

Pursuant to the Code of Corporate Governance laid out by the Capital Market Authority (CMA), the Board has adopted a set of governance policies that cover its relationship with the shareholders and the conduct by the Board of its own affairs. The Company is pleased to present the Corporate Governance Report for the year ended 31 December 2022. The Company's external auditors, BDO LLC has issued a separate report on the Company's Corporate Governance Report for the year ended 31 December 2022.

A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Al Jazeera Steel Products Co SAOG ("Al Jazeera" or "the Company") believes that for a company to succeed on a sustainable basis, it must maintain high standards of Corporate Governance towards its employees, consumers and society. Al Jazeera has always focused on good Corporate Governance, which is a key driver of sustainable growth and profitability in the long-term and value addition for our shareholders.

In this report, Al Jazeera Steel Products Co SAOG confirms its compliance with the Code.

B. BOARD OF DIRECTORS

a) Composition of the Board

As of 31 December 2022, the Company had 6 members as its Board of Directors. During the year, the composition of the Board was 7 members until 7 December 2022, when Mr. Pradeep P Navre resigned from the Board membership.

Brief Profile of the Board of Director

Ms. Amal Suhail Salim Bahwan – Chairperson

An accomplished leader and a proven business professional with a track record of successful business transformations and consolidation, initiation of new business models & ventures and revamping businesses into robust profit centers while creating corporate value and enhancing brand reputation. Goal-oriented with a relentless drive to succeed, sharp business acumen and foresight, pro-active and creative approach to solving problems, effective blend of intuitive and cognitive analytics, prudent decision-making skills, ability to quickly comprehend and adopt new technology trends and business models, superior communication skills, "humane yet performance oriented" working style.

She is the Vice-Chairperson of the Suhail Bahwan Group Holding LLC., one of Oman's largest and most professionally managed business organizations in the Sultanate of Oman. Ms. Amal is also Chairperson of National Bank of Oman SAOG, Chairperson of Oman International Hospital, Director of National

Pharmaceutical Industries SAOC, Director of Oman Oil Marketing Co SAOG, and Director of DHL Global Forwarding Co. She holds a Master’s Degree in Administration and Bachelor Degree in Education from Sultan Qaboos University, Sultanate of Oman.

Mr. Taqi Ali Sultan – Vice-Chairman

Mr. Taqi Ali Sultan holds Degree in Commerce from University of Kuwait. He has over 33 years of experience in banking sector out of which 28 years were with National Bank of Oman and one year each in London with Bank of America and Bank of Credit & Commerce International. Mr. Sultan held various managerial positions in National Bank of Oman and last one being the General Manager before retiring in January 2011. He is currently a member of the senior management team of Towell Group. Before joining our Company as Director, Mr. Sultan served as the Chairman of Al-Jazira Services Co. SAOG for 8 years and Al-Ahlia Converting Industries SAOG for 8 years.

Mr. Abdul Kader Darwish Al Balushi – Director

Mr. Abdul Kader has over 42 years of experience in banking sector out of which 25 years with Bank Muscat SAOG in various managerial positions before retiring as General Manager-Credit Policy & Planning. He holds a Master’s degree in Business Administration from Heriot-Watt University, UK and CPA from Oregon State Board of Accountancy, USA.

Mr. Rahul Kar – Director

Mr. Rahul Kar is a Chartered Accountant and is currently working as the Financial Advisor to the Chairman of Suhail Bahwan Group Holding LLC. Mr. Kar is also a Director and member of the Audit Committee and Business Risk & Compliance Committee of National Bank of Oman SAOG. He is also a Director and Nomination & Remuneration Committee member of Oman United Insurance Company SAOG.

Mr. Abdullah Salim Said Al Araiimi – Director

Mr. Abdullah Salim Said Al Araiimi is a seasoned professional and holds a Higher Diploma in Accounting. He started his career with Suhail Bahwan Group in the year 1995. He has spent more than 10 years with F&A executing various responsibilities. Considering his ability to influence thoughts, people management skills, he was entrusted to handle Admin activities under the HR & Admin department. Considering his enthusiasm HR was also added in his portfolio. He developed new systems, put policies and procedures in place; elevated the relation with Government authorities. His contribution to the Group is innumerable.

