

## **AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE SHAREHOLDERS OF OMAN REINSURANCE COMPANY SAOG IN RESPECT OF CORPORATE GOVERNANCE REPORT**

### **Scope and purpose**

We have performed the procedures agreed with you pursuant to the Capital Market Authority's (CMA) circular no. E/4/2015, dated 22 July 2015, with respect to the Board of Directors' Corporate Governance Report (the "Report") of Oman Reinsurance Company SAOG (the "Company") as at and for the year ended 31 December 2023 and its application of the corporate governance practices in accordance with amendments to CMA's Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 (collectively the "Code").

### **Restricted use**

This agreed-upon procedures report ("AUP Report") is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of the Company to be included in its annual report for the year ended 31 December 2023 and does not extend to any financial statements of Oman Reinsurance Company SAOG, taken as a whole.

### **Responsibilities of the Board of Directors**

The Board of Directors have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement and are responsible for identifying and ensuring that the contents of the Report comply with the Code on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company and its Board of Directors.

### **Responsibilities of the Practitioner**

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness, or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### **Our independence and quality control**

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and the independence requirements in accordance with the relevant independence requirements. We are the independent auditor of the Company and therefore we also complied with the independence requirements of the IESBA Code that apply in the context of the financial statement audit.

**AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE SHAREHOLDERS OF OMAN REINSURANCE COMPANY SAOG IN RESPECT OF CORPORATE GOVERNANCE REPORT (continued)**

**Our independence and quality control (continued)**

EY applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Description of procedures performed**

We have performed the procedures described below, which were agreed upon with you on the compliance of the Report with the Code for the year ended 31 December 2023.

Our procedures and findings included:

| No. | Procedures   | Findings             |
|-----|--|----------------------|
| (a) | We obtained the Corporate Governance Report issued by the Board of Directors and compared its contents to the minimum requirements of the CMA as set out in Annexure 3 of the Code.  | No exceptions noted. |
| (b) | We obtained from the Company details of the areas of non-compliance with the Code identified by the Company, as set out in its Board minutes and in its non-compliance checklist, and compared these with those included in the Report in the section "Details of non-compliance and penalties", together with the reasons for such non-compliance for the year ended 31 December 2023.<br><br>Additionally, we obtained written representations from the directors that there were no other areas of non-compliance with the Code for the year ended 31 December 2023 of which they were aware. | No exceptions noted. |



28 February 2024  
Muscat



## **OMAN REINSURANCE COMPANY S.A.O.G.**

### **Corporate Governance Report**

### **For the year ended 31<sup>st</sup> December 2023**

#### **1. Company Philosophy**

The Company is committed to execute all its operations in an environment of highest integrity and quality. We promote a culture of best practices, which are consistent with the corporate governance regulatory framework. Those best practices give the comfort to our various stakeholders that the Company's brand, image and goodwill is well protected. The Code of Conduct implemented in the Company is of the highest standards and it is implemented across all levels of the Company.

The main principles, which the Company applies to ensure that it is compliant with the various regulations are the following:

- a) The Board of Directors comprises of 7 Directors, with minimum of 4 independent directors'.
- b) The Internal Audit Department is managed by a senior staff member who is independent from the operation and reports directly to the Audit Committee.
- c) The Compliance Department is managed by a senior staff member who is independent from the operation and reports directly to the Risk Committee.
- d) Holding the Board Meetings and Committees in accordance with the laws and regulations of Sultanate of Oman.

#### **2. Annual General Meeting**

The Annual General Meeting for financial year ended 31<sup>st</sup> December 2022 was held on 26<sup>th</sup> March 2023 and the following items were discussed and approved:

1. The Board of Directors' report for the Company's activity and its financial position during the financial year ended on 31 December 2022.
2. The Report on Corporate Governance for the financial year ended 31 December 2022.
3. The Auditor's Report and Audited Financial Statement of the company for the financial year ended on 31 December 2022.
4. The report for the appraisal of the performance of the Board of Directors during the year ending 31 December 2022.
5. The related party transactions of the Company for the financial year ended 31st December 2022.
6. Ratify the payment of sitting fees to the Board of Directors and Sub-Committees for the financial year ended 31 December 2022 and to determine the sitting fees of the Board of Directors and Sub-Committees for the next financial year 31 December 2023.
7. Notify the General Assembly of donations disbursed to support community services during the financial year ended on 31 December 2022.

