.203	7671.763	7778.184

Internal control mechanism

The company follows comprehensive methods of internal control systems and procedures for its financial and commercial transactions. The company also adopts clear and documented policies and procedures for all its financial and commercial transactions. The Board of Directors believes that it is consistent with the generally accepted standards.

Details of non-compliance

There are no penalties or fines imposed on the company by the Muscat Securities Market or the Capital Market Authority or any other legal authority during the past three years.

At no time was there non-compliance with regard to any matter related to the articles of the Commercial Companies Law No. 18/2019 or the provisions of the Charter for the Corporate Governance of Public Shareholding Companies, the regulations of the Capital Market Authority or the listing agreements on the Muscat Securities Market.

The company has fulfilled the required obligations in accordance with the provisions of the charter for Corporate Governance of public shareholding companies, and has submitted its report based on the rules established by the Capital Market Authority.

Said bin Yahya Al Saqri
Audit Committee

Said bin Saleh Al-Jabri
Chairman

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