Apart from his professional career, he also served as the committee member of International Labour Organization representing Oman. He was actively involved in the study of labour conditions in Oman and revising the Oman Labour Law.

Mr. Yasser Abdullah Salim Al Rashdi – Director

Currently he is a Group Director – Finance at ITHCA Group (Oman Information, Communication and Technology Group) – a subsidiary of Oman Investment Authority - and has a membership in the Board of Directors of Oman Cables Industries SAOG. He started his carrier at Oman Investment Authority and has experience of more than 22 years in the field of Accounts, Finance and Investment at both Oman Investment Authority and ITHCA Group. On the Academic aspect, he obtained a bachelor’s degree in Accounting from Sultan Qaboos University, and MBA from Franklin University (United States of America). He also joined Executive Programs in leadership, finance, and management fields provided by major educational institutions such as HEC Paris University and PWC Academy.

b) Directors’ attendance record at the Board meeting and Last Annual General Meeting

During the year 2022, six board meetings were held on the following dates:

1. 31 January 2022	2. 24 February 2022	3. 28 April 2022
4. 28 July 2022	5. 29 August 2022	6. 27 October 2022

The maximum interval between any two meetings in 2022 was 91 days. The interval between the last meeting in 2021 and the first meeting in 2022 was 42 days.

The attendance record of each director at the Board meetings and at the General meetings held during the year 2022 is given below:

Name of the Director	Category	Board Meeting						AGM	OGM
		31 Jan	24 Feb	28 Apr	28 Jul	29 Aug	27 Oct	24 Mar	29 Aug
Ms. Amal Suhail Salim Bahwan	NE	√	√	√	√	√	√	√	√
Mr. Taqi Ali Sultan	NE & ID	√	√	√	√	√	√	√	√
Mr. Abdul Kader Darwish Al Balushi	NE & ID	√	√	√	√	√	√	√	√
Mr. Rahul Kar	NE & ID	√	√	√	√	Ab	√	√	Ab
Mr. Abdulla Salim Said Al Araithi	NE & ID	√	√	√	√	√	√	√	√
Mr. Yasser Abdullah Salim Al Rashdi	NE & ID	√	√	√	√	√	√	√	√
Mr. Pradeep P. Navre *	NE & ID	√	√	√	√	√	Ab	√	√

NE: Non-Executive Director ID: Independent Director √: Present Ab: Absent

* Mr. Pradeep P. Navre resigned on 7 December 2022.

The Board Secretary, under the guidance of the Board members, coordinated the meetings. The meetings were conducted with exhaustive agendas and proceedings were minuted. The Chief Executive Officer reports to the Board the operations of the Company and all related issues were discussed, ensuring the growth and progress of the Company.

c) Public Joint Stock Companies where our Director is a Chairman / Director

Name of Director	Name of the Company	Position
Ms. Amal Suhail Salim Bahwan	Al Jazeera Steel Products Co. SAOG	Chairperson
	National Bank of Oman SAOG	Chairperson
	Oman Oil Marketing Co. SAOG	Director
Mr. Rahul Kar	Al Jazeera Steel Products Co. SAOG	Director
	National Bank of Oman SAOG	Director
	Oman United Insurance SAOG	Director
Mr. Yasser Abdullah Salim Al Rashdi	Oman Cable Industries SAOG	Director

No Director is a member of the Board for more than four public joint stock companies whose principal place of business is the Sultanate of Oman or is a chairperson of more than two such companies. No Director is a member of the Board of Directors of a public and another joint stock company which carry-out similar objectives and whose principal place of business is in the Sultanate of Oman.