## 2. Annual General Meeting (continued)

8. The allocation of a budget of RO 15,000 (Fifteen Thousand Omani Rials) to support community services during the financial year ending 31 December 2023.
9. Appointment of the auditors for the financial year ending 31st December 2023 and fixing their fees.
10. Elect a new Board of Directors.

The following Board Members attended the Annual General Meeting held on 26<sup>th</sup> March 2023:

1. Dr. Juma Bin Ali Al Juma;
2. Shiekh Nasser Bin Ali Saud Al Thani
3. Mr. Pramod Kumar Hiran;
4. Mr. Kamal Tabaja
5. Sayyid Mohamed Bin Said Al Busaid; and
6. Mr. Gamal Mohamed
7. Mr. Mohammed El Ailah

## 3. Board of Directors

The composition of the Board of Directors as at 31<sup>st</sup> December 2023 is as following:

| Sr. No. | Name and Position                       | Category and Independence |                 | Other Directorships |
|---------|---|---------------------------|-----------------|---------------------|
| 1.      | Dr. Juma Bin Ali Al Juma                | Non-Executive             | Independent     | None                |
| 2.      | Sheikh Nasser Bin Ali Bin Saud Al Thani | Non-Executive             | Independent     | 5                   |
| 3.      | Mr. Gamal Mohamed                       | Non- Executive            | Independent     | 1                   |
| 4.      | Sayyid Mohamed Bin Said Al Busaid       | Non-Executive             | Independent     | None                |
| 5.      | Mr. Kamal Tabaja                        | Non-Executive             | Non-Independent | None                |
| 6.      | Mr. Mohammed El Ailah                   | Non-Executive             | Non-Independent | 1                   |
| 7.      | Mr. Pramod Kumar Hiran                  | Non-Executive             | Independent     | 2                   |

### **3. Board of Directors (continued)**

#### **3a. Profile of the Current Board of Directors:**

##### **Dr. Juma Bin Ali Al Juma Chairman**

Holder of a PhD in Political Sciences, a master's degree in Political Sciences and bachelor's degree in Economics and Political Sciences. From 2001 to 2008, he was Minister of Manpower and more recently from 2010 to 2015, Dr. Juma was Chairman of Board of Directors at Oman Airports Management Company. His previous directorships include Chairman of the Board of Trustees and Chief of the Founding Committee at Muscat University; Chairman of Oman International Bank; Senior Independent Director as well as Independent Non-Executive Director of HSBC Bank, Oman and Chairman of the Board of Directors at Al Maha Petroleum Products Marketing Company.

##### **Sheikh Nasser Bin Ali Bin Saud Al Thani Deputy Chairman**

Sheikh Nasser has vast experience within the Insurance and Banking sectors and sits on the Boards of several regional organizations. Shiekh Nasser is currently a board member in Ahli bank- Qatar, Trust Bank – Algeria, Expatriates Investment Holding – Jordan, Trust Insurance – Algeria and Trust International Insurance – Palestine. Previously, he was the Chairman and Managing Director of Qatar General Insurance and Reinsurance Company – Qatar and Chairman and Managing Director of General Takaful Company - Qatar.

##### **Gamal Mohamed Member**

Mr. Gamal Mohamed graduated from college of commerce of Alexandria University in 1977. His core competency lies in the area of taxation with experience with Egyptian Tax Authority and the Secretariat General of Taxation, Sultanate of Oman until his employment with Omar Zawawi Establishment as tax advisor since 2000. Mr. Gamal is currently a board member in Muscat Finance Company S.A.O.G.

##### **Sayyid Mohamed Bin Said Al Busaid Member**

Sayyid Mohamed Bin Said Al Busaid is the Chief Executive Officer at Al Ekhlas International LLC, Muscat since 2016. With broad experience within the corporate governance and legal affairs, Sayyid Mohamed earlier was an Associate at Al Busaidi Mansoor Jamal – Barristers and Legal Consultants. He was the board member of Muscat University. He holds a Bachelor of Business degree with management concentration, a Master of Laws degree in International Commercial Law and PHD in Islamic Finance from SOAS University of London.

### **3. Board of Directors (continued)**

#### **3a. Profile of the Current Board of Directors (continued):**

##### **Kamal Tabaja Member**

Mr. Kamal Tabaja is the Group Chief Operating Officer at Trust Re since 2014 and CEO of Trust Insurance Management (TIM), Bahrain since 2016. Mr. Tabaja is a graduate in Systems and Computer Engineering from Carleton University in Canada and a fellow of the UK-based Chartered Insurance Institute (FCII). He commenced his Reinsurance career with Trust Re in 2002 in the Treaty Department. He moved several positions within the company in the Property and Engineering sections and thereafter led the Energy section. In 2013, Mr. Tabaja was promoted as Group Chief Underwriter to be followed in 2014 to his current position as Group COO, whereby he leads the operations and underwriting teams.