Company Management

The names, designations, description of the responsibilities of the Key Management staff in Al Jazeera Steel Products Co SAOG and a brief profile of them are as follows:

Mr. AN Venkat – Chief Executive Officer

Mr. AN Venkat is an engineering graduate in Metallurgy from IIT- Roorkee, India, with additional Financial Certifications from Xavier School of Management (XLRI), Jamshedpur, India & London School of Economics. He has more than 31 years' experience in the international steel industry at various management levels across the globe, with a special focus on GCC, Middle East and India. In his previous engagement, he worked as Vice President - Sales at Emirates Steel Company, Abu Dhabi, the UAE. As a part of the executive management committee, he was instrumental in the growth of 1.5 million tonnes predominantly a re-rolling facility to a 3.5 million tonnes completely integrated steel facility. His experience spans across geographies, markets and product segments in the steel industry, which lends him a unique blend of product & market knowledge. He has proven abilities in operations management, marketing, sales & commercial functions, with a proven track record of leading multi-cultural teams and bringing out record-breaking performances within a very short span of time. He has successfully handled change management in large enterprises in extremely challenging market conditions. Mr. AN Venkat started his career with Tata Steel as a graduate engineer, later moved to ArcelorMittal & was finally designated as Managing Director of AMI GCC & India. He is currently also serving as an Independent Board Member in Steel1, an advanced steel fabrication facility in India.

Mr. Bejoy John – Chief Financial Officer

Mr. Bejoy is a Chartered Accountant by profession with an experience of 25 years in the field of finance and accounts functions in various industries at the management level, responsible for all the Finance, Commercial & IT related functions of the Company and reports to the Chief Executive Officer and the Board of Directors of the Company.

Mr. Arun Kumar Sinha – Chief Marketing Officer

Mr. Arun is a post-graduate in Marketing Management and has an experience of 33 years in steel industry at various management levels; responsible for all the marketing activities of the Company and reports to the Chief Executive Officer of the Company.

Mr. Yousuf Al Kamali – Chief of HR & Administration

Mr. Yousuf holds graduate degree in History and has a total experience of 40 years. He retired from Ministry of Education as a School Headmaster. He is with the Company since its inception and is responsible for all HR & Administration related activities and reports to the Chief Executive Officer. He holds the additional responsibility of being Advisor to the CEO on Government affairs and relations & external corporate affairs.

Mr. Milind Kulkarni – Chief Operating Officer

A Mechanical Engineering graduate from Dr Ambedkar Marathwada University with distinction throughout. Started career with Ispat Profiles India limited (a formerly Ispat group company). Worked in Saudi Arabia, Oman & Indonesia, specifically in Section Rolling Mills, with total 28 years of experience in operations of different types of section mills and projects.

Mr. Virendra Kumar Sharma – Asst. General Manager - Merchant Bar Mill

Is a graduate Mechanical Engineer and has an experience of over 33 years in the various steel plants at various levels. Responsible for all the production, dispatch and plant related activities of Merchant Bar Mill for the Company and reports to the Chief Operating Officer.

d) Information supplied to the Board

Among others, this includes:

- Capital and operating budgets and quarterly updates
- Quarterly results of the Company before submission to MSX / CMA
- Monthly Management Reports
- Minutes of the Audit and Other Committee meetings
- Information of recruitment, resignation and removal of senior executives along with the updated organization chart
- Legal cases which are material
- Serious accidents, dangerous occurrences and pollution problems, if any
- Material default in financial obligations to or by the Company
- Issues involving public or product liability claims of significance
- Joint Venture proposals and agreements
- Transactions involving payment towards intellectual property/goodwill/brand equity
- Any significant industrial relations problem including new wage agreements
- Sale of investments, assets and divisions which are not in normal course of business
- Non-compliance with any regulatory requirement
- Details of any foreign exchange exposure and steps taken to hedge the risk

The Board of Al Jazeera Steel Products Co. SAOG is routinely presented with all the above information whenever applicable and are materially significant. These are submitted either as part of the agenda well in advance of the Board meetings or are being tabled during the course of the Board meetings.

e) Directors with materially significant related party transactions, pecuniary or business relationship with the Company

During the year, there were no materially significant related party transactions of pecuniary nature between Al Jazeera Steel Products Co. SAOG and its Directors who may have potential conflict with the interests of the Company at large. The normal contracts and transactions in ordinary course of business are decided at arms' length basis based on competitive quotes and on transparent mode of tendering.

f) Remuneration of Directors

All Directors are eligible for sitting fees of RO 400 for every Board meeting attended during the period. The Company also pays RO 300 to all members towards sitting fees for every Audit Committee and Nomination and Remuneration Committee meeting attended during the period.

An amount of RO 140,000 was paid during the year as Directors’ Remuneration for 7 Directors for the previous year.

Directors’ Remuneration payable as per CMA regulations and subject to the approval of the shareholders in the forth-coming Annual General Meeting amounted to RO 100,000 for the year ended 31 December 2022.

Sitting fees payable/paid to individual directors for the year (in RO) are as set out below:

Name of the Director	Board Meetings	Audit Committee	Nomination & Remuneration Committee	Total
Ms. Amal Suhail Salim Bahwan	2,400	-	600	3,000
Mr. Taqi Ali Sultan	2,400	1,200	-	3,600
Mr. Abdul Kader Darwish Al Balushi	2,400	1,200	-	3,600
Mr. Rahul Kar	2,000	1,200	-	3,200
Mr. Abdulla Salim Said Al Araimi	2,400	-	600	3,000
Mr. Yasser Abdullah Salim Al Rashdi	2,400	-	600	3,000
Mr. Pradeep P. Navre	2,000	-	-	2,000
Total	16,000	3,600	1,800	21,400

g) Process of nomination of the Directors

The Company adheres to the process as has been laid down in the Commercial Companies Law and by the Capital Market Authority in conjunction with the Articles of Association of the Company, which stipulate that the nomination of the Directors is usually done by the shareholders in the Annual General Meeting.

h) Audit Committee (AC)

The Board has established an Audit Committee comprising of three independent members.

- i. Terms of Reference of the Audit Committee are as set out below:
- To recommend to the Board, name of the independent auditors to audit the financial statements of the Company.

▪ To evaluate the performance of the independent auditors and, where appropriate, replace such auditors.

▪ To review the audited financial statements and discuss them with the management and the independent auditors. Based on such review, the

Committee makes its recommendation to the Board as to the inclusion of the Company’s audited financial statements in the Company’s Annual Report.

- To monitor all reporting, accounting, control and the financial aspects of the executive management’s activities.
- To investigate any activity within the Company.
- To seek information from any employee.
- To discuss with a representative of management, the interim financial information contained in the Company’s Quarterly Report prior to its filing (These discussions may be held either with the Committee as a whole, or with the Committee chairperson, or by telephone.)
- To oversee internal audit activities, including discussing with management and the internal auditors the internal audit function’s organization, objectivity, responsibilities, plans, results, budget and staffing.
- Discussing with the management, the internal auditors and the independent auditors the quality and adequacy of and compliance with the Company’s internal controls and provide assurance to the Board of Directors regarding the adequacy of the internal control environment within the Company.
- Discussing with management and/or the Company’s lawyer any legal matters (including the status of pending litigation) that may have a material impact on the Company’s financial statements and any material reports or inquiries from regulatory or governmental agencies.

The Committee carries out its functions in accordance with the policy approved by the Board and in line with the resolutions issued by the Capital Market Authority.

Four Audit Committee meetings were held during the financial year ended 31 December 2022. The dates of the meetings and the member’s attendance are as follows.