##### **Mohammed El Ailah Member**

Mr. Mohamed El Ailah is the CEO – Insurance at Qatar General Insurance and Reinsurance Company (QGIRCO). With over 20 years of broad experience within the regional insurance space, Mr. El Ailah has held many leadership and Board-level positions throughout his career. He has previously worked as Head of Underwriting and COO – Insurance at QGRICO, and as General Manager at General Takaful Company, Qatar. He is currently a Board Member at General Takaful Company. Mr. El Ailah holds master's degree in Insurance and Risk Management from Cass Business School of the City University of London; bachelor's degree in Mechanical Engineering from the American University in Cairo; and he is also an Associate of the Chartered Insurance Institute, UK.

##### **Pramod Kumar Hiran Member**

Mr. Pramod Kumar Hiran is a Science graduate, an Associate Member of the Institute of Chartered Accountants of India, and a Member of the Institute of Cost Accountants of India. He has over 30 years of professional experience working in India and Oman. He is also on the Board of Muscat Finance SAOG, National Detergents Co. SAOG as an independent director

#### **3b. Procedure for Nomination of Directors**

The Company follows the provisions of the Commercial Companies Law of Oman, Capital Market Authority's (CMA's) directives and other guidelines in respect of nomination for the membership of the Board of Directors.

### 3. Board of Directors (continued)

#### 3a. Profile of the Current Board of Directors (continued):

#### 3c. Board Meetings:

During the year, 6 meetings of the Board of Directors were held on 13<sup>th</sup> February, 3<sup>rd</sup> April, 30<sup>th</sup> April, 26<sup>th</sup> July, 16<sup>th</sup> November and 21<sup>st</sup> December 2023. Details of members' participation in the Board and Committee meetings along with sitting fees paid are given in the table below:

| Name of Director                        | Position        | Board Meetings Attended | Board Committee Meetings Attended | Sitting Fees (OMR) |
|---|-----------------|-------------------------|-----------------------------------|--------------------|
| Dr. Juma Bin Ali Al Juma                | Chairman        | 6                       | 2                                 | 7,200              |
| Shaikh Nasser Bin Ali Bin Saud Al Thani | Deputy Chairman | 4                       | 2                                 | 6,200              |
| Mr. Kamal Tabaja                        | Director        | 6                       | 6                                 | 9,600              |
| Sayyid Mohamed Bin Said Al Busaid       | Director        | 5                       | 6                                 | 8,600              |
| Mr. Pramod Kumar Hiran                  | Director        | 6                       | 2                                 | 7,200              |
| Mr. Gamal Mohamed                       | Director        | 6                       | 4                                 | 8,400              |
| Mr. Mohamed El Ailah                    | Director        | 6                       | 2                                 | 7,200              |

### 4. Audit Committee of the Board

The main role of the Audit Committee of the Board (ACB) is to:

- 1) Assist the Board in appointment of external and internal auditors in the context of their independency, compensation and terms of engagement.
- 2) Assist the Board in overseeing and reviewing the financial statements of the Company.
- 3) Oversee internal audit function and adequacy of internal controls.
- 4) Review and recommend to the Board about Company's policies related to all the accounting practices.
- 5) Any other matter provided in the Code of Corporate Governance.

The Committee comprises of 2 independent and 1 non-independent Directors as of 31<sup>st</sup> December 2023. Mr. Gamal Mohamad is the Chairman. During the year, 4 meetings were held on 13<sup>th</sup> February, 30<sup>th</sup> April, 26<sup>th</sup> July and 15<sup>th</sup> November 2023. Details of members' participation in the meetings are given in the table below:

#### 4. Audit Committee of the Board (continued)

| Name of Director                  | Position | Meetings Attended |
|-----------------------------------|----------|-------------------|
| Mr. Gamal Mohamed                 | Chairman | 4                 |
| Mr. Kamal Tabaja                  | Member   | 4                 |
| Sayyid Mohamed Bin Said Al Busaid | Member   | 4                 |

The ACB discussed and recommended to the Board to approve, if required, the following:

- 1) Financial statements submitted by the Management
- 2) Actuarial reports
- 3) External Auditor's report including Management letter and Management comments
- 4) Internal Auditor's reports including Management comments
- 5) Internal Audit Policies and procedures
- 6) Any other matter required by regulations

The minutes of the ACB meeting were discussed and approved in the subsequent Board Meeting.