	Position	Audit Committee Meeting			

Name of the Director		31 Jan 22	28 Apr 22	28 Jul 22	25 Oct 22
Mr. Abdul Kader Darwish Al Balushi	Chairman	√	√	√	√
Mr. Taqi Ali Sultan	Member	√	√	√	√
Mr. Rahul Kar	Member	√	√	√	√

√: Present

Total sitting fees payable/paid to the Audit Committee members is RO 3,600 for the year 2022.

i) Internal Control

The Audit Committee, on behalf of the Board regularly reviewed the internal control prevailing in the Company. The Audit Committee (AC) has appointed a full time in-house internal auditor from August 2011 onwards. During the year, AC appointed a new in-house internal auditor to replace the existing internal auditor who had retired from service.

The Company has an internal audit firm for reviewing and reporting on various issues of the Company along with recommendations and management comments thereupon. The Audit Committee reviews the internal auditor’s reports on a regular basis. The Internal Controls prevailing in the Company are adequate. The internal audit activities for the whole year were carried out by an audit firm, Deloitte & Touche, (M.E) & Co. LLC and the total audit fees paid / payable for the whole year 2022 was RO 13,000.

j) Nomination and Remuneration Committee (NRC)

Nomination and Remuneration Committee operates within its terms of reference issued by the Board of Directors.

i) NRC’s key responsibilities include:

- Set performance-based criteria to determine the bonus and remuneration of the Directors and Executive Management
- Succession planning for Directors and Executive Management
- Look for and nominate qualified persons to the Board of Directors
- Assist in selecting qualified persons for the Executive Management

(ii) Two Nomination and Remuneration Committee meetings were held during the financial year ended 31 December 2022, the dates of the meeting and the member’s attendance are as follows.

		Nomination & Remuneration
--	--	---------------------------

Name of the Director	Position	Committee	
		31 Jan 22	26 Oct 22
Ms. Amal Suhail Salim Bahwan	Chairman	√	√
Mr. Yasser Abdullah Salim Al Rashdi	Member	√	√
Mr. Abdulla Salim Said Al Araiimi	Member	√	√

√: Present

Total sitting fees payable/paid to the NRC committee members amounted to RO 1,800 for the year 2022.

C. MANAGEMENT REMUNERATION

The remuneration package of the executives is made up of a fixed and a variable component. The fixed component includes a salary, valued perquisites and retirement benefits. The variable component is a performance-linked incentive, which is calculated based on pre-determined parameters of performance.

During the year 2022, the total cost of the top executives of the Company was RO 711,037 (Salary & others RO 689,245 Gratuity RO 21,792).

The severance notice period of these executives is one month with end of service benefits payable as per the Omani Labour Law.

Employment Contract

Al Jazeera enters into a formal Contracts of Employment with each employee and such contracts are in line with the regulations of the Ministry of Manpower and Omani Labour Law.

D. EVALUATION OF BOARD PERFORMANCE

In accordance with the Fourth Principle of the Corporate Governance of Public Shareholding Companies issued by the Capital Market Authority, the shareholders appointed Moore Stephens LLC to evaluate the performance of the Board. Accordingly, Moore Stephens submitted the report to the shareholders and was approved by them in the Annual General Meeting held on 23 March 2022.

This evaluation process will be carried out once in each electoral session as authorized by the shareholders.

E. DETAILS OF NON-COMPLIANCE BY THE COMPANY

There were no penalties or strictures imposed by the Capital Market Authority (CMA) or Muscat Stock Exchange (MSX) or any other authorities on the Company for any matters related to capital market during the last three years.

Following shortcomings have been identified by Management in implementation of requirements of Code of Corporate governance:

One of the members to the Board have resigned on 7 December 2022. This has resulted in the Company not having odd number of members to the Board as on 31 December 2022 as required by the Oman Commercial Companies Law. The Board has subsequently elected a new Director on 5 February 2023 which is subject to ratification in the Annual General Meeting.

F. MEANS OF COMMUNICATION WITH THE SHAREHOLDERS AND INVESTORS

Al Jazeera Steel Products Co SAOG has its own web site at the URL www.jazeerasteel.com, which was built for our worldwide customers and partners. The website contains detailed specifications on the various product ranges manufactured, along with timely updates on all the vital information relating to the Company, yearly financial results, official press releases and presentation to analysts.