#### 5. Risk Committee of the Board

The purpose of the Risk Committee of the Board (RCB) is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation, and mitigation of strategic, operational, and external environment risks. The committee has an overall responsibility for monitoring and approving the risk management framework of the Company.

The RCB comprises of 2 non-independent Directors and one independent Director as of 31<sup>st</sup> December 2023. Mr. Kamal Tabaja is the Chairman. During the year, 2 meetings were held on 30<sup>th</sup> April and 15<sup>th</sup> November 2023. Details of members' participation in the meetings are given in the table below:

| Name of Director       | Position | Meetings Attended |
|------------------------|----------|-------------------|
| Mr. Kamal Tabaja       | Chairman | 2                 |
| Mr. Pramod Kumar Hiran | Member   | 2                 |
| Mr. Mohammed El Ailah  | Member   | 2                 |

The RCB discussed and recommended to the Board to approve, if required, the following:

- 1) Risk profile and risk management system framework of the Company.
- 2) Retrocession program and policy presented by the Management.
- 3) Actuary Report.
- 4) Adequacy of IBNR provision.
- 5) Risk Reports presented by the Risk Department.
- 6) Investment Plan for 2024.
- 7) Various investment proposals.
- 8) Rating agency related matters.
- 9) Various regulatory compliance related matters.
- 10) Policies and procedures.
- 11) Any other matter required by regulations.

The minutes of each RCB meeting were discussed and approved in the subsequent Board Meeting.



## 6. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) was formed to assist the Board of Directors of the Company in monitoring and managing in the matters of recruitment, compensation, salaries, etc. Also, to provide consultancy to the Company with regards to employing and compensating.

The NRC consists of 3 independent Directors. Shaikh Nasser Bin Ali Bin Saud Al Thani is the Chairman of the Committee. During the year, 2 meetings were held on 13<sup>th</sup> February and 16<sup>th</sup> November 2023. Details of members' participation in the meetings are given in the table below:

| Name of Director                        | Position | Meetings Attended |
|---|----------|-------------------|
| Shaikh Nasser Bin Ali Bin Saud Al Thani | Chairman | 2                 |
| Dr. Juma Bin Ali Al Juma                | Member   | 2                 |
| Sayyid Mohamed Bin Said Al Busaid       | Member   | 2                 |

The NRC discussed and recommended to the Board to approve, if required, the following:

- 1) Update on the Human Resource and Trainings including appointment, resignation, promotion and increments.
- 2) Human Resources Policies and Procedures.
- 3) Discussion of a report on HR matters which included the job vacancies, compensation and benefits, recruitment and resignation of key staff members.
- 4) Hiring of key positions.
- 5) Any other matter required by regulation.

The minutes of each NRC meeting were discussed and approved in the subsequent Board Meeting.

## 7. Profile of Executive Management

### Mr. Romel Tabaja, Chief Executive Officer (CEO)

Romel holds a B.Sc. in Banking and Finance from the Lebanese American University in Beirut. Prior to being appointed to the Oman Re team in 2016, he was Deputy CEO at Trust Re for five years. Romel's multifaceted experience comprises a variety of challenging underwriting positions, marketing, managing portfolios as well as general management. He has a Certificate in Reinsurance along with a Diploma in Insurance. He has also completed Executive Management and Financial Programs at INSEAD Business School, France. Mr. Tabaja was elected as deputy chairman of Oman Insurance Association since 2020.

### Mr. Khaled Nouri, Chief Operating Officer (COO)

Khaled holds a Master's degree in Insurance and has more than 25 years of non-life reinsurance experience. He enjoys in-depth knowledge of the reinsurance business, both in Treaty and Facultative, within the Afro-Asian region. He has held underwriting, marketing and managerial positions with regional and international reinsurance companies before joining Oman Re as COO in 2016.

## 7. Profile of Executive Management (continued)

### Mr. Muzamil Hussain, Chief Financial Officer (CFO)

Muzamil is a Chartered Accountant from Pakistan and has more than 15 years of experience. He has worked in different industries in the fields of Accounting and Finance. He has held managerial positions in big four audit firms and an international reinsurance company prior to joining Oman Re.

The total remuneration including salary, benefits and end of service contributions for the top three executives during the year were OMR 388,098.