The quarterly/annual results were published in the local newspapers both in Arabic and English. Also, results were uploaded in the Muscat Stock Exchange (www.msx.om) website. The results were not sent individually to the shareholders in view of the above. Shareholders wishing to acquire a set of results can download them from the MSX website or were advised to contact our offices directly.

A copy of the Management Discussion and Analysis is circulated along with the financial statements.

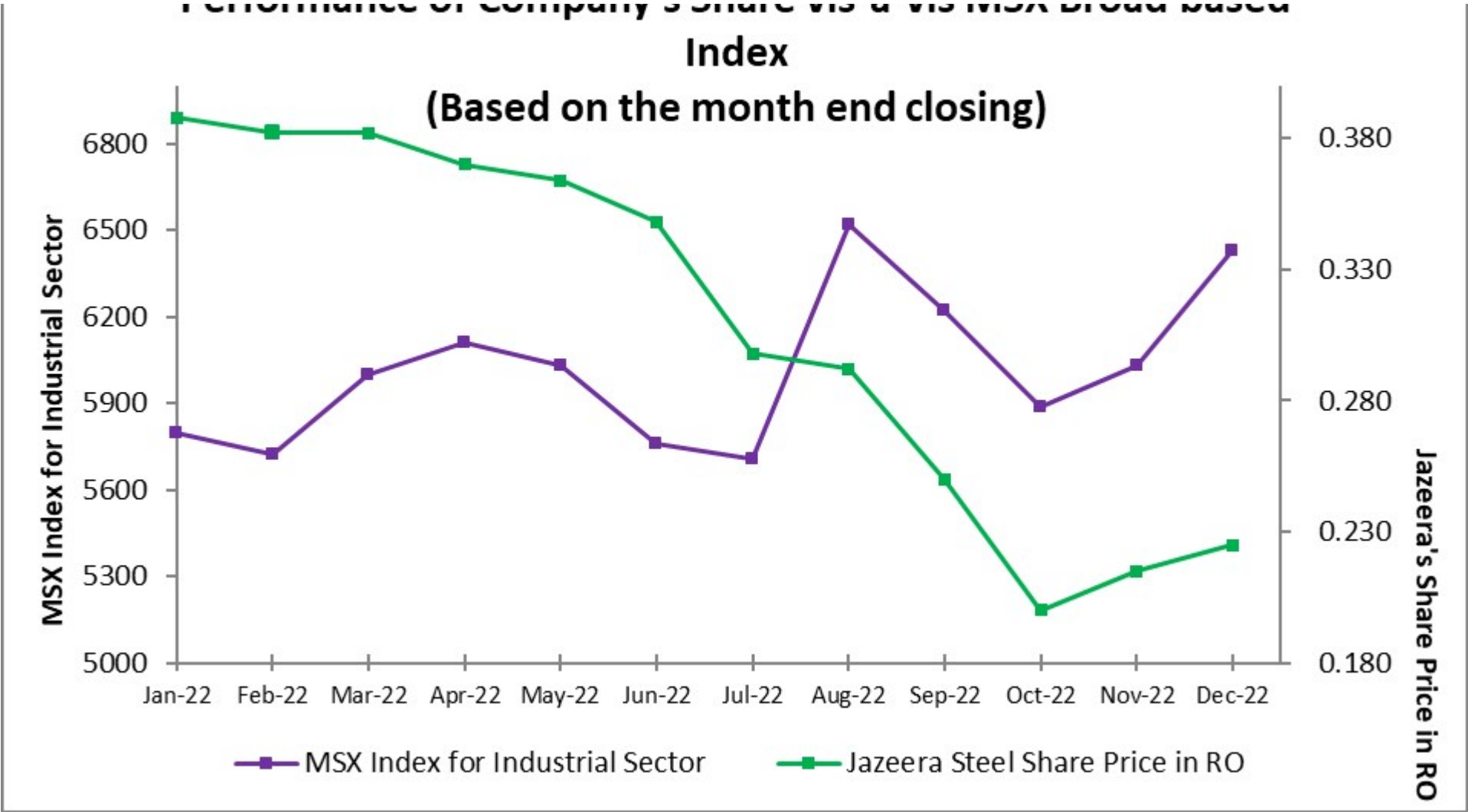
G. MARKET PRICE DATA

Market Price Data for the year 2022 – High / Low during each month:

Month	Company Share Price (RO)		MSM Industrial	
	High	Low	High	Low
January 2022	0.410	0.364	6,098	5,792
February 2022	0.412	0.376	5,834	5,680
March 2022	0.440	0.380	6,085	5,722
April 2022	0.410	0.368	6,227	5,981
May 2022	0.380	0.360	6,159	6,016
June 2022	0.368	0.346	6,057	5,733
July 2022	0.346	0.298	5,852	5,600
August 2022	0.312	0.280	6,550	5,712
September 2022	0.302	0.250	6,557	6,118
October 2022	0.252	0.200	6,353	5,886
November 2022	0.230	0.198	6,137	5,896
December 2022	0.239	0.198	6,444	5,824

Performance of the Company’s share price in comparison to the broad-based MSX Index of the Industrial sector in Oman during the year 2022 based on month-end closing is illustrated in the below chart:





H. Distribution of shareholding

Distribution schedule of each class of equity security with number of holders and percentage in the following categories as at 31 December 2022 is as follows:

-

Categories	No. of Shares	No. of Shareholders	% of Total Outstanding Shares
Less than 1%	17,426,141	842	13.95%
1% to less than 5%	18,636,056	8	14.92%
5% to less than 10%	25,137,803	3	20.13%
More than 10%	63,697,960	1	51.00%

Total	124,897,960	854	100.00%
--------------	--------------------	------------	----------------

The shareholding pattern of shareholders holding more than 5% as on 31 December 2022 was:

Name of the Shareholders	Total Shares	% of Share Capital
Ms. Amal Suhail Salim Bahwan	63,697,960	51.00%
Oman Investment Authority-2	9,362,776	7.50%
Civil Service Employees Pension Fund	8,318,686	6.66%
Oman Investment Authority-1	7,456,341	5.97%
Total	88,835,763	71.13%

The Company does not have any GDRs, ADRs, warrants or any convertible instruments as of 31 December 2022 and hence the likely impact on equity is NIL.

I. PROFESSIONAL PROFILE OF THE STATUTORY AUDITOR

BDO LLC, the statutory auditors of the Company, have been operating in the Sultanate of Oman since 1976. BDO LLC is an independent and legally distinct member firm of BDO International Limited. BDO, one of the leading professional services firms, providing industry focused Assurance, Tax and Advisory services, has over 111,000 employees working in a global network of 1,803 offices situated in 164 countries and territories.

BDO LLC is accredited by the Capital Market Authority to audit publicly listed joint stock companies (SAOGs) in Oman. BDO LLC billed an amount of RO 15,750 towards professional services (audit and related services) rendered to the Company for the year 2022.

J. DETAILS OF NON-COMPLIANCE WITH THE PROVISIONS OF CORPORATE GOVERNANCE

This Corporate Governance Report is prepared in compliance with the Code of Corporate Governance issued by the Capital Market Authority.

K. BOARD OF DIRECTORS ACKNOWLEDGES THAT:

The Company has all its systems and procedures formally documented and in place. The Company has “Internal Regulations” separately compiled as per regulatory requirements. The Board of Directors has reviewed this manual and approved it. The “Internal Regulations” has all the necessary and prescribed procedures. The Board has reviewed these regulations.

The Board of Directors is responsible to ensure that the financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the requirements of the Commercial Companies Law of the Sultanate of Oman and the Rules and Guidelines on disclosure prescribed by the Capital Market Authority.

There are no material events affecting the continuation of Al Jazeera Steel Products Co SAOG and its ability to continue its production operations during the next financial year.

Chairperson	Director
-------------	----------