The Executive Management of the Company prepares a Business Plan, which sets out the objectives, goals and targets of the company for the respective year and Management Plan to achieve such goals and targets. The Executive Management coordinates with all Departments of the Company's divisions to set their goals based on the overall Business Plan of the Company. The Board of Directors review the Company's Business Plan during the year and by end of the year, the Board evaluates the performance of the Executive Management and employees in general and decides on the bonus to be paid to the management and the staff based on their respective performances.

## 8. Communication with Shareholders

In accordance with Article 217 of Commercial Companies' Law No 18/2019 as amended, the Company will be sending the Audited Financial Statements, Board of Directors' and the Corporate Governance Reports, and the Related Party Transactions to the shareholders. Further, the Company will send an invitation to the shareholders to attend the Annual General Meeting with the agenda of the meeting, in compliance with the requirements of Commercial Companies Law and CMA regulations. Furthermore, the company is publishing the quarterly and annual financial results on its official website to make them available to all shareholders.

Given below are the details of the shareholders, their shares and percentage of shareholding (more than 5%) as on 31<sup>st</sup> December 2023 as per the Muscat Clearing and Deposit Company records:

| Sr. No. | Name of the Shareholder                                     | No of Shares       | Holding %   |
|---------|---|--------------------|-------------|
| 1       | Qatar General Insurance & Reinsurance Company QPSC          | 73,750,200         | 22.296%     |
| 2       | Trust International Insurance & Reinsurance Company BSC (C) | 89,916,700         | 27.184%     |
| 3       | Omar Zawawi Establishment                                   | 27,642,650         | 8.35%       |
| 4       | Zawawi Trading Company LLC                                  | 28,500,000         | 8.616%      |
| 5       | Ziliano Investments   | 30,000,000         | 9.070%      |
| 6       | Others – holding less than 5%                               | 80,966,050         | 24.477%     |
|         | <b>Total</b>  | <b>330,775,600</b> | <b>100%</b> |

## **9. Profile of the Statutory Auditors:**

In the AGM held on 26 March 2023, the statutory auditors ERNST & YOUNG ('EY') were appointed.

EY is a global leader in assurance, tax, strategy & transactions, and consulting 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. For over 100 years, we have grown to over 8,000 people united across 26 offices and 15 countries, sharing the same values and an unwavering commitment to quality. EY MENA forms part of EY's EMEA practice. Globally, EY operates in more than 150 countries and employs 395,000 professionals in 700 offices. Please visit [ey.com](http://ey.com) for more information about EY. Ernst & Young billed an amount of OMR 81,250 for review and audit services of the Company's financial statements and non-audit services were billed for an amount OMR 2,750.

This was as per the recommendation of the Board of Directors' and approved by the Company's Ordinary General Meeting.

## **10. Business Management & Performance for 2023:**

A copy of management discussion and analysis is included in the annual report.

In view of the Management Discussion and Analysis Report, the Board of Directors appreciate the efforts made by the management to improve profitability of the Company during the past year, regardless of the various challenges faced by the global economy and the Re/insurance market in particular.

## **11. Movements in the share price:**

The company was listed at MSX on 1<sup>st</sup> November 2021 with issue price of 85 baiza plus 1 baiza issue expenses. There was no movement recorded in the share price during 2023 since the closure of the IPO.

## **12. Related party transactions**

Related parties comprise of the shareholders, directors, key management personnel, business entities and any party having the ability to control or exercise significant influence in financial and operating decisions. The Company entered into transactions with shareholders (refer note 22 of the Financial Statements) with significant influence, with entities where Directors have an interest (other related parties) and with senior management. The terms of the transactions are mutually agreed (Refer to note 22 of the Financial Statements).

### 13. Acknowledgement by the Board

We, the Board of Directors, hereby confirm that:

- 1) The Financial Statements are prepared and presented in accordance with the International Financial Reporting Standards (IFRS). They are audited by the Company's External Auditors.
- 2) Related party transactions are highlighted in the Financial Statements.
- 3) The Company has an independent Internal Audit Department and Compliance Department.
- 4) There are no material facts or issues, which will affect the Company's ability to continue its operations in the next financial years.
- 5) The regulators have not imposed any penalties on the Company during the reporting period.
- 6) The Board of Directors acknowledge their responsibility for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the disclosures requirements of the Capital Market Authority and the Commercial Companies Law of 2019. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

  
**Dr. Juma Bin Ali Al Juma**  
**Chairman of the Board**